World Stars Global Equity Fund
Q4 2020

Quarterly Investment Commentary

25th January 2021

Dear Investors,

Our World Stars Global Equity Fund ended the year up +19.4%, buoyed by a strong performance in Q4 up +9.3%, both in US dollar terms. Our fund outperformed the MSCI World Index by 2.9% for the full year and proved the resilience of our investment approach during a volatile and challenging year.

Looking back at 2020 we are pleased to report on broad-based performance across our holdings, reflecting the strength of our companies amidst the unprecedented social and economic crisis that Covid-19 unleashed.

Our holdings within the digital and technology space emerged as key beneficiaries of the switch to online, whether through purchasing, entertainment and socialising activity by consumers, or advertising and selling activity by businesses. Within healthcare, several of our holdings emerged as key solutions providers in the fight against Covid-19, providing critical testing kits to monitor the virus' spread, but also equipment and solutions that powered the vaccine development, which will ultimately bring the virus under control.

Within industrials, companies quickly pivoted their businesses to take advantage of new customer needs, whether that was sensors for ventilators and patient monitoring equipment, connectors for communication systems to meet the surge in bandwidth requirements, warehouse automation equipment to meet the increase in online shipments, or PPE equipment to shield healthcare workers. At the same time, construction related companies benefited from the expectation of robust construction activity going forward as governments announced infrastructure plans to help reignite battered economies.

Finally, within the broader consumer space our companies benefitted from stable demand for consumer products in food, flavour & fragrance as well as cosmetics, skincare and haircare, all of which were resilient as customers shifted their consumption due to social distancing measures.

On the weaker side during the year were some of the businesses affected by the Covid-19 related disruption. That included most notably aviation, where the halt in commercial travel weighed on the company's results, despite the resilience of the defence business. Similarly, our holdings in spirits companies came under pressure as restaurants and pubs remained shut, whilst demand for lenses and sunglasses was affected by the closure of retailing sites globally. Another affected area was medical devices as hospitals globally struggled to deal with the surge in Covid-19 patients and elective procedures kept being cancelled, affecting some of our holdings.

Our holdings were shielded by their financial strength and robust cash flows as well as the swift cost-cutting measures that managements instigated. Many were able to use their strong balance sheets to raise capital expenditure and pursue add-on acquisitions to strengthen their competitive positions. They are now well placed as vaccinations are rolled out globally, normality returns and demand rebounds. We expect these companies to lead our performance in 2021 as their revenues and earnings recover sharply.

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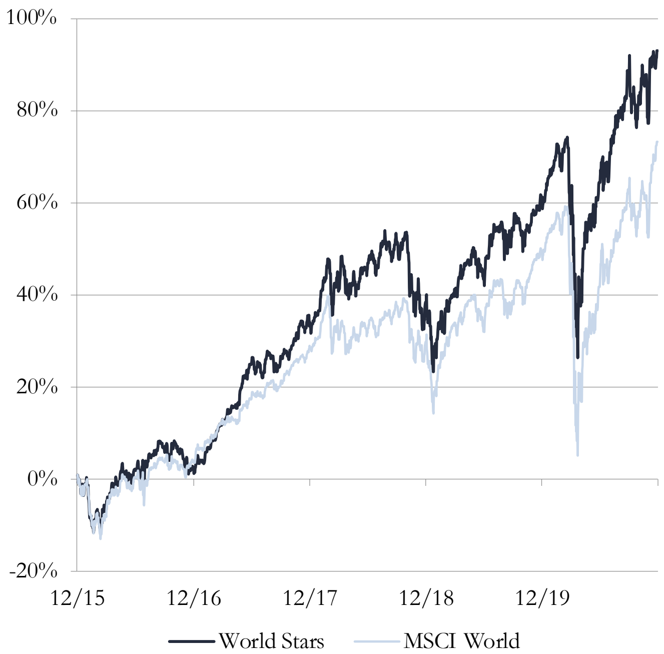
Performance

Increased confidence in a sharp cyclical recovery through 2021-22 and the announcement of the first successful trials for Covid-19 vaccines in November drove global equity markets higher in Q4. As in previous turning points, the rally in equities was characterized by a strong rotation towards 'value', as investors focused on stocks that had lagged. 'Growth' stocks were generally overlooked and our fund underperformed the MSCI World Index by 4.8% in the quarter. However, we view this market rotation as an opportunity for investors to buy 'growth' at attractive valuations.



