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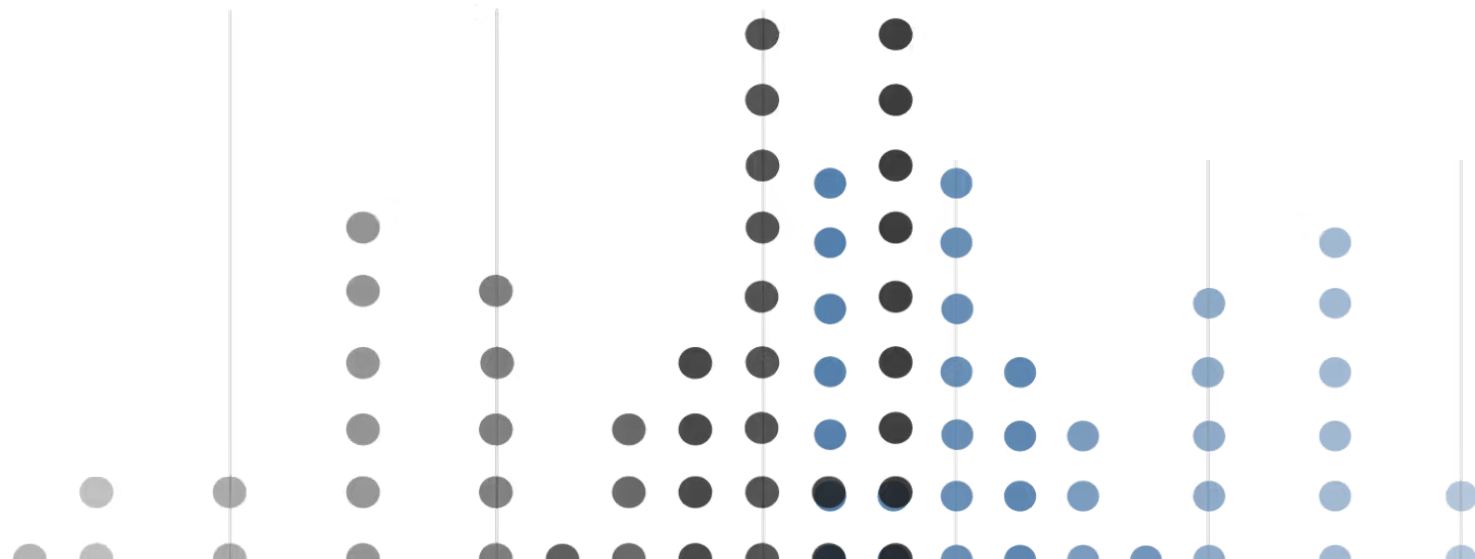
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June 2022

