

## Investment Objective

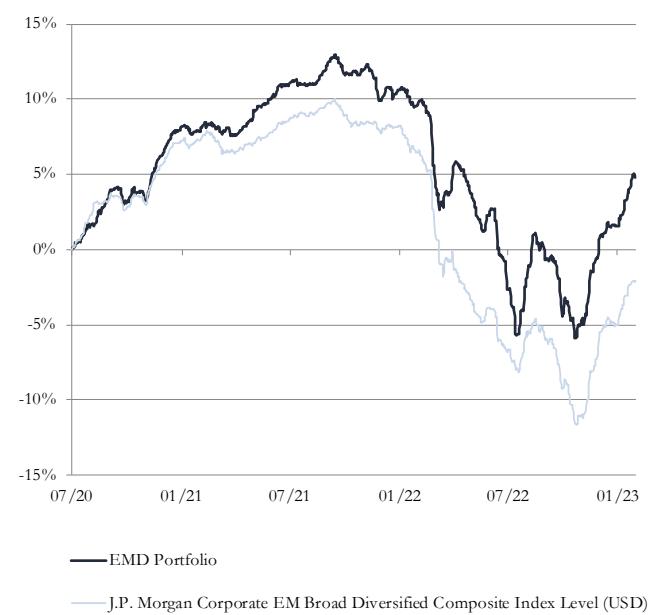
Our Emerging Market Corporate Debt strategy invests in a concentrated portfolio of hard currency corporate, emerging market debt.

We believe that a concentrated portfolio following our principles of quality and value is the best way to deliver income, upside opportunity and downside protection.

This means that we invest in key businesses in their respective industries and geographies, with strong underlying fundamentals, able to navigate through cycles. We favour companies with strong business models, financial strength & predictable cash flows.

Investment objective to generate a total return of 5-6%, net of fees, from income and capital growth over the medium term with low volatility and exposure to macro-economic risks with a standard deviation of 4-6%.

## EMD Strategy Performance, USD



## Performance Analysis

	Jan-23	3M	2023 YTD	Since Inception	
				1 Yr	Cumulative
Portfolio	+3.1	+10.3	+3.1	-4.4	+4.8
JPM CEMBI BD	+3.0	+10.2	+3.0	-8.1	-2.1
					+1.8
					-0.8

Performance is of the Emerging Market Corporate Debt strategy with inception date of 1/7/20. Shown net of 1% fees per annum, deducted quarterly in arrears. Past performance is not a reliable indicator of future results; the value of any investment can fall as well as rise; and returns may increase or decrease as a result of currency fluctuations. Benchmark: JPM CEMBI Broad Diversified. Source: SS&C Technologies, Bloomberg.

## Top 5 Credit Holdings

Issuer	Sector	% of Total Portfolio
AES Andes	Utilities	3.6%
HTA Group	Industrial	3.5%
MAF Global	Financial	3.1%
Ihs Us	Industrial	3.1%
Alsea	Consumer, Cyclical	3.0%

## Strategy Characteristics

Average Credit Rating	BB-
Duration	4.0
Spread	611
Yield to Maturity	11.1%
Yield to Worst	10.9%
Current Yield	7.4%
Average Bond Price	89.5

## Portfolio Comment

The strategy was up +3.1% for the month with all sectors and geographies contributing positively. Overall risk sentiment improved on expectations that Fed policy tightening will moderate and with tailwinds from China's re-opening. This backdrop combined with attractive valuations led to sizeable inflows into the asset class. Credit spreads tightened marginally and now trade around 50 basis points inside the last 20-year average.

Primary Eurobonds markets looked to be gradually opening as bond yields decline, which is particularly relevant in Sub-Saharan Africa given greater reliance on external financing. Corporates in the region were some of the top performers during the month. *Tullow Oil's* (Ghana; energy) FY22 operational update was in line with guidance and FY23 production levels are expected to be flat year-on-year. Importantly the company also signalled intent to reduce debt via bond buybacks which was positive for bond prices.

In Argentina, the government appeared to be regaining credibility after passing the latest IMF review and announcing a USD buyback program on the sovereign debt, aimed at helping corporates access financing and improving their debt profile. This helped continue the broad rally in Argentine corporate bonds including *YPF* (energy).

Going forward, performance will continue to be driven by macro conditions. There are signs focus is shifting to concerns about an economic slowdown, which likely indicates interest rates are peaking. Credit fundamentals are starting from a strong base, albeit a moderation in growth could see credit metrics slide. Importantly, companies have been proactive in terming out debt maturities at low fixed rates which mitigates them from refinancing risk in a higher rate environment.

