

Emerging Markets Debt

Objective

The Emerging Markets Corporate Fixed Income strategy objective is to outperform the iShares JPM EM Corporate Bond ETF over the long term by targeting long-only credit opportunities across global Emerging Market Corporate Bonds, Emerging and Frontier Sovereigns and Provincial Debt Markets. By utilizing an active, top-down, fundamental, relative value approach to evaluate countries, sectors and companies RVX believes it can exploit the opportunities created by the positive fundamental change occurring in emerging markets around the globe.

Investment Team

Raymond Zucaro, CFA
Mauricio Kiblsky

Director of Fixed Income Operations

Felix Wong

Composite Inception Date

January 1, 2020

Strategy Profile

Benchmark... iShares JPM EM Corp Bond ETF
Style..... Relative Value
Credit Quality..... Ba2/BB min. avg.
Duration..... 85 to 115% of index
Security..... 5% max
Country..... 25% max
Industry..... 30% max
Currency..... USD only

PERFORMANCE:

RVX Emerging Markets Debt

Total Return %

as of 9/30/2026	QTD	YTD	1 yr	3 yr*	5 yr*	S.I.*
RVX EM Corp FI (Gross)	-0.90%	4.94%	6.78%	10.84%	4.04%	4.32%
RVX EM Corp FI (Net)	-1.00%	4.63%	6.36%	10.39%	3.58%	3.85%
iShares JPM EM Corp Bond ETF	-2.32%	-0.52%	0.57%	6.74%	1.56%	2.19%
Morningstar EM Corp Bond ³	-2.90%	-1.08%	-0.07%	6.92%	0.71%	1.56%

* Source: RVX Asset Mgmt, iShares JPM EM Corp Bond ETF, and Morningstar EM Corp Bond Index Returns 1+ Years are Annualized, Inception Date: 1/1/2020

* The performance data quoted represents past performance; Past performance does not guarantee future results

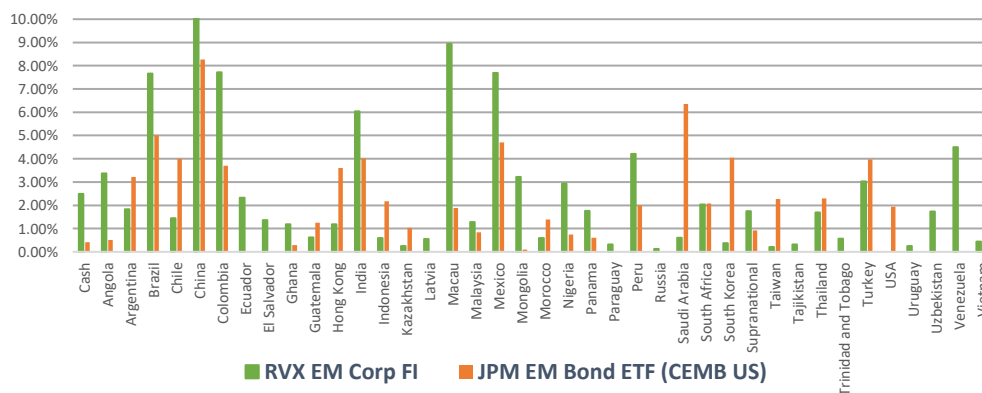
* Specific investments described herein do not represent all investment decisions made by RVX. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not necessarily representative of investments that will be made in the future. Please see DISCLOSURE at bottom of page 5 for further details.

