

**Investment Objective**

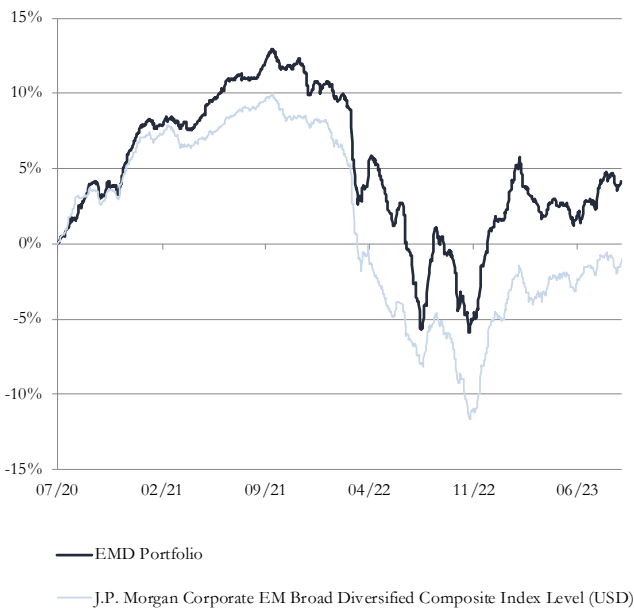
Our Emerging Market Debt Stars Fund invests in a concentrated portfolio of hard currency corporate, emerging market debt.

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%.

**Performance, USD**



**Performance Analysis**

	Aug-23	3M	2023 YTD	1 Yr	Since Inception	
					Cumulative	Annualised
<b>Portfolio</b>	-0.6	+2.3	+2.5	+4.2	+4.2	+1.3
<i>JPM CEMBI BD</i>	-0.3	+1.5	+4.2	+5.3	-1.0	-0.3

Performance since launch on 17th February 2023 is that of the Fund’s A1 USD Share class. Prior to launch performance was that of J. Stern & Co.’s Emerging Market Debt USD Strategy, which the Fund follows, based on total return (with coupons 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. Benchmark: JPM CEMBI Broad Diversified. Source: SS&C Technologies, Bloomberg.

**Top 5 Credit Holdings**

Issuer	Sector	% of Total Portfolio
United States Treasury Bill	Government	5.1%
MAF Global	Financial	3.9%
Cemex SA	Industrial	3.8%
Cosan Overseas	Energy	3.7%
Aes Gener SA	Utilities	3.5%

**Top 5 Countries of Risk**

Country	% of Total Portfolio
Mexico	14.6%
Brazil	11.9%
Turkey	10.9%
South Africa	10.4%
U.A.E.	7.4%

**Share Class Summary**

Share Class	NAV	AMC	OCF*	Minimum	ISIN
A1 Acc USD	1,004.83	0.90%	1.20%	1,000,000	LU2511911310
A1H Acc GBP	1,014.38	0.90%	1.20%	1,000,000	LU2520334165
A2 Dist USD	997.74	0.90%	1.20%	1,000,000	LU2652042363

**Fund Characteristics**

Average Credit Rating	BB-
Duration	3.5
Spread	654
Yield to Maturity	12.4%
Yield to Worst	12.2%
Income Yield	7.5%
Average Bond Price	83.8

**Portfolio Comment**

The fund was -0.6% for the month, driven by a steepening US Treasury curve. Strong US economic data drove 10 year yields to highest levels since pre-2008. Emerging market credit spreads widened marginally and now trade inside the last 20-year average.

2Q23 earnings for companies were largely robust with leverage still below pre-pandemic levels. Highlights include *Cemex* (Mexico, industrial), which reported record quarterly EBITDA with significant margin recovery, helping net leverage decline to its lowest level.

Our Turkish corporates also benefited indirectly from the decision of the central bank to raise interest rates. It marks the third consecutive hike since President Erdogan’s re-election and is in line with a shift to more orthodox economic policies to tackle inflation.

