

Investment Objective

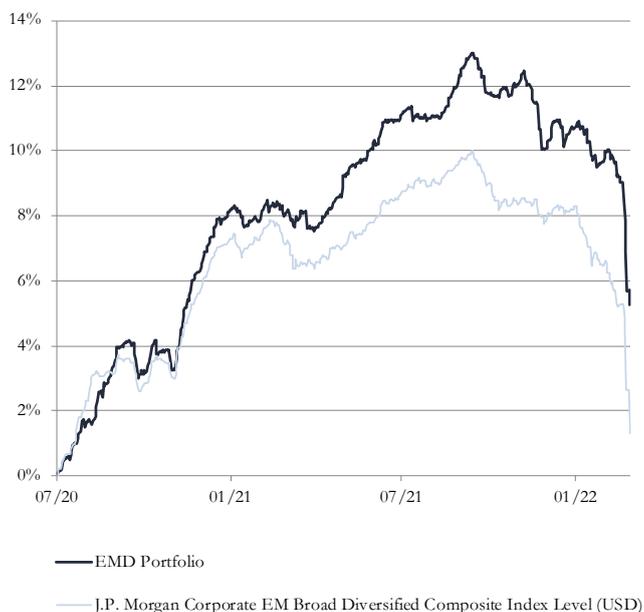
Our Emerging Market Corporate Debt strategy invests in a concentrated portfolio of hard currency corporate, emerging market debt.

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 4-6%, 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

	Feb-22	3 Months	2022 YTD	1 Year	Since Change of Strategy*	Cumulative		Since Inception	Since Change of Strategy*	Annualised		Since Inception
						3 Year	5 Year			3 Year	5 Year	
Portfolio	-4.0	-4.3	-4.9	-2.6	+5.3	+1.3	+4.1	+19.1	+3.1	+0.4	+0.8	+2.8
JPM CEMBI	-4.9	-6.1	-6.4	-5.4	+1.3	+10.2	+18.3	+33.5	+0.8	+3.3	+3.4	+4.6

Performance is of the Emerging Market Debt strategy with original inception date of 01/10/2015 and of change of strategy on 01/07/2020. 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. Change of strategy was to invest in higher quality corporates with greater market liquidity, a move actively managed portfolio to constantly enhance overall portfolio yield, decreased cash levels within the portfolio to a normalised range of 0-5% and no sovereign debt. * Refers to the portfolio since change of strategy. Source: SS&C Technologies, Bloomberg.

Top 5 Credit Holdings

Issuer	Sector	% of Total Portfolio
Hta Group Ltd	Industrial	4.5%
First Quantum Minerals L	Basic Materials	4.0%
Liquid Telecom Finance	Communications	3.7%
Kosmos Energy Ltd	Energy	3.6%
Tullow Oil Plc	Energy	3.6%

Top 5 Countries of Risk

Country	% of Total Portfolio
Mexico	18.9%
Brazil	15.1%
Turkey	14.0%
South Africa	8.5%
Ghana	7.2%

Strategy Characteristics

Average Credit Rating	B+
Duration	3.3
Spread	623
Yield to Maturity	10.8%
Yield to Worst	10.8%
Current Yield	7.5%

Portfolio Comment

Our emerging market strategy was down 4.0% in what was among the most difficult months for the asset class in the last 20 years.

Our two Ukrainian holdings were the main detractors: *Kernel* (-57%) a diversified agriculture commodities business and *MHP* (-46.5%) a poultry focused agro-industrial business. Both confirmed a temporary suspension on exports and specific operations but hadn't suffered significant damage to critical infrastructure – benefiting from geographic dispersion of assets – and have strong liquidity positions with limited short-term debt. Following recent moves in bond prices, we believe further downside is limited and recovery values will be greater than current valuations. We have no direct exposure to Russian corporates and/or associated sanction risk.

Despite the impact of the conflict weighing on the global macro backdrop, contagion to emerging market corporate bond prices (ex-Russia & Ukraine) was so far relatively contained with corporate credit spreads widening on average 50bps over the month.

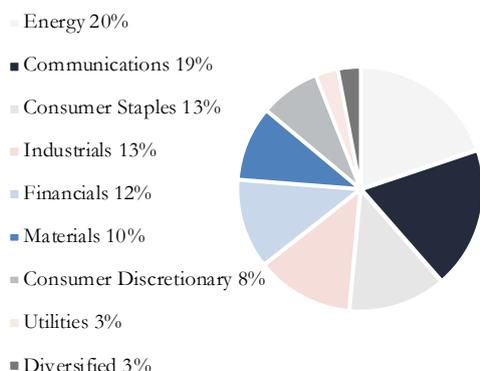
Commodity prices have risen sharply with sanctions and supply constraints. Many of our oil & gas and mining holdings in Africa and Latam are already receiving a substantial boost in consequence.

