



SEPHIRA 

GLOBAL EMERGING MARKETS

Off the beaten track

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The Sephira Long Only Fund

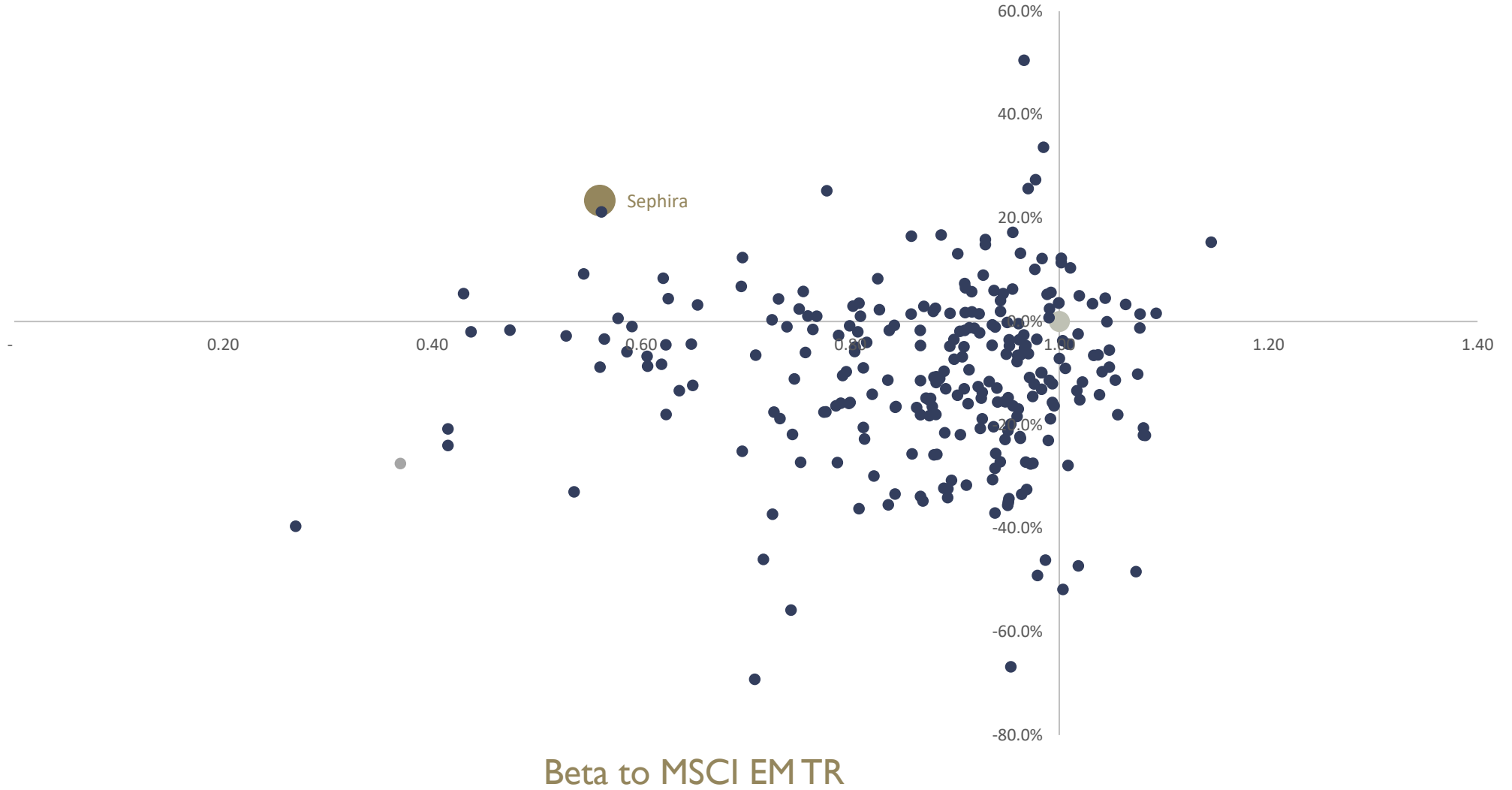
A concentrated portfolio of high conviction Emerging Markets companies

An objective of outperforming the market by mid - high single digits over the cycle

*Achieved through independent thinking evidenced by
differentiated holdings and a proven track record*