concept overview

Emerging Markets

emerging market global hard currency sovereign debt fund



Investment Rationale

entry point timing, the driver of EM sovereign bond returns

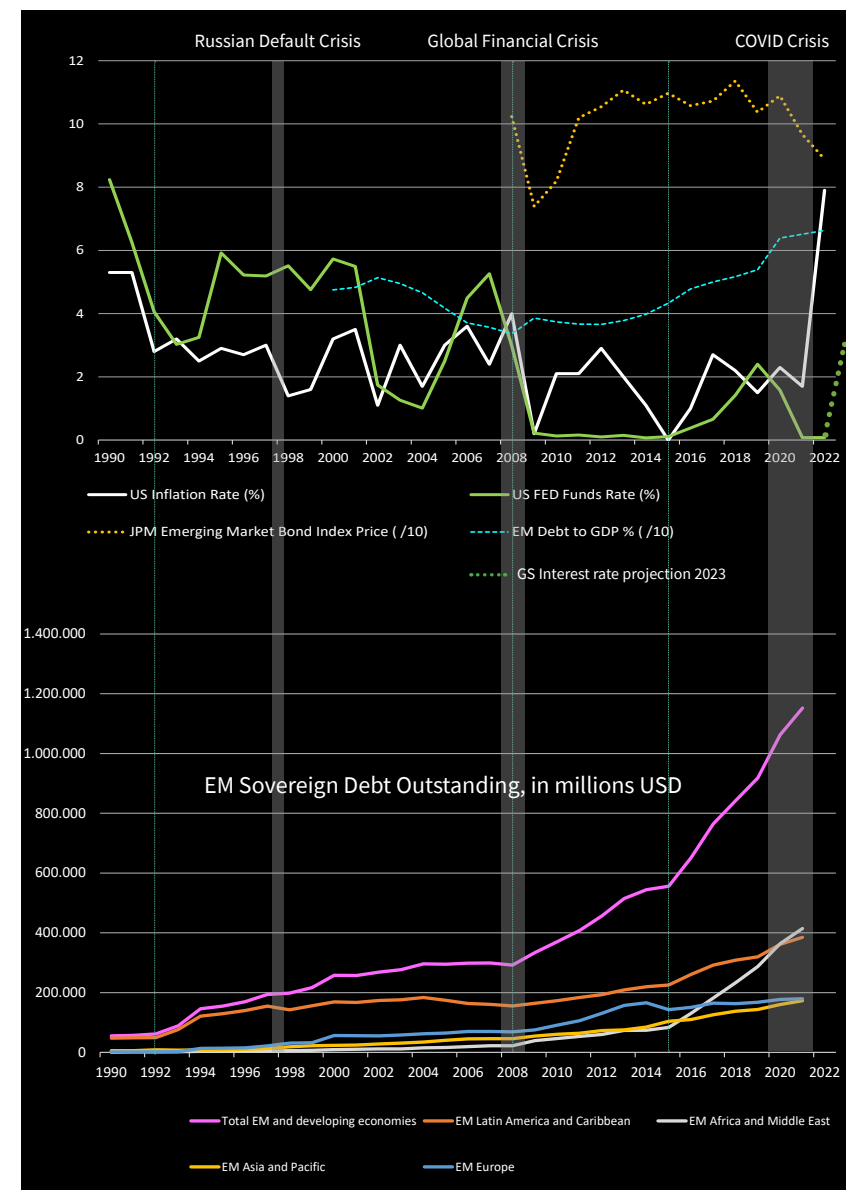
Riding on near zero global interest rates, low inflation numbers and further globalization of international trade and finance, many world governments have assumed greatly increased levels of debt over the past decade or so. With current sovereign debt outstanding at 4 times 2008 levels and the number of issuers ballooning, so-called Emerging Market (EM) countries are no exception.

Whilst such emerging market debt levels seemed sustainable at relatively low debt to GDP ratios, healthy hard currency reserves and steady global commodity prices, current macro economic dynamics and trailing EM GDP growth are putting structural pressure on this seemingly fragile balance.

Coming on the back of the COVID crisis and exacerbated by the Russia - Ukraine conflict, increased consumer demand combined with global supply-chain disruption have lead to spiralling inflation across the globe. Energy prices increased 30% in April 2022, while food prices jumped 9.4%, the most since April 1981. To curb this inflation, the US Fed projects a number of interest rate hikes, with an expected Fed Funds rate of ca. 3% - 4% by Q1 2023 (source: Goldman Sachs).

As a result, emerging market economies are coming under increased pressure, especially those relying on food and energy dollar denominated imports, whilst running an overall negative trade balance. The matter only being aggravated by a dollar index spot rate at its highest level since Dec' 2002.

The effects of these dynamics are already clearly visible in the EM bond markets. JP Morgan Emerging Market Bond Index (EMBI) dropped 24% over the past 12 months, with a 19% drop in 2022 alone. Based on extensive emerging market experience, the executive team expects further pricing pressure through to Q1 2023, anticipating current macro economic dynamics to create an optimal entry point to invest in emerging market global hard currency sovereign debt.



Sources: US Bureau of Labour Statistics, US Federal Reserve, Bank of International Settlements, IMF, Refinitiv, May 2022
(note: JPM Emerging Market Bond Index Price= iShare J.P. Morgan USD Emerging Markets Bond ETF lowest annual price level, divided by 10)

NewCo Investment Trust Plc

(the “Company”)

Investment objective

The Company’s investment objective is to provide income and capital appreciation to achieve a long-term total [real] return by investing primarily in a range of hard currency debt securities issued by emerging countries.