TOP TEN HOLDINGS:

Security	MV%	Sector	Country	Eff. Dur	YTW	Rating
BCHINA Float 05/18/29	3.98%	Financial	China	0.00	4.30	A+
MEXCAT 5 1/2 07/31/47	3.34%	Industrial	Mexico	11.20	7.18	BBB
VENZ 9 1/4 09/15/27	2.55%	Government	Venezuela	0.65	0.00	C
MCBRAC 7 1/4 06/30/31	2.48%	Energy	Brazil	3.40	7.05	BB-
ABRAGF 14 10/22/29	2.39%	Consumer, Cyclical	Colombia	2.53	19.10	CCC+
WESCHI 9.9 12/04/28	2.37%	Industrial	China	1.81	14.14	B+
BRASKM 8 1/2 01/12/31	2.34%	Basic Materials	Brazil	3.11	26.08	C
GTE 9 3/4 04/15/31	2.21%	Energy	Colombia	3.24	8.74	B+
VOLCAN 8 1/2 10/28/32	1.94%	Basic Materials	Peru	3.28	8.24	B+
ADSEZ 3.828 02/02/32	1.92%	Consumer, Non-cyclical	India	4.66	6.51	BBB
	25.53%					

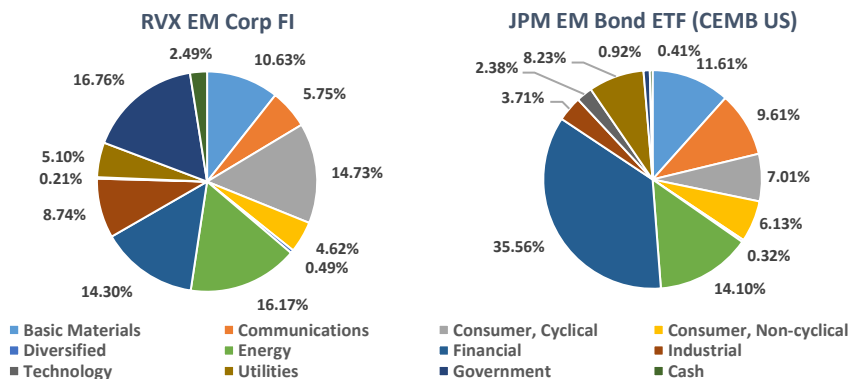
The Top Ten Holdings were selected based on objective, nonperformance-based criteria and the criteria used is applied consistently from period to period. Fund holdings and allocations are subject to change and should not be considered a recommendation to buy or sell a security. Source: RVX Asset Management Representative Account

COUNTRY WEIGHTINGS:



SECTOR WEIGHTINGS:

*Source: RVX Asset Management Representative Account and JPM EM Bond ETF (CEMB)



*Source: RVX Asset Management Representative Account and JPM EM Bond ETF (CEMB)

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Investment Process

Macro View

- The team begins with an analysis of the global macroeconomic environment, the corresponding impact on Emerging Markets, and the market's overall risk appetite.

Sovereign View

- The team's objective is to analyze credit opportunities in countries benefitting from the global macroeconomic environment, identified as those exhibiting positive rates of change in their economic, political, and social outlook.

Industry & Company View

- The team reviews an assortment of measurements to assess the credit worthiness of particular issuers within the framework of the team's sovereign perspectives and also, the issuers industry outlook.
- Each potential security is analyzed through a variety of credit and valuation metrics.

Portfolio Construction & Risk Management

- The team seeks to identify potential mispricing and alpha opportunities.
- Broad Diversification across countries, sectors, and credits.
- Risk management is integrated throughout the team's investment process. A designated Chief Risk Officer monitors portfolio adherence to guidelines, overall risk levels, and portfolio composition.

Portfolio Characteristics

Average Coupon.....	7.04%
Yield to Maturity.....	8.84%
Yield to Worst.....	8.42%
Avg. Maturity.....	7.81
Effective Duration.....	3.50
Average Quality.....	BB-
Number of Holdings.....	166
Number of Issuers.....	130

Portfolio Turnover (TTM)..... 53.27%

COMMENTARY:

3Q 2026 Commentary

During the month of September 2026, the RVX Fixed Income Long Only Strategy **Underperformed** the JPM iShares JPM CEMB ETF by **52bps** for a monthly gross return of **-2.72%**.