A genuinely differentiated product

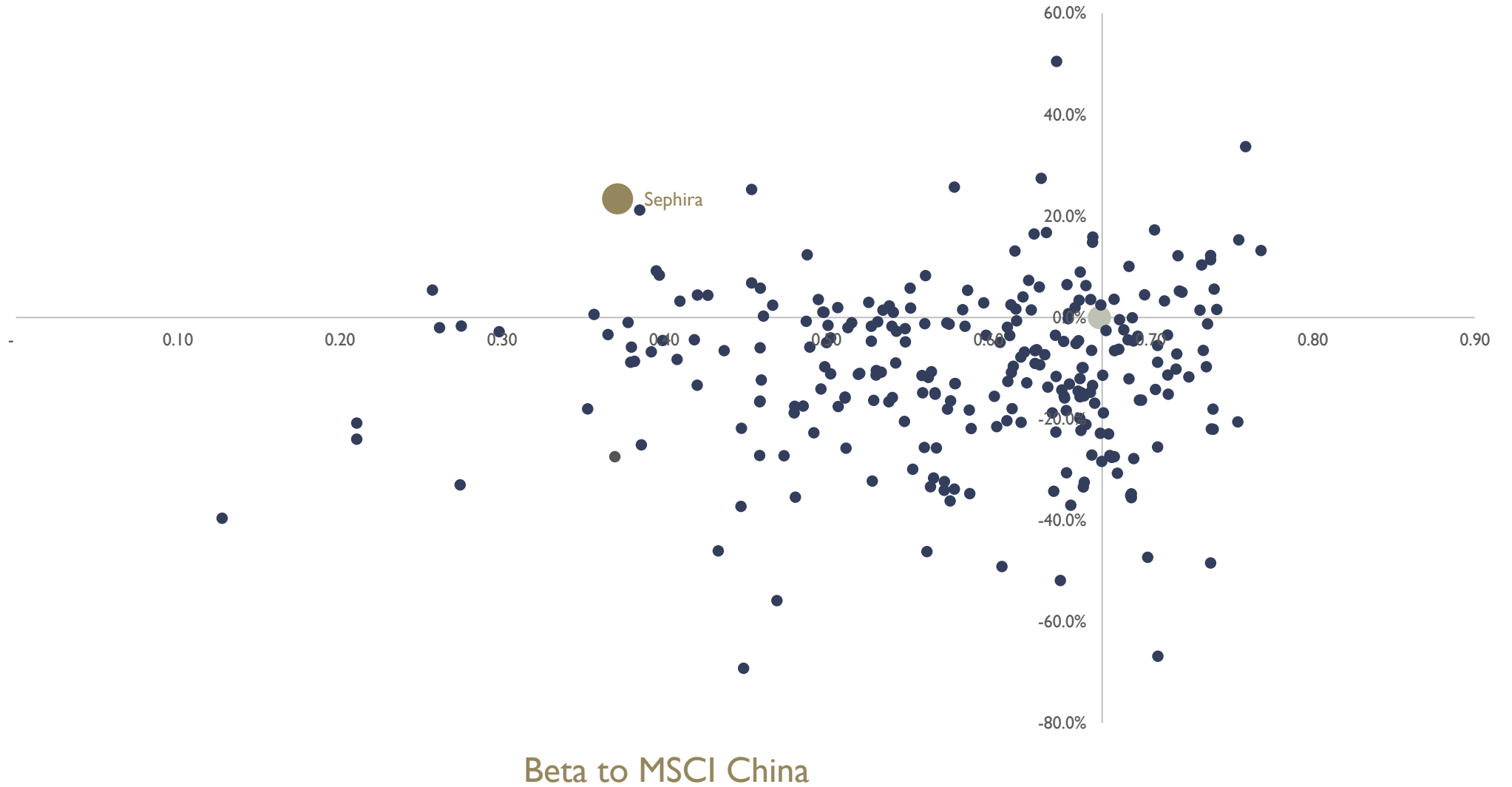
ITD Performance Relative to MSCI EM TR



Source: Bloomberg, Daily Betas
See Appendix on page 20 for performance composition
Analysis from inception to end of 1Q22

A genuinely differentiated product

ITD Performance Relative to MSCI EM TR



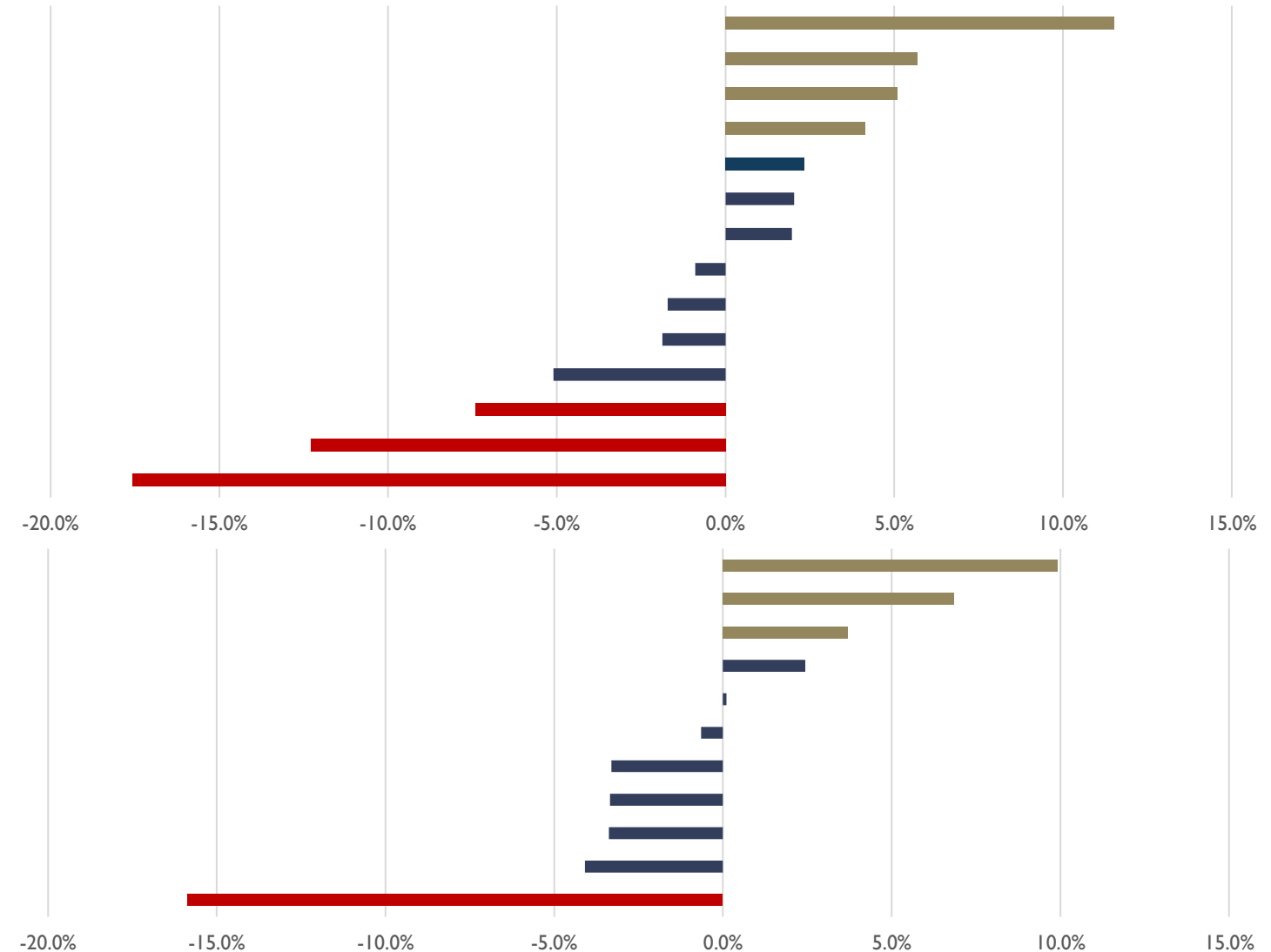
Source: Bloomberg, Daily Betas
See Appendix on page 20 for performance composition
Analysis from inception to end of 1Q22

Sourcing opportunities off the beaten track

Relative country & sector exposure - on average since inception

Country	Fund	Benchmark*
Greece	11.7%	0.2%
Indonesia	7.4%	1.7%
Turkey	5.6%	0.5%
Mexico	6.4%	2.3%
Egypt	2.4%	0.1%
Philippines	2.9%	0.9%
India	11.3%	9.3%
South Africa	3.7%	4.5%
Thailand	0.5%	2.2%
Malaysia	0.0%	1.9%
Brazil	0.8%	5.9%
South Korea	5.6%	13.0%
Taiwan	0.2%	12.5%
China	16.6%	34.1%

Sector	Fund	Benchmark*
Financials	31.4%	21.5%
Consumer Disc.	21.8%	14.9%
Consumer Staples	9.9%	6.2%
Real Estate	2.9%	0.5%
Utilities	2.7%	2.6%
Industrials	4.3%	5.0%
Health Care	0.2%	3.5%
Materials	4.2%	7.6%
Comm. Services	8.7%	12.0%
Energy	2.4%	6.5%
Info. Tech.	1.4%	17.3%



The benchmark is the MSCI Emerging Markets TR Index (USD) (NDUEEGF)
Analysis from inception to end of 1Q22