Targets

Launch:	Q4 2022
Structure:	Listed
Target AUM:	USD 500+ mm
Est. Capacity:	USD 2bn
Exposure:	USD ext. debt
Annualized Total Return:	7% - 10%
Div. Yield	6% - 8%
Max. leverage:	30%

Investment policy

The Company’s investment policy is to invest in hard currency debt instruments issued by a broad range of emerging countries whilst maintaining the value of investors capital. Derivatives may be used to create exposures to certain countries but more usually for risk management purposes. The Company adopts a wholly active management approach to investment on an absolute return basis.

Investment strategy

The Manager has broad discretion to invest the Company’s assets within the investment policy to achieve its investment objective. The Manager seeks to ensure that the investment portfolio is appropriately diversified having regard to the nature and type of securities, their performance, liquidity and other general risk characteristics whilst remaining bound by the risk concentration parameters as defined in the more detailed investment policy.

In common with many investment trust companies, the Manager uses leverage with the objective of enhancing long term returns to investors. The Company may also go short of securities from time to time to better manage interest rate as well as credit risk.

Rigorous macro-economic, credit and other analysis is used to determine the most promising emerging countries in which to invest. The investment portfolio is constructed by taking into consideration the risk characteristics of the countries and their associated debt instruments.

In general, the Manager uses a risk-weighted approach to portfolio construction, based on its proprietary risk management methodology. This methodology may differ from the more standard approach of others. The timing of trade entry (or exit) is key to the Company’s overall investment strategy. Trade timing is designed to be as near-optimal as possible.

Executive Team



First LastName

CIO

Prior to starting X Capital in 2002, Mete was treasurer of Turkish Bank (UK) where he managed all the group's investment policies and assets, including an emerging market portfolio of around USD 300 million. As CEO of X Capital, he has extensive experience in the fields of fixed income, equities, commodities and foreign exchange currency trading.

Over the course of 12 years, he successfully managed the emerging market Reef New World Fund with an audited 11.6% annualized return. First LastName holds a Bachelor's degree in Business Administration from Webster University in Geneva, Switzerland.

Geneva, Switzerland



First LastName

Senior Portfolio Manager

Before joining X Capital in 2003, Ogeday has worked as an Emerging Market Bond trader at various financial institutions. As partner at X Capital he is in charge of developing and enhancing strict risk management policies and their application to both funds and portfolios, as well as developing new structured products and hedging techniques.

For the emerging market X Fund, he developed the risk management strategies and co-managed the portfolio till the close of the Fund in 2011. First LastName holds a Master's degree in Finance from Lancaster University in the UK.

Geneva, Switzerland



First LastName

Senior Portfolio Manager

Ram is founder and managing director of Investment Services X. Since 1995, he is responsible for managing emerging market fixed income portfolios for high-net worth and small institutional clients. Prior to 1995, he gained emerging market banking experience at Morgan Grenfell, Lehman Brothers, CSFB & Bear Stearns.

Ram holds a BA Honours in Economics from the University of Buckingham.

London, UK



First LastName

Distribution & Marketing

Rupert has extensive emerging market fixed income experience, both in sales and originations, as well as trading and portfolio management. Prior to starting his own firm, Oxford Portfolio Advisers in 2014, he worked for Crédit Agricole, ICBC Standard Bank and Edmond de Rothschild.

Rupert holds a Master's degree from the University of Oxford.

London, UK

team continued ►



First LastName

Head Trader

Rupert is a highly experienced Fixed Income market professional with a predominant focus on global credit markets. Throughout his career he has held senior trading, director and managing director positions at institutions such as BNP Paribas, Bear Stearns, ABN AMRO, Tradeweb and SIX Group.

In recent years he has been responsible for conceiving, designing, implementing, and managing all business aspects of several successful Fixed Income trading platforms in both bonds and credit derivatives.

Rupert holds a BA Honours degree from the University of Exeter.
London, UK



First LastName

Chief Risk Officer

Former Global Head of Risk at Investec Asset Management and highly experienced finance professional. Richard has held senior risk management roles at Mizuho and Lehman Brothers. He has also been a quant Fund Manager at Investec, managed a statarb trading programme at X Capital Partners and worked as a quant trader at ABN AMRO.