Aside from the duration effect, the main detractors from performance were *Total Play* (Mexico, communications) and *Wom* (Chile, communications) due to refinancing risks. Despite continued revenue and EBITDA growth, both companies remain free cash flow negative given high-growth capital expenditure. This put pressure on liquidity at a time when broader credit availability is low.

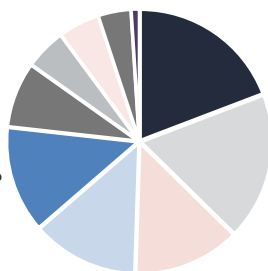
The market is focussed on the resilience of economic growth with probabilities skewed towards a ‘soft landing’. Corporate credit fundamentals are resilient and interest rates are stabilising with the first cuts priced-in towards mid 2024. This should be supportive of the asset class.

**Fund Statistics**

Cash %	3.2%	Average Monthly Return	0.1%
IG/ HY/ NR	8%/ 87%/ 5%	Best Monthly Return	Nov '22 5.4%
No. Issuers/ Issues	38/ 42	Worst Monthly Return	Jun '22 -4.9%
No. Sectors	10	% Positive Months	55.3%
Sharpe Ratio	-0.59	Volatility	7.0%

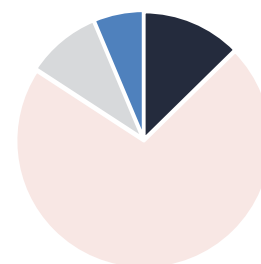
## Sector Split

- Energy 19%
- Consumer Staples 18%
- Materials 13%
- Communications 13%
- Industrials 13%
- Consumer Discretionary 8%
- Financials 5%
- Government 5%
- Utilities 4%
- Diversified 1%



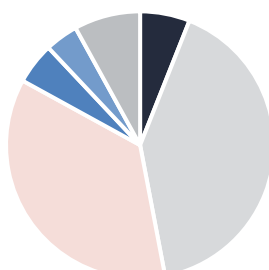
## Rank

- 1st Lien 12%
- Senior Unsecured 68%
- Subordinated 9%
- Junior Subordinated 6%



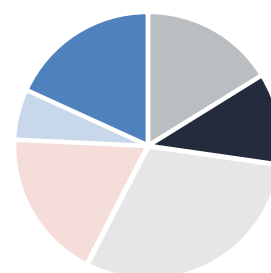
## Credit Rating (exc. cash)

- BBB (+/-) 6%
- BB (+/-) 41%
- B (+/-) 36%
- CCC (+/-) 5%
- C (+/-) 4%
- Not Rated 8%



## Duration

- <=1 16%
- >1 & <=2 11%
- >2 & <=3 30%
- >3 & <=4 18%
- >4 & <=5 6%
- >5 18%



## 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	+3.4	-1.9	-0.8	+0.4	-0.8	+0.8	+2.1	-0.6	-	-	-	-	+2.5	+4.2	-1.7

## Fund 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
Depository & Administrator	CACEIS 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/Distribution
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	17 <sup>th</sup> February 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 LLP is the Investment Manager of the J. Stern & Co. Emerging Market Debt Stars Fund, a sub-fund of Alpha UCITS SICAV (the "Fund"), incorporated in Luxembourg as a UCITS and regulated by the CSSF. J. Stern & Co LLP is also the issuer of this factsheet. This is a marketing communication. 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 fluctuations. The information provided is not a recommendation to purchase shares in the Fund, nor should it be considered as a form of investment advice or solicitation to conduct in investment business. Any decision to invest in the Fund should be based solely on the Prospectus and relevant KIID(s), which are available from our website. If you are in doubt about the suitability of this Fund you should seek advice from your investment advisor. Data is sourced from CACEIS Investor Services Bank SA, SS&C, Bloomberg and J. Stern & Co. and no warranty of accuracy is given. The views expressed on the date of publication are those of J. Stern & Co. and/or the actual author(s) and are subject to change without notice. More information on J. Stern & Co. is at [www.jsternco.com/legal](http://www.jsternco.com/legal).