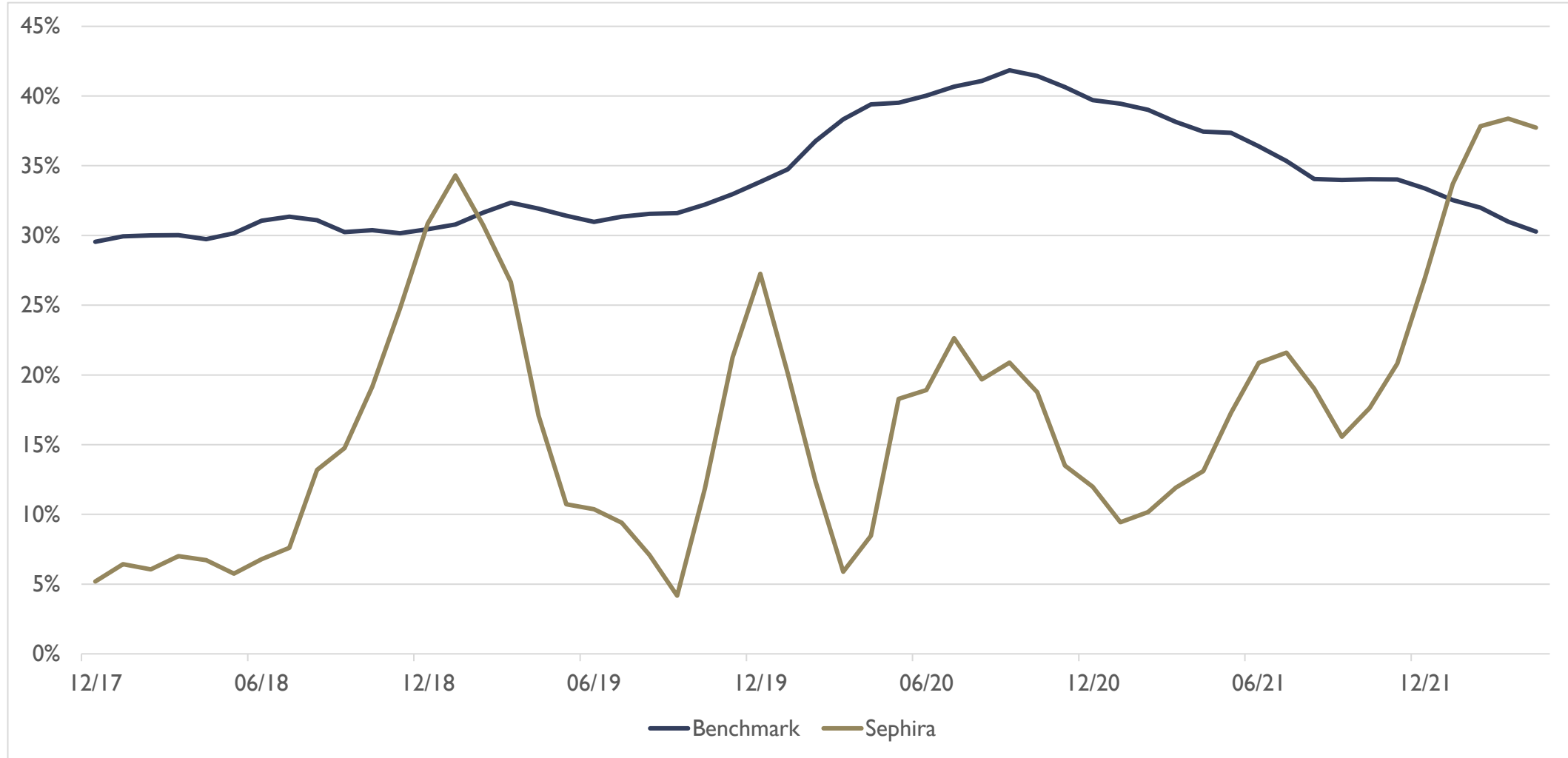
Sourcing opportunities off the beaten track

Top Ten performance contributors ITD vs Benchmark

Stock	Fund Avg. Weight	Benchmark Avg. Weight	OW/UW	Fund Perf. Contribution	Benchmark Perf. Contribution	Relative
OPAP	7.40%	0.04%	7.36%	6.76%	0.03%	6.73%
Yanghe Brewery	1.67%	0.02%	1.65%	5.36%	0.02%	5.34%
PPC	2.46%	0.00%	2.46%	5.20%	0.00%	5.20%
Shriram Transport Finance	1.90%	0.03%	1.87%	5.13%	0.00%	5.13%
Banorte	2.73%	0.24%	2.49%	4.23%	-0.02%	4.25%
Credicorp	1.41%	0.22%	1.19%	3.90%	-0.04%	3.94%
Sberbank	1.15%	0.40%	0.75%	2.76%	-0.17%	2.93%
ICICI Bank	1.45%	0.39%	1.06%	2.65%	0.27%	2.38%
FEMSA	2.75%	0.28%	2.47%	2.53%	-0.05%	2.58%
Gazprom	0.70%	0.48%	0.23%	2.01%	0.20%	1.81%
	23.62%	2.10%	21.53%	40.53%	0.24%	40.29%