Richard currently lectures on the use of machine learning in finance at postgraduate level in the School of Economics and Finance, Queen Mary University of London.

Richard attended Oriel College, University of Oxford, and holds a doctorate in Statistics. He also holds a first-class honours degree in Mathematics.

London, UK

Team highlights

500M

AUM (USD)

in diversified emerging markets fixed income portfolios.

150+

YEARS

combined banking and emerging markets experience at Credit Suisse, Morgan Grenfell, BNP Paribas, ABN AMRO, Lehman Brothers, Bear Stearns, Garanti Bank, Turkish Bank (UK), Investec, Mizuho, Crédit Agricole, ICBC Standard and Edmond de Rothschild.

80+

YEARS

combined track record of actively managing emerging markets fixed income portfolios.

11.6 %

Average Annualized Return

managed by XXXXCapital, portfolio managers of the X SFund, an Emerging Market Fixed Income Fund with a 12-year track record and voted best fund strategy in Switzerland in 2010.

Portfolio Characteristics (weighted average)

Total securities	42
Leverage:	27.0%
Coupon:	7.361%
Current Yield:	7.792%
Yield to Worst:	10.479%
Modified Duration:	4.17%
Maturity:	8.51 yrs

Rating Structure

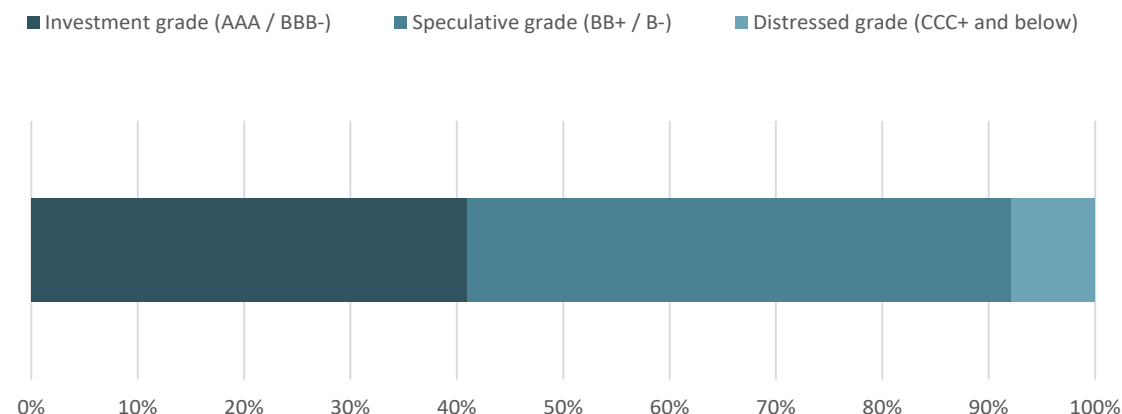
AA-	7%
A	3%
BBB	18%
BBB-	13%
BB+	7%
BB	4%
BB-	12%
B+	10%
B	13%
B-	6%
CCC+	5%
CCC	2%
NR	2%

Sample Portfolio

The following is an indicative sample portfolio based on available data dated 03 June 2022. Although this portfolio provides a good overview of the strategy, it is important to note that the Company and Manager expect a more optimal entry point closer to Q4 2022.

Key notes:

- All investments are in hard currency (USD) only.
- Sample portfolio based on USD 250mm AUM .
- Allocation per issuance shall not exceed 5.0% of the related outstanding issuance amount.
- Portfolio allocation is based on Managers' proprietary quantitative model, being an ordinal score ranging from 1 (lowest) to 7 (highest) formed by taking into consideration specific country risk features and individual bond characteristics.