	Dec-20	YTD	4Q20	1Yr.	3 Years		5 Years		Since Inception	
					Cumulative	Annualised	Cumulative	Annualised	Cumulative	Annualised
Fund (USD)	+3.4	**+19.4**	+9.3	+19.4	+45.3	**+13.3**	+98.8	**+14.7**	+154.4	**+12.0**
MSCI World	+4.3	**+16.5**	+14.1	+16.5	+37.2	**+11.1**	+82.6	**+12.8**	+149.4	**+11.7**

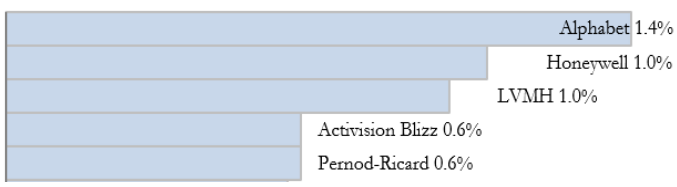
Source: SS&C Technologies, Bloomberg, J Stern & Co. As at 31/12/2020. Performance is that of the World Stars Global Equity Fund, A1 USD Share class, launched on 08 April 2019. Prior to launch date performance was that of the World Stars strategy, based on total return (with dividends reinvested) and 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. Inception of the strategy 1/10/12.

Many of our stocks have been buoyed by the positive news on vaccine approvals, with our consumer and industrial stocks affected badly by the pandemic now showing signs of recovery. We expect this trend to continue as economies open and return to normalisation.

During the quarter our companies have reported consistently robust trading results in Q3 2020, with a majority producing very satisfactory numbers despite difficult market conditions. This trading performance underlines the quality of our stocks and the ability of management teams to pivot the business model in response to major changes in the trading environment.

Top Five Contributors

Our top five stocks were spread across three broad sectors through which we categorise our portfolio – digital transformation, consumer, and industrials & infrastructure. Each company is beginning to recover to pre-covid levels.



Alphabet rose 19.2% in the quarter, rounding off 2020 as one of the fund's top performers. The company reported Q3 results that far exceeded market expectations, with EPS of $16.40 versus a consensus of $11.29. Revenues of $46.2bn were 8% ahead of the estimated $42.9bn and margins rose significantly. These results were driven by strong growth in the core advertising business, with YouTube ad revenues up 32% YoY to over $5bn in Q4. The significant growth in E-commerce during the Covid-19 pandemic has continued to fuel higher demand for online advertising, and we believe these structural shifts mean Alphabet has a long runway of growth ahead.

Honeywell's Q3 results were ahead of expectations with EPS of $1.56 vs. the consensus of $1.47. On an organic basis revenue declined by 14%, impacted by the downturn in global aerospace and volatility in energy markets. The company highlighted its actions on costs, having realised $1.1bn in cost savings in 2020, and Q3 EBIT margins of 19.9% were 50bps higher than market estimates. Despite difficult market conditions, Honeywell continues to create new growth opportunities, developing the Sustainable Technologies unit focused on plastics recycling, energy storage and renewable fuels. The company is in a strong competitive position with robust finances and we are confident of further significant growth in shareholder value.

LVMH's Q3 results saw revenues beat market expectations by 5%. While organic sales declined 7%, the two most profitable divisions of Wines & Spirits and Fashion & Leather Goods reported strong revenues. Fashion & Leather Goods accounted for 62% of group profits last year, and reported organic revenue growth of 12%, defying market expectations of a 1% decline. The stock rose 6-7% on the results. We continue to believe that LVMH will emerge from the pandemic stronger and continue to lead in the luxury goods sector.