Our Approach to China

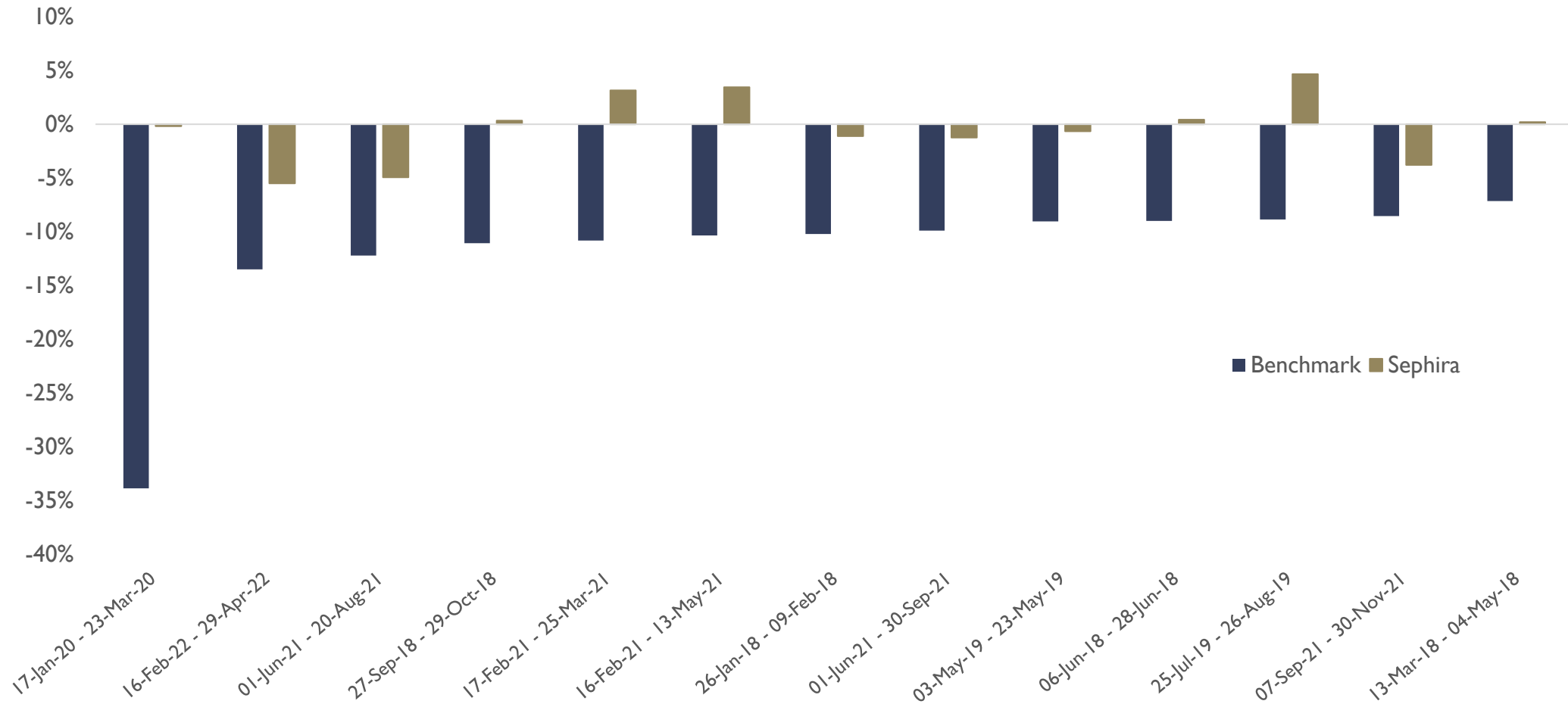
3-month trailing average exposures



Risk management

LS Capital preservation in market downturns

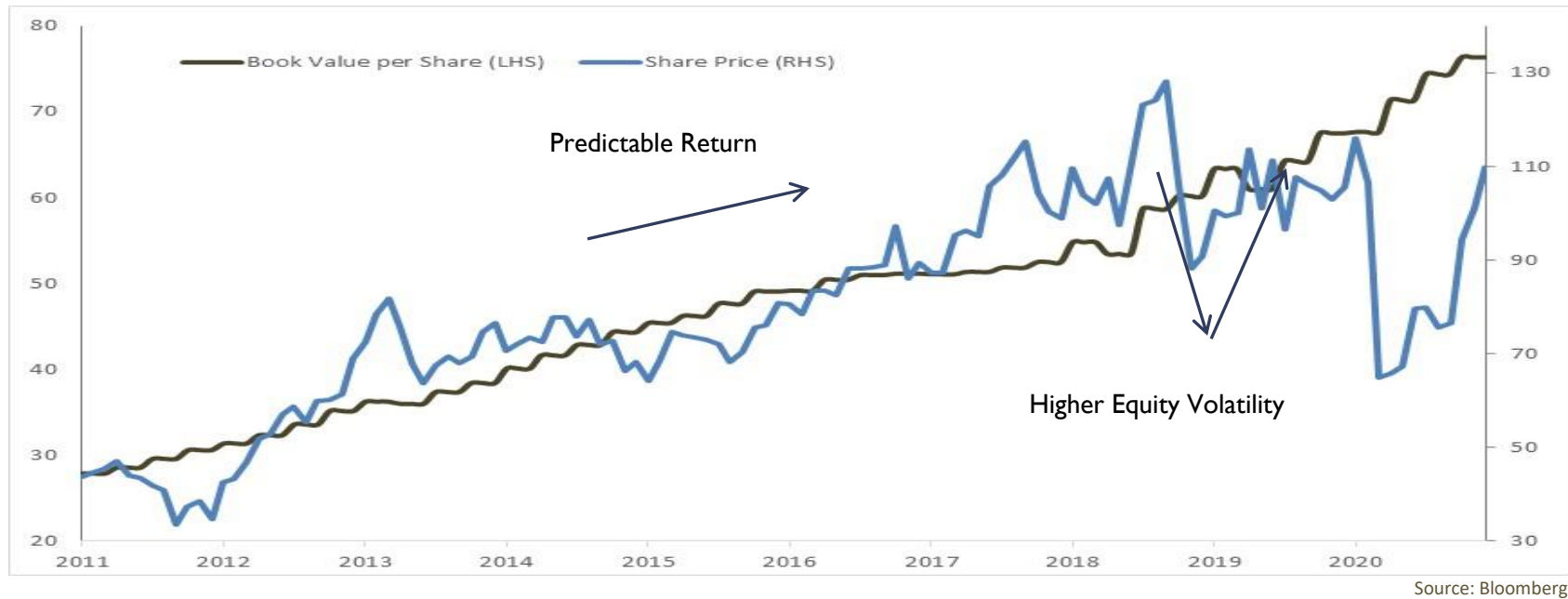
since inception (6th October 2017)



Investment Philosophy – Why EM?

- **Observation: A)** Equity volatility often exceeds operational volatility even for quality business models.
- **B)** Overlooked parts of the EM offer opportunity without a need to compromise on quality or liquidity.