The main headwind ahead will be a scenario of slower global GDP growth, higher inflation and tighter monetary conditions which may lead to further risk aversion and widening of credit spreads. We will look to use such opportunity to selectively add quality corporates.

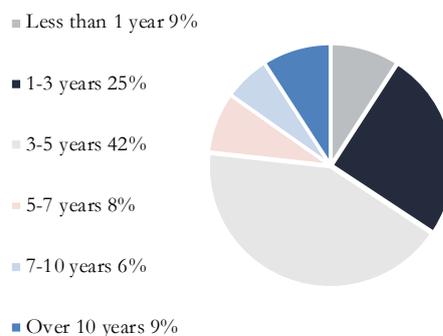
Strategy Statistics

Cash %	4.5%	Average Monthly Return*	0.3%
IG/HY	0%/ 100%	Best Monthly Return*	Nov '20 3.1%
No. Issuers/ Issues	34/ 34	Worst Monthly Return*	Feb '22 -4.0%
No. Sectors	9	% Positive Months*	60.0%
Sharpe Ratio*	0.53	Volatility*	5.2%

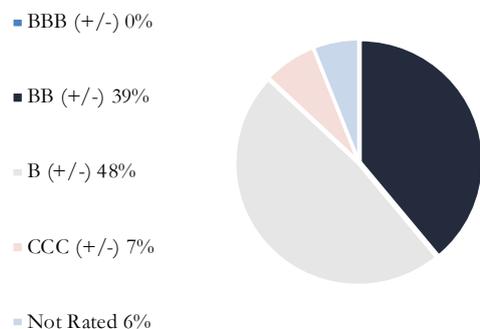
Sector Split



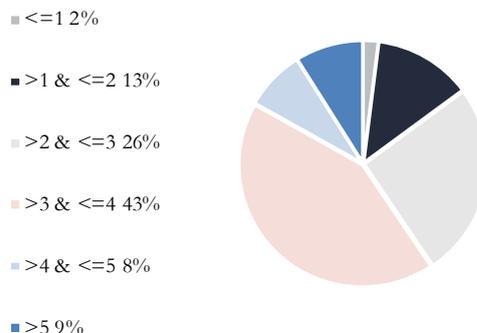
Years to Maturity/ Call



Credit Rating (exc. cash)



Duration



Monthly Performance, % Total Return, USD

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	JPM CEMBI	Excess return
2015	-	-	-	-	-	-	-	-	-	+3.9	-0.8	-2.2	+0.8	+0.3	+0.5
2016	-0.2	+1.6	+3.7	+2.4	+0.6	+2.1	+0.5	+1.2	+0.6	-0.5	-1.2	+0.6	+11.9	+9.7	+2.2
2017	+0.3	+1.2	-0.3	+0.7	+0.5	-0.2	+0.3	+1.2	+0.5	+0.3	+0.1	+0.4	+5.1	+8.0	-2.9
2018	-0.2	-0.5	-0.3	-2.8	-1.2	-1.2	+1.9	-3.4	+2.4	+0.4	-0.8	+0.1	-5.5	-1.6	-3.8
2019	+3.7	+1.3	+0.6	+0.4	+0.3	+2.4	+0.7	-1.8	+1.3	+0.6	-0.3	+0.9	+10.6	+13.1	-2.5
2020	+0.6	-1.6	-18.7	+5.5	+5.2	+2.3	+1.6	+1.9	-0.4	+0.1	+3.1	+1.6	-1.1 +8.2*	+7.1 +7.3*	-8.3 +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	+0.6	+2.4	+0.9	+1.5
2022	-0.9	-4.0	-	-	-	-	-	-	-	-	-	-	-4.9	-6.4	+1.5

Strategy Information

Key Features	
Portfolio Managers	Charles Gélinet, Jean-Yves Chereau
Investment period	Agreed at outset; normally up to 3 months
Bespoke	Target bond list and industry exposures adjusted to reflect individual preferences and requirements, including environmental, social and governance reasons, client's exposure to other assets, whether liquid or illiquid, tax constraints or any other reason
Portfolio Minimum	Minimum portfolio size of \$6,000,000
Sizing	Usually 30-50 holdings of c. 2-3% each, dependent on the size of portfolio
Cash reserve	Aim for 0-5% to provide flexibility for cash calls and opportunistic purchases
Fees	Standard fee 1% p.a. charged quarterly in arrears, no performance fee or hidden 'fund' charges. Tiered fee structure, lower fees for larger accounts
Hedging of FX or Market	By exception, if and when required, where we explore pricing and take time to explain to the client.
Custody	Flexible, maintain your own custodian or start a new relationship through us
Other Banking Services	Would be provided by the custodian, but can include leverage, mortgages, credit cards, insurance etc, depending on the custodian rather than us.
Eligibility	Restricted to professional or elective professional clients

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