#	Country	Weight	ISIN	Security Name	Maturity [a.]	Rating [b.]	Payment Rank	Price [c.]	Coupon	Curr. Yield	YTW [d.]	ModD [e.]
1	QATAR	5.03	XS0113419690	QATAR 9 3/4 06/15/30	15/06/2030	AA-	Sr Unsecured	143.90	9.750	6.776	3.430	5.87
2	HUNGARY	5.03	US445545AJ57	REPHUN 5 3/4 11/22/23	22/11/2023	BBB	Sr Unsecured	103.08	5.750	5.578	3.609	1.39
3	PERU	5.03	US715638AS19	PERU 7.35 07/21/25	21/07/2025	BBB	Sr Unsecured	110.26	7.350	6.666	3.846	2.74
4	MEXICO	5.03	US91086QAG38	MEX 8.3 08/15/31	15/08/2031	BBB	Sr Unsecured	129.99	8.300	6.385	4.298	6.68
5	CROATIA	5.03	XS0997000251	CROATI 6 01/26/24	26/01/2024	BBB-	Sr Unsecured	103.84	6.000	5.778	3.603	1.53
6	ROMANIA	5.03	US77586TAD81	ROMANI 4 7/8 01/22/24	22/01/2024	BBB-	Sr Unsecured	101.11	4.875	4.822	4.174	1.52
7	PHILIPPINES	5.03	US718286AP29	PHILIP 10 5/8 03/16/25	16/03/2025	BBB	Sr Unsecured	119.36	10.625	8.902	3.313	2.42
8	EGYPT	4.60	XS2176899701	EGYPT 8 7/8 05/29/50	29/05/2050	B	Sr Unsecured	73.97	8.875	11.999	12.178	6.23
9	NIGERIA	4.60	XS1910828182	NGERIA 9.248 01/21/49	21/01/2049	B-	Sr Unsecured	81.90	9.248	11.291	11.441	6.10
10	HONDURAS	3.94	XS0905659230	HONDUR 7 1/2 03/15/24	15/03/2024	B+	Sr Unsecured	96.07	7.500	7.807	10.030	9.40
11	KENYA	3.94	XS1781710626	KENINT 8 1/4 02/28/48	28/02/2048	B	Sr Unsecured	78.01	8.250	10.576	10.810	4.98
12	ARMENIA	3.94	XS2010028939	ARMEN 3.6 02/02/31	02/02/2031	B+	Sr Unsecured	74.54	3.600	4.830	7.743	7.56
13	SOUTH KOREA	3.35	US50064FAE43	KOREA 5 5/8 11/03/25	03/11/2025	AA-	Sr Unsecured	107.94	5.625	5.211	3.161	3.09
14	SAUDI ARABIA	3.35	XS1791939066	KSA 4 1/2 04/17/30	17/04/2030	A	Sr Unsecured	106.48	4.500	4.226	3.546	6.60
15	INDONESIA	3.35	USY20721BJ74	INDON 5 7/8 01/15/24	15/01/2024	BBB	Sr Unsecured	104.23	5.875	5.637	3.202	1.50
16	UAE	3.35	XS1791326991	SHARSK 4.226 03/14/28	14/03/2028	BBB-	Sr Unsecured	99.81	4.226	4.234	4.264	5.02
17	URUGUAY	3.35	US760942AZ58	URUGUA 4 1/2 08/14/24	14/08/2024	BBB-	Sr Unsecured	102.40	4.500	4.395	3.365	1.14
18	COLOMBIA	2.63	US195325BK01	COLOM 7 3/8 09/18/37	18/09/2037	BB+	Sr Unsecured	105.27	7.375	7.006	6.810	1.81
19	SOUTH AFRICA	2.63	US836205BC70	SOAF 5 7/8 04/20/32	20/04/2032	BB-	Sr Unsecured	95.16	5.875	6.174	6.556	6.16
20	BRAZIL	2.63	US105756BB58	BRAZIL 8 1/4 01/20/34	20/01/2034	BB-	Sr Unsecured	115.88	8.250	7.120	6.285	2.83
21	DOMINICAN REP.	2.63	USP3579ECN50	DOMREP 6 02/22/33	22/02/2033	BB-	Sr Unsecured	93.57	6.000	6.413	6.868	3.92
22	JORDAN	2.63	XS2199272662	JORDAN 5.85 07/07/30	07/07/2030	B+	Sr Unsecured	89.35	5.850	6.547	7.665	6.01
23	BAHRAIN	2.63	XS2408003064	BHRAIN 5 5/8 05/18/34	18/05/2034	B+	Sr Unsecured	90.85	5.625	6.192	6.766	6.99
24	COSTA RICA	2.63	USP3699PGK77	COSTAR 6 1/8 02/19/31	19/02/2031	B	Sr Unsecured	98.12	6.125	6.242	6.413	1.16
25	GHANA	2.63	XS1297557412	GHANA 10 3/4 10/14/30	14/10/2030	B	Sr Unsecured	91.64	10.750	11.731	12.414	3.52
26	JAMAICA	2.63	US470160AV46	JAMAN 8 03/15/39	15/03/2039	B	Sr Unsecured	120.27	8.000	6.652	6.045	6.05
27	BARBADOS	2.63	USP48864AQ80	BARBAD 6 1/2 10/01/29	01/10/2029	B-	Sr Unsecured	97.30	6.500	6.680	6.984	2.24
28	EL SALVADOR	2.00	USP01012AT38	ELSALV 6 3/8 01/18/27	18/01/2027	CCC+	Sr Unsecured	42.10	6.375	15.143	30.581	3.03
29	SRI LANKA	2.00	USY8137FAL23	SRILAN 6 3/4 04/18/28	18/04/2028	CCC+	Sr Unsecured	39.51	0.000	0.000	27.175	3.98
30	TUNISIA	2.00	XS1175223699	TUNIS 5 3/4 01/30/25	30/01/2025	CCC	Sr Unsecured	61.53	5.750	9.345	26.987	2.09
31	UKRAINE	2.00	XS1577952952	UKRAIN 7 3/8 09/25/32	25/09/2032	CCC+	Sr Unsecured	37.11	7.375	19.873	24.903	4.40
32	LEBANON	2.00	XS1313647841	LEBAN 6 1/4 11/04/24	04/11/2024	NR	Sr Unsecured	9.43	0.000	0.000	147.143	1.23