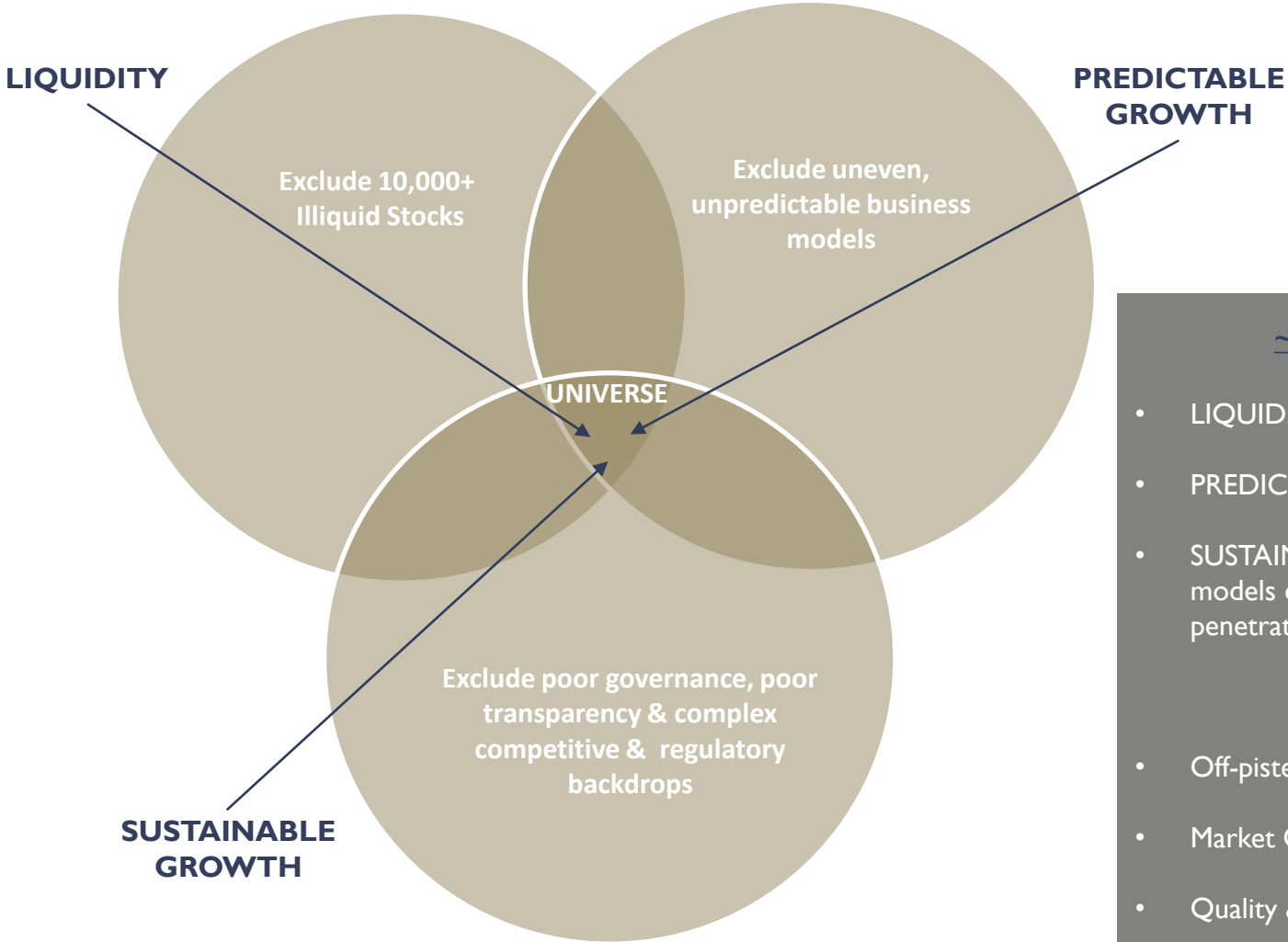
Example: Banorte, a Mexican Bank



- **Primary Edge – Process:** Deep understanding of a focused universe of stocks results in a high conviction portfolio of Quality Growth opportunities that benefit from tailwinds of EM ‘demographics’ and ‘development’.
- **Secondary Edge – Risk Management:** Optimised portfolio construction applies a proprietary sizing mechanism to help navigate i) market volatility and ii) heterogenous cyclicality between EM geographies

Investment Process

~200 stock investment universe



~200 Stock Universe

- LIQUID: Avg daily turnover \$20m / Day
- PREDICTABLE: sustained ROE > COE
- SUSTAINABLE: Transparent business models driven by demographics and penetration in vibrant economies

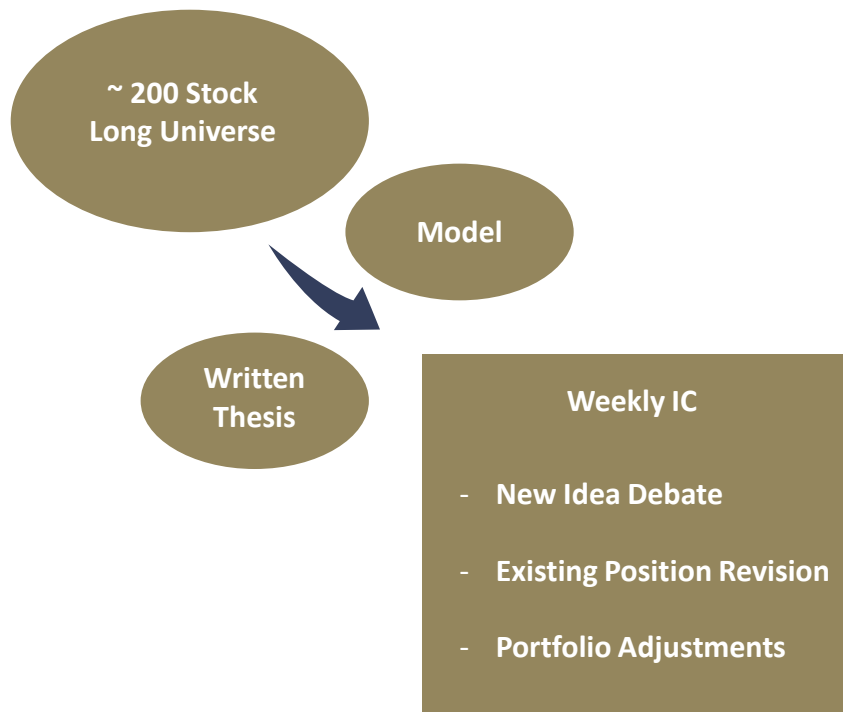
Characteristics

- Off-piste Geographies
- Market Cap sweet spot \$5 – 15bn
- Quality & Growth at the right price

Portfolio Construction & Risk Management

(see Appendices for detailed examples of positioning sizing external risk assessment)