Pernod-Ricard's Q1 results to end September showed a marked improvement in underlying trading, but still a decline YoY. On an organic basis revenues fell -6% vs. a -36% reduction in Q4 FY2020. In the Americas sales rose 5%, but were -7% down in Europe and -18% in Asia/ RoW. The off-trade remained resilient, especially in the USA and Europe, and there was some benefit from a partial re-opening of the on-trade. The company reported on strong shipments in Q2 in the US and China, and we anticipate a return to sales growth in the second half of FY2021. A recovery in travel retail will benefit FY2022.

Activision Blizzard continued to benefit from strong demand growth for its games during the pandemic. It reported Q3 results significantly ahead of expectations, with EPS of $0.88 vs. the $0.75 previously guided by the company. Revenues of $1.95bn were 8% above previous guidance of $1.80bn. The company highlighted their *Call of Duty* franchise as the biggest driver of growth, with 111m monthly active users during the quarter and a four-fold rise in in-game net bookings YoY. These results reaffirm our belief that the company is well placed for further growth in the future as they continue to develop more games across a widening range of platforms.

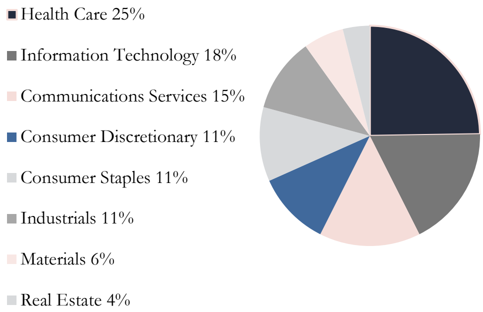
Source: Bloomberg, SS&C Technologies, J. Stern & Co. As at 31/12/20.

Portfolio Composition

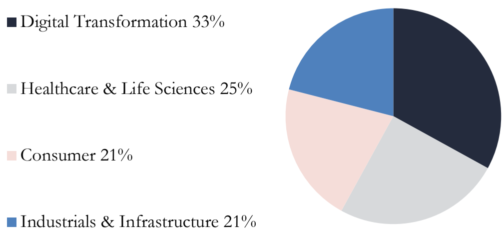
In overall terms the composition of the fund saw little change during the quarter, whether measured by geography or by industry. The quarter saw a notable rotation towards consumer and industrial names, such as LVMH and Honeywell. This was a stark contrast to earlier in 2020, where performance was largely fuelled by our holdings in digital transformation and healthcare. Industrial companies are being driven by higher capex and government infrastructure spend, while consumer stocks will continue to benefit from the economic recovery throughout 2021-22.

We have added no new holdings during the quarter, instead reallocating some assets from digital stocks towards our industrial and consumer holdings. This was to take advantage of the marked rotation towards 'value', creating a good opportunity for us in these long-term growth companies.

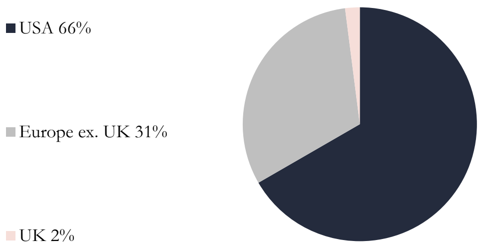
GICS Sector Allocation



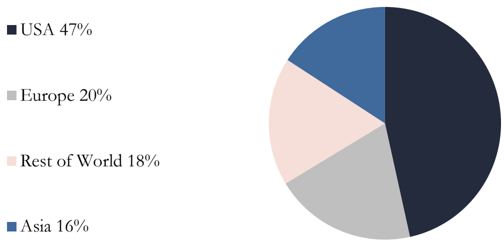
J. Stern & Co. Allocation



Geographic Exposure by Listing



Geographic Mix of Sales



Source: Bloomberg/SS&C Technologies. As at 31/12/20

Outlook

As we said at the beginning of the year, we are optimistic because the fundamentals of our companies are strong. Those in technology and digital businesses that have been resilient will continue to do well. Others in consumer products, healthcare and industrials that have been impacted will rebound and are coiled for performance.