#	Country	Weight	ISIN	Security Name	Maturity [a.]	Rating [b.]	Payment Rank	Price [c.]	Coupon	Curr. Yield	YTW [d.]	ModD [e.]
33	MOROCCO	1.97	XS2270576965	MOROC 3 12/15/32	15/12/2032	BB+	Sr Unsecured	78.89	3.000	3.803	5.724	2.95
34	AZERBAIJAN	1.97	XS1678623064	AZERBJ 5 1/8 09/01/29	01/09/2029	BB+	Sr Unsecured	96.80	5.125	5.294	5.676	2.95
35	TRINIDAD AND TO	1.97	USP93960AH80	TRITOB 4 1/2 06/26/30	26/06/2030	BB+	Sr Unsecured	90.31	4.500	4.983	6.054	5.43
36	PARAGUAY	1.97	USP75744AE59	PARGUY 4.7 03/27/27	27/03/2027	BB	Sr Unsecured	99.67	4.700	4.715	4.778	3.68
37	NAMIBIA	1.97	XS1311099540	REPNAM 5 1/4 10/29/25	29/10/2025	BB-	Sr Unsecured	94.50	5.250	5.556	7.130	8.68
38	UZBEKISTAN	1.97	XS2365195978	UZBEK 3.9 10/19/31	19/10/2031	BB-	Sr Unsecured	80.96	3.900	4.817	6.702	1.59
39	OMAN	1.97	XS2234859283	OMAN 7 3/8 10/28/32	28/10/2032	BB-	Sr Unsecured	110.83	7.375	6.654	5.948	4.48
40	SERBIA	1.31	XS2264555744	SERBIA 2 1/8 12/01/30	01/12/2030	BB	Sr Unsecured	77.68	2.125	2.736	5.484	6.43
41	GEORGIA	1.31	XS2334109423	GEORG 2 3/4 04/22/26	22/04/2026	BB	Sr Unsecured	86.76	2.750	3.170	6.743	4.42
42	GUATEMALA	1.31	USP5015VAM83	GUATEM 3.7 10/07/33	07/10/2033	BB-	Sr Unsecured	83.69	3.700	4.421	5.690	5.75

a. Maturity is date the principal of a security is due and payable.

b. Rating is Bloomberg composite credit rating.

c. Price is Bloomberg Ask Price.

d. YTW (Yield-to-Worst) is Yield to Next Call

e. Modified Duration (ModD) is Bloomberg YAS_MOD_DUR.

Source: Bloomberg Finance L.P, all data/figures indicative, on 03 June 2022

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