Bottom Up Stock Selection



* 1) Liquidity
2) Quality
3) Valuation Anchor

Natural
Downside
Protection

Bottom Up Risk

Risk Management



External Risk

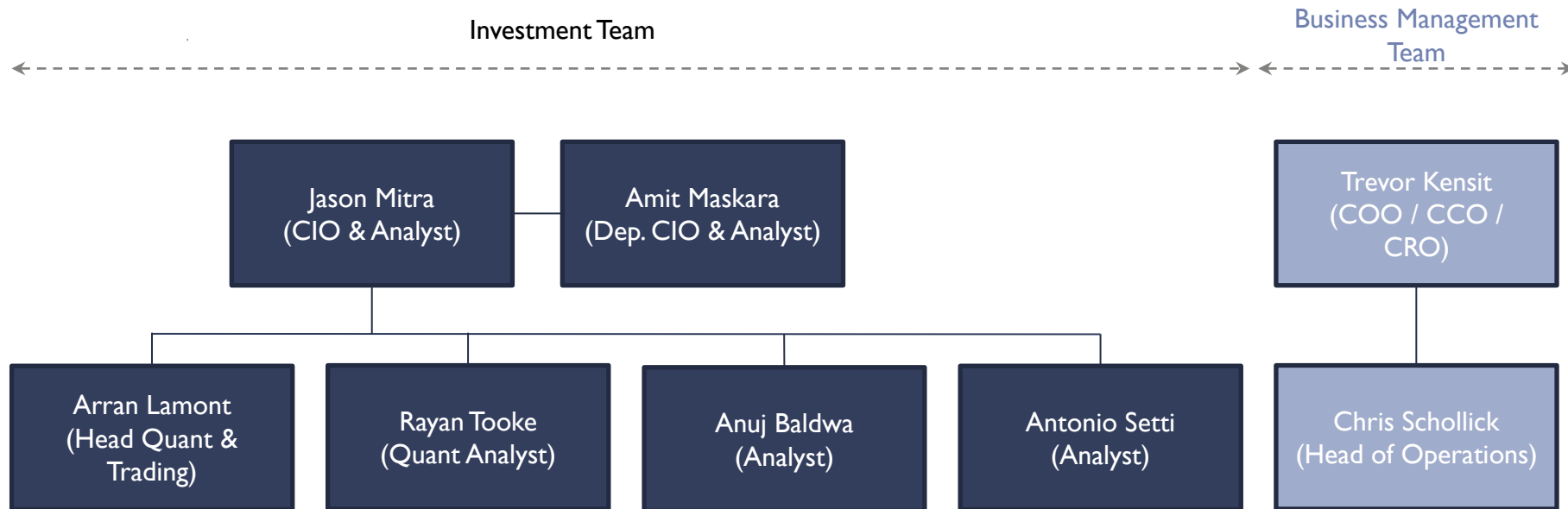
Portfolio Characteristics

	Core Range / Typical Outcome	Comments
Number of Holdings	20-30	
Single name exposure	3% - 8%	10% maximum size
Regional exposure	40-60% Asia; 20-40% EMEA; 10-30% Latam	Typically underweight Asia versus benchmark
Country exposure	Potentially all Liquid Emerging & Frontier markets	Typically less exposure to China, Korea & Taiwan versus benchmark
Sector exposure	All sectors with Consumer & Financials tilt	Less exposure to Pharma, Materials and Tech
Cash weight	0-10%	
Average holding period	+/- 2 years	
Optimal market environment	Outperform in Mid/Late Cycle, Quality bias	Underperform in Early Cycle, Cyclical bias

The information contained herein regarding portfolio construction is for illustrative purposes only and describes the steps typically taken in assessing potential trades. However, the details given are not exhaustive and certain steps may be prioritised over others in order to take advantage of prevailing or tactical market opportunities. This may lead to some steps being passed over entirely. Any investment strategies set out herein are for illustrative purposes only. The details given are not exhaustive and implementation of any such investment strategy will be at the sole discretion of the investment manager

Team

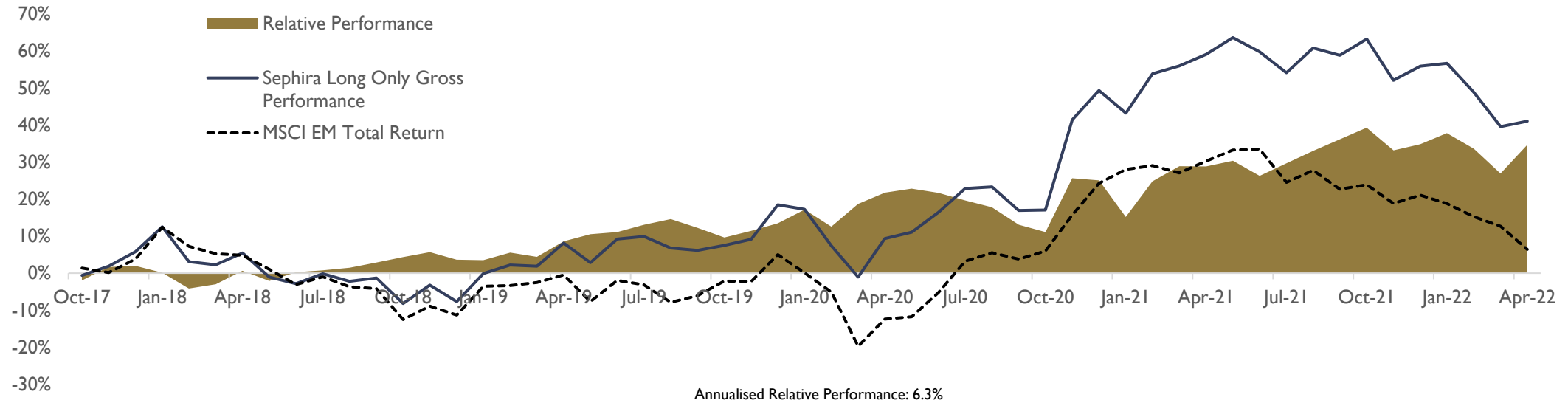
Experience, Pedigree and Continuity



- Core investment team have worked together since 2013
- Combined 70 years of investing in emerging markets
- Majority of the partners' liquid assets are invested across the strategies

Performance

Track Record of Investment Team (since October 2017)



Sephira GEM L/O Performance (Gross)														MSCI EM Total Return Index	Relative Performance
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year		
2017										-0.58%*	1.90%	3.84%	5.20%	5.26%	-0.06%
2018	6.37%	-8.38%	-0.85%	3.14%	-6.16%	-1.80%	2.72%	-2.02%	0.91%	-6.96%	5.37%	-4.59%	-12.75%	-14.56%	1.81%
2019	8.25%	2.29%	-0.33%	6.13%	-4.88%	6.16%	0.67%	-2.87%	-0.59%	1.31%	1.52%	8.53%	28.33%	18.43%	9.91%
2020	-1.00%	-8.43%	-7.89%	10.54%	1.60%	4.81%	5.50%	0.38%	-5.19%	0.11%	20.81%	5.61%	26.05%	18.31%	7.74%
2021	-4.08%	7.40%	1.40%	1.97%	2.85%	-2.34%	-3.53%	4.32%	-1.22%	2.75%	-6.83%	2.53%	4.41%	-2.53%	6.95%
2022	0.48%	-4.98%	-6.22%	1.02%									-9.55%	-12.15%	2.60%
Total Performance													40.23%	7.90%	32.33%

See Appendix on page 20 for performance composition
 *2017 fund inception on 6th October

Appendix

Top 10 investments (as of Apr. 30, 2022)

Name	Country	Weight	Description
United Tractors	Indonesia	7.36%	Indonesian Machinery and Mining contracting
TSMC	Taiwan	6.30%	Leading semiconductor manufacturer
AIA	China	6.11%	Asia Pacific Insurance group
ICICI Bank	India	6.05%	Indian private bank
Baidu	China	5.92%	Chinese Internet and Technology conglomerate
Tencent	China	5.42%	Gaming and Media conglomerate
Tata Steel	India	5.39%	Indian Steel manufacturer
Yili Group	China	5.32%	Chinese Dairy business
PetroChina	China	5.05%	Chinese O&G
Woolworths	South Africa	4.88%	South African multinational retailer

Appendix

ESG - Philosophy & Integration

Persistent ESG data biases in EM lead to consistently weaker scores

- ✗ Environmental metrics are negatively skewed in EM companies due to location in less developed economies.
- ✗ Social scores vary widely according to religious and cultural norms of certain underdeveloped geographies.
- ✗ Persistent lack of available data leads to negative bias or no ESG rating from major rating firms.

We prefer a bottom-up approach – evaluating credentials on a case-by-case basis and assessing rate of change

- ✓ Governance a material factor given prevalence of SOE's and family-run businesses in the investable universe.
- ✓ Social issues can often become material in EM when firms are a monopoly supplier of an essential good or service.
- ✓ Environmental improvement initiatives analyzed vs history rather than DM peers.

