J. Safra Sarasin

JSS Sust. Bond - Emerging Markets Local Currency P USD acc

Fund Overview

Net asset value per share	93.35
Fund size in millions	32.89
Investment company	J. Safra Sarasin Fund Management (Luxembourg) S.A.
Depositary	RBC Investor Services Bank S.A., Luxembourg
Portfolio management	AM Bond, Bank J. Safra Sarasin Ltd, Basel
Portfolio Manager	Aristoteles Damianidis
Domicile of fund	Luxembourg
ISIN code	LU1835934123
Swiss Sec.-No.	42 165 542
Launch date	19 June 2019
End of fiscal year	June
Ongoing charges	1.87%
Management fee	1.50%
Accounting currency	USD
Dividend payment	none (reinvesting)
Sales fee	max. 3.00%
Exit charge	0.0%
Legal Structure	SICAV
Issue/Redemption	daily
Benchmark (BM)	JPM GBI-EM Global Diversified Composite Unhedged USD
SFDR Classification	Article 8

Statistical Ratios	Fund	Benchmark
Volatility	11.48%	10.72%
Beta	1.00	n.a.
Sharpe Ratio	-0.33	-0.27
Information Ratio	-0.23	n.a.
Tracking Error	4.08%	n.a.

The statistical ratios are calculated on the basis of the previous months (36 months, basis USD). Risk-free interest rate: 1.42%

Bonds Portfolio Ratios

Average Rating	BBB+
Modified Duration	6.22
Yield to Worst	9.23%

Risk and reward profile

lower risk — higher risk

typically lower rewards — typically higher rewards

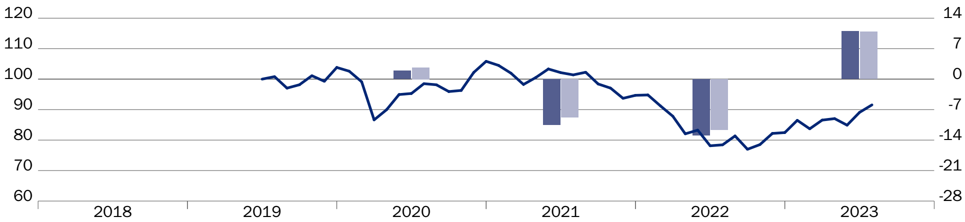
1	2	**3**	4	5	6	7

The risk and reward category shown is based on historical data and can not be used as a reliable indicator of the future risk profile of the fund. The classification of the fund may change over time and is not a guarantee.

Fund Portrait

The JSS Sustainable Bond – Emerging Markets Local Currency invests primarily in Emerging Market bonds denominated in local currencies. The strategy seeks to generate attractive risk-adjusted returns by investing in fixed income instruments with high real local interest rates and attractive interest rate differential compared to the US Dollar. It will also systematically integrate financially-material ESG aspects throughout the entire investment process, in order to avoid controversial exposures, mitigate ESG risks and harness opportunities. Investors should also benefit from local currency appreciation as the economic fundamentals and growth prospects of a selection of Emerging Economies continue improving.

Net Performance (in USD) as of 31.07.2023



left scale: — Performance indexed

right scale, annual performance in %: Fund

Benchmark (BM): JPM GBI-EM Global Diversified Composite Unhedged USD

	1 Month	3 Months	YTD	1 year	3 years p.a.	5 years p.a.
Fund	2.76%	5.17%	11.01%	16.70%	-2.41%	n.a.
BM	2.88%	4.55%	10.89%	14.25%	-1.46%	n.a.

	2022	2021	2020	2019	2018	Since Inception
Fund	-12.91%	-10.54%	1.95%	n.a.	n.a.	-6.65%
BM	-11.69%	-8.75%	2.69%	n.a.	n.a.	-2.03%

Past performance does not guarantee future returns. The performance shown does not take account of any commissions and costs charged when subscribing and redeeming units.

Top Ten Holdings

8.750% South Africa 31.01.44	4.71%
4.700% Far East Horizon 09.02.24	3.81%
2.632% Malaysia 15.04.31	3.75%
8.375% Indonesia 15.04.39	3.63%
8.500% South Africa 31.01.37	3.58%
9.850% Colombia 28.06.27	3.53%
4.600% EBRD 09.12.25	3.53%
0.000% Int. Fin. Corp 22.02.38	3.51%
6.500% Sout Africa 28.02.41	3.24%
4.700% Chile 01.09.30	3.22%

Allocation by Rating

15.66%	AAA
4.16%	AA-
5.22%	A
7.12%	A-
3.54%	BBB+
9.61%	BBB
9.28%	BBB-
3.30%	BB+
20.01%	BB
22.10%	Other

Country Allocation

13.02%	South Africa
10.04%	Brazil
7.12%	Malaysia
6.82%	Colombia
4.24%	Russia
3.80%	China
3.62%	Indonesia
3.39%	Mexico
3.21%	Chile
44.74%	Other

Review

Emerging market (EM) local currency bonds delivered positive returns in July, driven mostly by appreciating EM forex, although compression in local currency bond yields also contributed. Declining CPI data from the United States continued to bolster investor appetite for risk assets, as expectations of moderating monetary policy at the US Federal Reserve gained additional strength. Consequently, emerging markets with a higher beta than the benchmark outperformed and most overweight positions added value. Flows into EM local currency bonds ex-China have been volatile and the four-week average is slightly negative. China's economic momentum continues to be weak, raising fears of an adverse impact on global growth. The best performing region was Latin America, followed by Eastern Europe. The South Africa rand was by far the best performing currency, followed by the Colombian peso. Turkey was on the negative side as the lira weakened again after disappointing central bank intervention, as was the Chilean peso as rate cut expectations gained traction.

Outlook

We took the opportunity of the stronger market to reduce some of our currency exposure in favour of increasing interest duration in selected markets. But overall, we still favour the overweight in EM forex due to a combination of attractive valuations and weaker USD expectations. More specifically, we remain overweight in the Brazilian real, the Indonesian rupee, the Mexican, Colombian and Chilean pesos, while we are underweighting the South African rand and the Malaysian ringgit. We have increased our overweight in duration as we anticipate a steep decline in inflation over the next 12 to 18 months throughout the emerging markets. We continue to favour high real rate markets in which policy rates are higher than current and expected inflation. We are more cautious in Eastern Europe as elevated inflation and the economic slowdown are painting a difficult picture. We have local market overweight positions in South Africa, Brazil, Mexico, Chile and Indonesia, and underweights in Thailand and Romania.