## Strategy Statistics

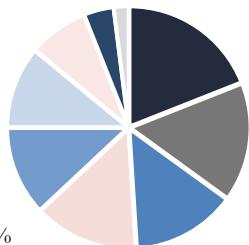
Cash %	4.6%	Average Monthly Return	0.2%
IG / HY / NR	7% / 86% / 7%	Best Monthly Return	Nov '22 5.4%
No. Issuers/ Issues	39 / 43	Worst Monthly Return	Jun '22 -4.9%
No. Sectors	9	% Positive Months	58.1%
Sharpe Ratio	-0.38	Volatility	7.5%

## Top 5 Countries of Risk

Country	% of Total Portfolio
Mexico	19.9%
Brazil	14.4%
South Africa	10.1%
Turkey	8.8%
U.A.E.	7.4%

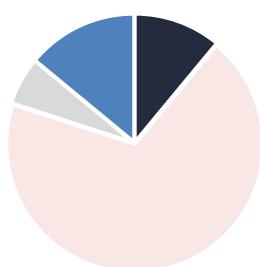
## Sector Split

- Energy 19%
- Communications 16%
- Materials 14%
- Consumer Staples 14%
- Financials 12%
- Industrials 11%
- Consumer Discretionary 8%
- Utilities 4%
- Diversified 2%



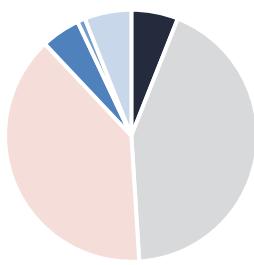
## Rank

- 1st Lien 11%
- Senior Unsecured 69%
- Subordinated 6%
- Junior Subordinated 14%



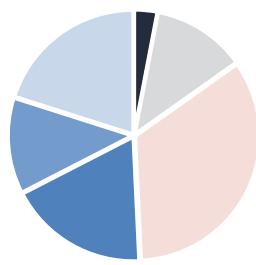
## Credit Rating (exc. cash)

- BBB (+/-) 6%
- BB (+/-) 43%
- B (+/-) 39%
- CCC (+/-) 5%
- C (+/-) 1%
- Not Rated 6%



## Duration

- <=1 3%
- >1 & <=2 12.2%
- >2 & <=3 34.1%
- >3 & <=4 18.2%
- >4 & <=5 12.5%
- >5 20.1%



## Monthly Performance, % Total Return, USD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	JPM CEMBI	Excess
2020	-	-	-	-	-	-	+1.6	+1.9	-0.4	+0.1	+3.1	+1.6	+8.2	+7.3	+0.9
2021	-0.3	+0.2	-0.4	+1.5	+0.8	+1.0	-0.1	+1.2	-0.5	+0.2	-1.8	+0.7	+2.4	+0.9	+1.5
2022	-0.9	-4.1	+0.3	-1.7	-1.4	-4.8	+0.2	+2.5	-4.3	-0.7	+5.4	+1.5	-8.2	-12.3	+4.1
2023	+3.1	-	-	-	-	-	-	-	-	-	-	-	+3.1	+3.0	+0.1

## Strategy Information

Sub-Fund	J. Stern & Co. Emerging Market Debt Stars Fund
Vehicle	Alpha UCITS SICAV
Domicile	Luxembourg
Legal Structure	SICAV
Investment Manager	J. Stern & Co. LLP
Portfolio Managers	Charles Gélinet, Jean-Yves Chereau
Management Company	Waystone Management Company (Lux) SA
Depositary & Administrator	RBC Investor Services Bank SA
Auditor	Deloitte Audit S.à.r.l.
Regulation	UCITS authorised by the CSSF
Legal & Tax Advisor	Allen & Overy, Luxembourg
Reference Currency	US Dollar

Share Class	A
Eligibility	All
Minimum Investment*	1m
Management Fee	0.90%
Target OCF*	1.20%
Acc/Dist	Accumulation
Currencies	USD and hedged GBP
Alternative fee structure	Reduced annual management fee with additional performance fee available
Dealing Day	Every business day in Luxembourg & London
NAV	Available by close of business day after Dealing Day
Subscriptions & Redemptions	Every business day until 3pm Luxembourg time, one business day before the Dealing Day
	Additional share classes available upon request
Launch Date	31 <sup>st</sup> January 2023

\* Minimum investment is stated in the currency of the share class; Target OCF is the Investment Manager's target for the OCF of the USD share class. J. Stern & Co. provides this document for information only. The information provided should not be relied upon as a recommendation to purchase any security or other financial instrument. The views expressed from the date of publication are those of J. Stern & Co. and/or the actual author(s) and are subject to change without notice. The value of any investment can fall as well as rise; past performance is not a reliable indicator of future results; and returns may increase or decrease as a result of currency fluctuation. Information within this document has been obtained from either (a) sources believed to be reliable at the date of publication, but no warranty of accuracy is given or (b) one or more of the recipients. Should the information from a recipient or the investment objective stated be incorrect, it is important that the recipient updates J. Stern & Co. immediately, so that we can ensure that any investment service that it may provide is suitable. That information forms the basis of any mandate given to J. Stern & Co. to provide an investment service.

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