Appendix

Senior Team Biographies

Jason Mitra is the Lead Portfolio Manager, founder and Chief Investment Officer for Sephira Investment Advisors. Prior to founding Sephira in 2017, Jason was co-Portfolio Manager for the Carrhae Capital LLP Emerging Markets strategy. Prior to joining Carrhae in 2013, Jason was a Portfolio Manager with Moore Europe Capital Management. Jason holds an MA in Economics and Politics from Edinburgh University, 1996

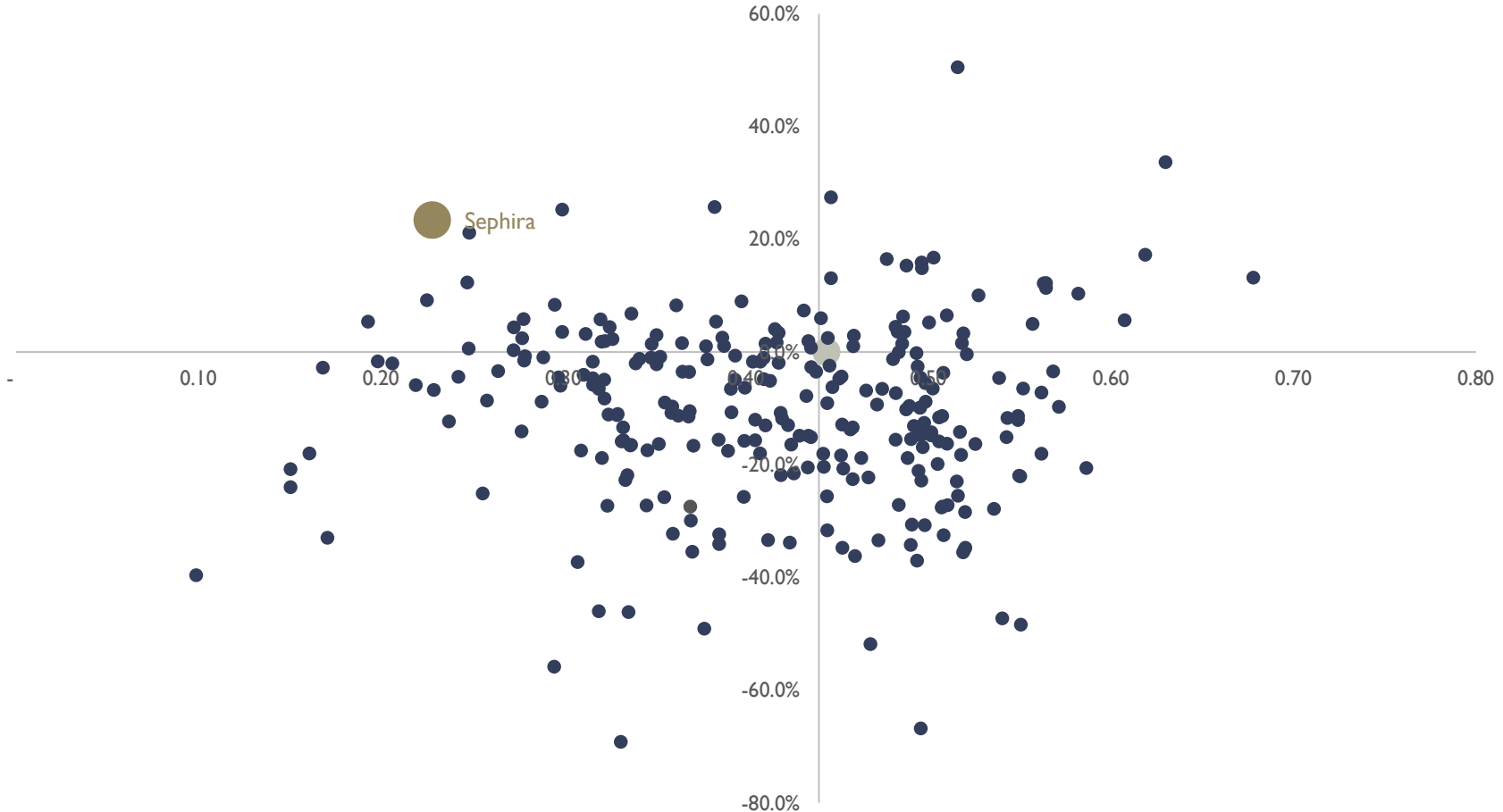
Amit Maskara is the founder and Deputy Chief Investment Officer for Sephira Investment Advisors. Prior to founding Sephira in 2017, Amit was co-founder and co-portfolio manager for the Carrhae Capital LLP Emerging Markets strategy. Prior to founding Carrhae in 2012, Amit worked at Fidelity Investment as a Research Sector Team Leader for the Global and Emerging Markets Team. Amit holds an MBA from London Business School, 2008

Trevor Kensit is the Chief Operating Officer and Chief Compliance Office for Sephira Investment Advisors. Prior to working at Sephira in 2017, Trevor was Chief Operating Office at Black Ant Group, where he oversaw all non-investment related activities including operations, financing, tax, legal, accounting, HR, audit and risk. Prior to Black Ant Group, Trevor was Head of Operations at ORN Capital.

Appendix

Performance Beta to China Tech

ITD Performance Relative to MSCI EM TR



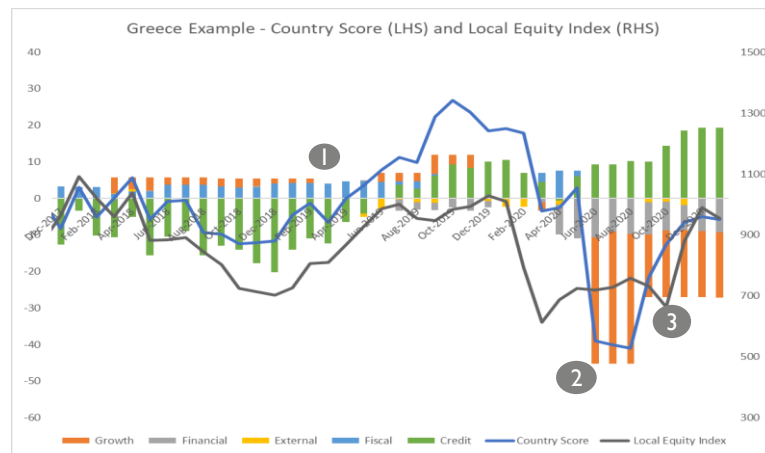
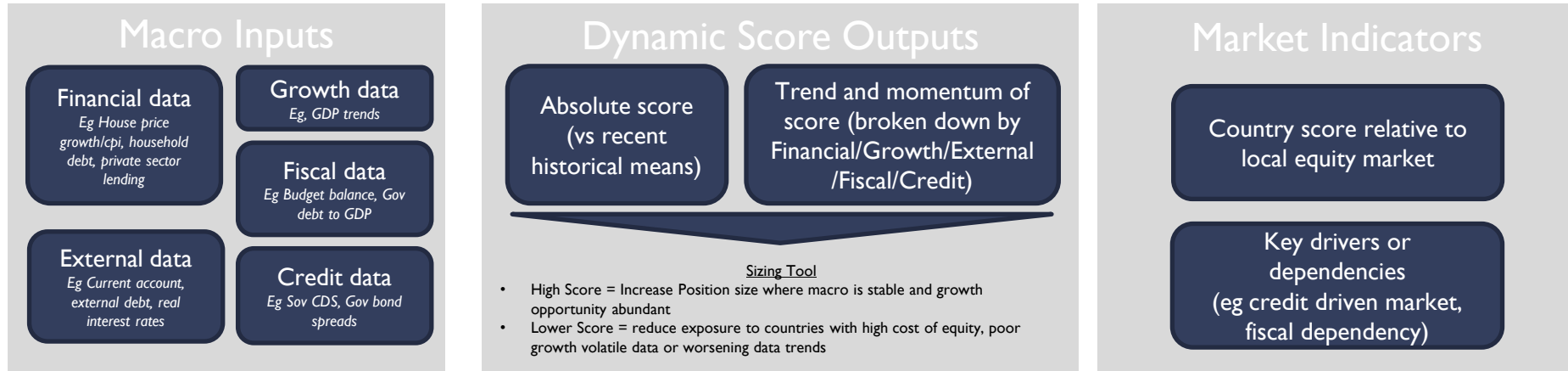
Beta to MSCI China Tech