Valuations for our companies are attractive even if markets are at the higher end of their ranges, and some of the biggest companies in the world that we do not own are clearly overvalued. We see no point in timing markets, but we think the turnaround during the year will come, possibly sooner than expected, in terms of disease numbers declining and economies opening up, but almost certainly in terms of markets anticipating the reopening and repricing stocks.

There will be setbacks, but the underlying fundamentals mean that any volatility in markets should be taken as an opportunity by long-term investors.

Yours faithfully,

Christopher Rossbach

Katerina Kosmopoulou, CFA

Monthly Performance, % Total Return, USD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	MSCI World	Excess return
2012	-	-	-	-	-	-	-	-	-	-1.8	+4.2	+0.4	+2.8	+2.0	+0.8
2013	+3.3	+5.4	+0.8	+1.4	-1.1	-2.8	+3.3	-2.9	+6.2	+4.2	+1.7	+1.9	+23.1	+27.3	-4.2
2014	-5.7	+6.5	-0.5	+1.8	+1.9	+1.9	-4.6	+2.6	-3.1	-0.8	+2.2	-2.8	-1.3	+5.5	-6.8
2015	-0.4	+5.3	-2.8	+2.8	+1.6	-4.2	+2.7	-7.8	-4.3	+10.0	+0.9	-1.3	+1.4	-0.3	+1.7
2016	-5.7	+0.4	+7.1	+1.2	+0.7	+1.8	+2.5	-0.4	+2.4	-3.7	-2.1	+1.5	+5.0	+8.1	-3.1
2017	+4.7	+3.1	+3.5	+3.4	+4.4	-1.6	+2.5	+0.4	+1.1	+4.4	+0.3	+1.8	+31.8	+23.0	+8.8
2018	+8.1	-3.3	-0.9	+0.3	+2.7	+0.5	+3.0	+0.4	+1.1	-9.3	-0.4	-6.5	-5.2	-8.2	+3.0
2019	+5.8	+1.9	+4.2	+3.2	-4.5	+6.1	+1.1	+0.4	-0.4	+2.5	+2.3	+3.1	+28.5	+28.4	+0.1
2020	+0.4	-6.9	-8.5	+10.8	+4.4	+1.9	+6.5	+5.6	-3.6	-2.5	+8.4	+3.4	+19.4	+16.5	+2.9

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Fund Information

Investment Manager	J. Stern & Co. LLP
Portfolio Manager	Christopher Rossbach
Deputy Portfolio Manager	Katerina Kosmopoulou, CFA
Launch Date	08 April 2019
Vehicle	Alpha UCITS SICAV, Luxembourg
Management Company	Waystone Management Company (Lux) SA
Administrator & Depository	RBC Investor Services
Auditor	Deloitte Audit S.à.r.l.
Reference Currency	USD
NAV	Calculated daily on the following business day
Dealing	Every business day at 3pm

Share Class	A	B	L	A5/A6
Minimum Investment	1,000,000	5,000	25,000,000	1,000,000
Management Fee	0.90%	1.20%	0.75%	0.65%
Target OCF*	1.10%	1.40%	0.95%	0.89%
Eligibility	All	Retail	Institutional	Charity
Currencies	USD &, unhedged or hedged, EUR, CHF, & GBP			USD & GBP
Accumulation / Distribution	Accumulation & Distribution available to all			
Alternative fee structure	Reduced annual fee with performance fee available on request			
Dealing Cut-off	3pm in Luxembourg on the business day before the dealing day			

*Subject to discussions with J. Stern & Co., accumulation and distribution share classes can be made available in all currencies displayed above. The base currency of the Fund is USD. Minimum investment is stated in currency of share class. Target OCF is the Investment Manager's target for the OCF for the USD share class.

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