

Investment Objective

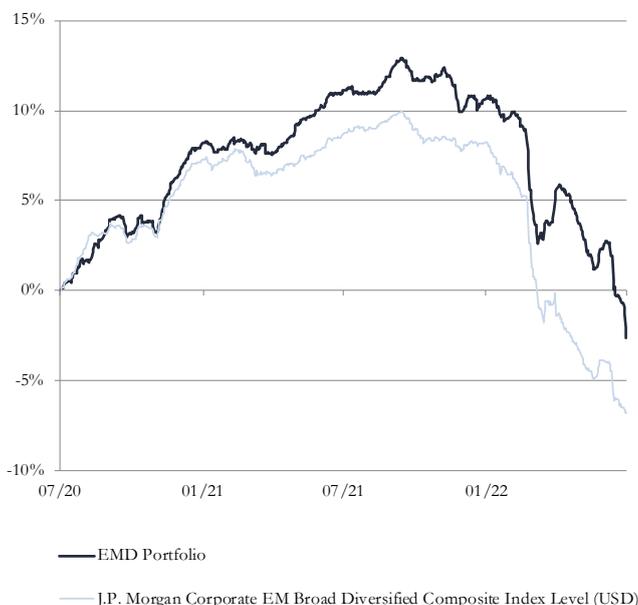
Our Emerging Market Corporate Debt strategy invests in a concentrated portfolio of hard currency corporate, emerging market debt.

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

	Cumulative								Annualised			
	Jun-22	3 Months	2022 YTD	1 Year	Since Change of Strategy*	3 Year	5 Year	Since Inception	Since Change of Strategy*	3 Year	5 Year	Since Inception
Portfolio	-4.8	-7.7	-12.0	-12.3	-2.6	-9.8	-4.4	+10.2	-1.3	-3.4	-0.9	+1.4
JPM CEMBI	-3.0	-5.6	-13.9	-14.3	-6.8	-3.3	+6.4	+22.8	-3.5	-1.1	+1.2	+3.1

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
Liquid Telecom Finance	Communications	3.6%
Hta Group Ltd	Industrial	3.4%
Seplat Energy Pl	Energy	3.3%
Ihs Netherlands Holdco	Industrial	3.2%
Cosan Overseas Ltd	Energy	3.2%

Top 5 Countries of Risk

Country	% of Total Portfolio
Mexico	18.2%
Brazil	15.4%
Turkey	13.6%
South Africa	10.2%
Nigeria	6.5%

Strategy Characteristics

Average Credit Rating	BB-
Duration	4.2
Spread	828
Yield to Maturity	12.7%
Yield to Worst	12.6%
Current Yield	8.1%

Portfolio Comment

The strategy was down -4.8% for the month as risk sentiment weakened further on macro headwinds, resulting in widespread losses across all risk assets. Again, markets initially focussed on US inflation concerns (6.3% PCE print) which saw the 10-year Treasury Note rise from 2.9% to 3.5% before increased fears of global economic slowdown caused markets to price in a less hawkish future, Fed and the 10-year Note settling at a similar level to the start of the month. EM credit spreads widened 50 bps on the month and now trade wide to the average levels seen since 2010.

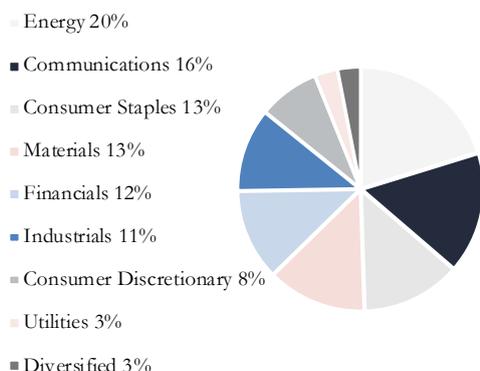
However, there were several positive underlying corporate events. African E&P *Tullow Oil* announced a proposed merger with Capricorn Energy that would strengthen their balance sheet and increase cash flow generation, whilst diversifying production and geographical footprint. Dubai based logistics *DP World* announced the long-awaited monetisation of domestic assets to deleverage below management's commitment made back in 2020. And, Ukrainian agro-industrial company *MHP's* operational update highlighted strong monthly momentum in poultry volumes and confirming the completion of the spring sowing campaign.

The inflation narrative is likely to dominate market focus near-term and could provide further volatility until there are concrete signs that it has peaked. We note that lower secondary market liquidity during the summer months is likely to amplify bond price action. However, such environment will continue to create some attractive value for long-term investors.

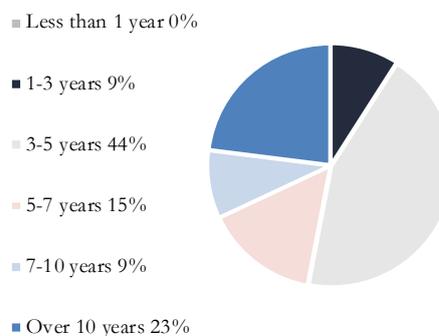
Strategy Statistics

Cash %	5.6%	Average Monthly Return*	-0.1%
IG/ HY/ NR	8%/ 87%/ 3%	Best Monthly Return*	Nov '20 3.1%
No. Issuers/ Issues	40/ 41	Worst Monthly Return*	Jun '22 -4.8%
No. Sectors	9	% Positive Months*	54.2%
Sharpe Ratio*	-0.62	Volatility*	6.2%

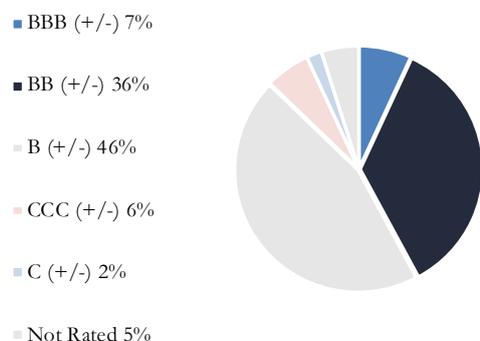
Sector Split



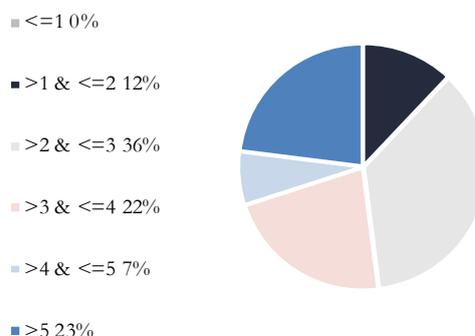
Years to Maturity/ Call



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	+0.7	+2.4	+0.9	+1.5
2022	-0.9	-4.1	+0.3	-1.7	-1.4	-4.8	-	-	-	-	-	-	-12.0	-13.9	+2.0

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 <i>*Minimum size of investment reflects the amount required to achieve sufficient diversification across the strategy (at least 30 bonds), based on minimum bond denominations of \$200,000 for the majority of names.</i>
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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