Source: Bloomberg, Daily Betas
See Appendix on page 20 for performance composition
Analysis from inception to end of 1Q22

Appendix

Country Score Scorecard

- **Dynamic country allocation is essential**
- **Country risk is a key determinant of position sizing (see Appendix 4)**
- **Consider various macroeconomic reports and trends to determine:-**
 - **Country absolute score (derived from z-score vs historical averages)**
 - **Is the county score improving or worsening ?**
 - **What are the current dynamic driving factors?**



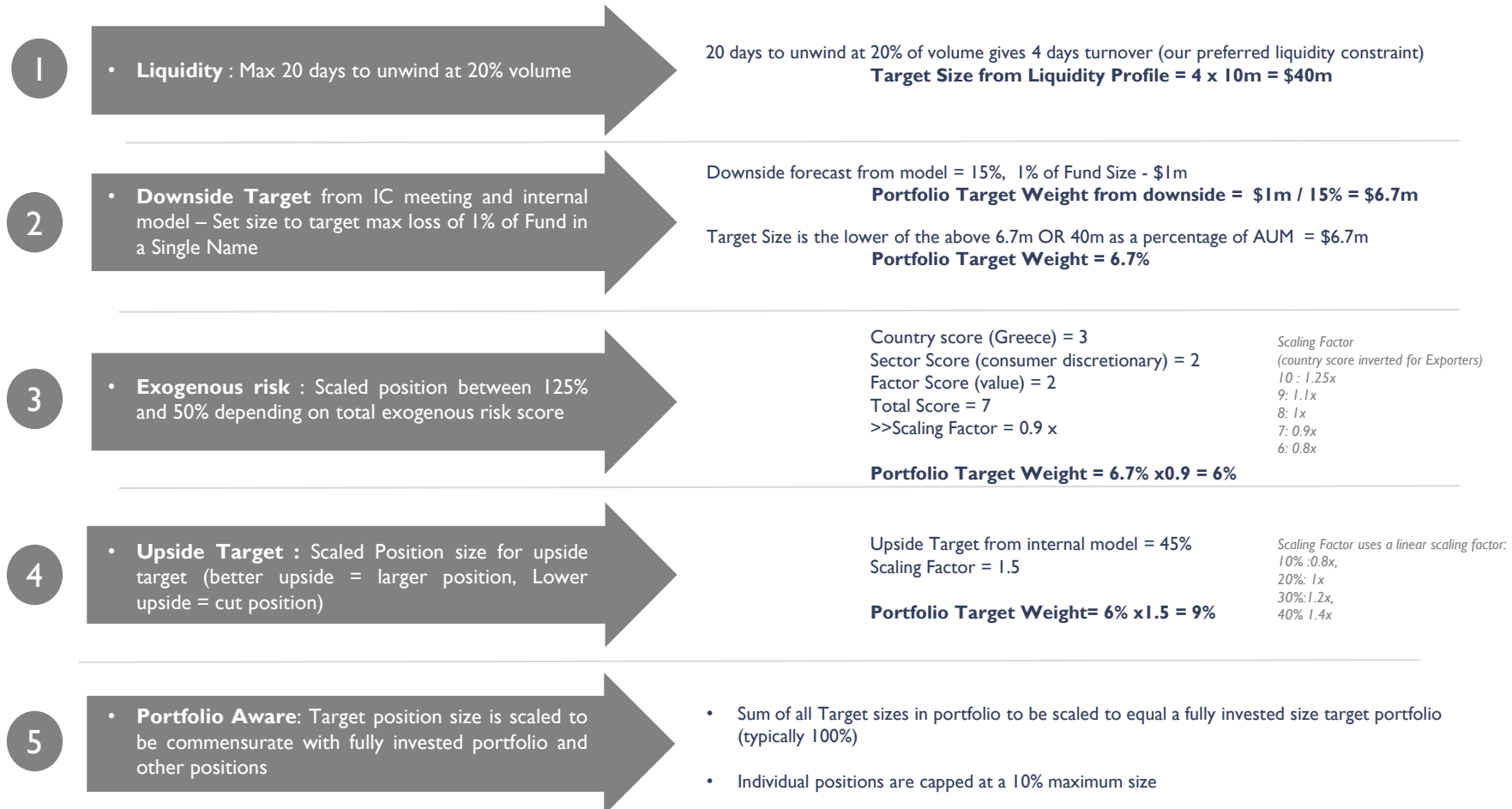
Historical Example – Improving Post Covid

1. Absolute Country score remained generally improving through 2019
2. Post Covid Growth Data takes score negative with little areas of incremental improvement until Q4
3. More Confident:- Stable then improving country credit component along with troughing Growth score suggests a more confident outlook allowing a larger net exposure in the region in our sizing process

Appendix

Sizer Example walkthrough: OPAP, Greece

Stock	Country	Average Daily Turnover (\$m)	Fund AUM (\$m)
OPAP	Greece	10	100



Appendix

Performance Composition



Performance data of the Sephira Global Emerging Markets Strategy is derived from the Long Book of the Sephira GEM Absolute Return Fund Limited. Includes relevant attributable FX hedging and assumes minimum 90% invested with the exception of 1st-31st March 2020 where we have reflected actual unscaled investment level performance as we were below 90% invested to reflect extraordinary market conditions. Performance since 2nd of July 2021 is taken from the estimated performance of an SMA launched on that date and published performance of Sephira GEM Long Only UCITS Fund since inception of 11th Aug 2021.

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This draft document provides preliminary information about a proposed UCITS, Sephira GEM UCITS ICAV (the “ICAV”) and its sub-funds, Sephira GEM Absolute Return UCITS Fund and Sephira GEM Long Only UCITS Fund (together, the “Funds”). The ICAV and the Funds are not yet authorised or approved by the Central Bank of Ireland.

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