For 3Q'2026, the RVX Fixed Income Long Only Strategy **outperformed** the JPM iShares JPM CEMB ETF by **142 bps** for a gross return of **-0.90%**.

For trailing twelve months, the RVX Fixed Income Long Only Strategy **outperformed** the JPM iShares JPM CEMB ETF by **621 bps** for a gross return of **6.78%**.

For the 3-year-period ending September 2026, the RVX Fixed Income Long Only Strategy **outperformed** the JPM iShares JPM CEMB ETF by **1453 bps** for a three-year gross return of **36.17%**.

For the 5-year-period ending September 2026, the RVX Fixed Income Long Only Strategy **outperformed** the JPM iShares JPM CEMB ETF by **1384 bps** for a five-year gross return of **21.92%**.

And finally, since the 12/31/2019 inception date, the RVX Fixed Income Long Only Strategy **outperformed** the JPM iShares JPM CEMB ETF by **1726 bps** for a since-inception gross return of **33.05%**.

During the month the AGG ETF, which is a proxy for the US Aggregate bond index, and the HYG ETF, which is a proxy for the iBoxx High Yield Corporate Index, returned **-2.61%** and **-2.73%** respectively. For the trailing twelve months, they returned **-1.86%** and **0.89%** respectively.

3Q' Market thoughts

Oil everywhere; Who to believe?

Recent sell-side reports by the likes of GS, KPLER and JPM describe an amazing rebound in crude exports from the Gulf region. The various reports cite a range of output levels, with GS saying 23.3 million barrels daily (including "dark exports") and that for September exports of crude have been reaching 19 million barrels per day.

Yet the latest information shows another week of inventory drawdowns in the US, with crude down 922k and 785k "borrowed" from the SPR, leaving current inventory of 284 million barrels, a 44-year low.

There seem to be conflicting data points, but WTI and Brent oil going from \$84.06/bbl and \$90.49/bbl respectively on 31 August 2026 to \$90.52 and \$103.53, a 7.68% and 14.41% rise in the month, would lead one to think not as much supply is really coming out. Or maybe it's all just going to Asia for China to further restock and build?

Here only time will tell what is the truth. But in the meantime, with prices of refined products creeping higher, diesel hitting an all-time high in the month of September. Even stirring rumors of export bans as the US inches closer to pivotal midterm elections on 3 November 2026.

Swimming in "High" Grade debt, I hope we do not need life jackets.

As you all know, we are Emerging Markets debt people. According to JP Morgan, year-to-date (25 September 2026) Emerging Markets was in third place in receiving inflows in the asset class, passing staples like US High Yield, TIPS and even Mortgages. However, what really stood out to us capital markets veterans was the amount of inflows into High Grade. At the time of the research note the inflows were \$267.7 billion, 3.2x larger than the second-largest category, Munis with \$82.6 billion.

This year we have seen huge amounts of issuance. In March Amazon printed the largest corporate bond sale in history with \$54 billion across 11 tranches including non-dollar bonds, followed by Alphabet with \$32 billion and Oracle with \$25 billion, and then Meta with \$25 billion in April, all in the AI-related fields.

This is putting pressure on the high-grade sector of the debt market and causing some crowding out, meaning yields are having to adjust higher to compensate investors to take on the additional supply. For example, with pricing as of today 30 September 2026 the Oracle debt issued in February of this year has widened in spread from 145 bps over US Treasuries at the time of issuance to 216 bps over US Treasuries as of today.

This is causing a rising cost of debt almost across the credit spectrum, and it is something to be very careful of. As in the Oracle example, spreads at 216 bps (or a yield of 7.44%) are higher than for similarly rated BBB- credits. According to Bloomberg¹³, current BBB- OAS spreads for 10-year bonds are 169.9 bps, implying that investors do not necessarily agree with the current rating-agency assessment of the risk of these companies.

We think many of us remember what happened the last time credit agencies did not correctly assess and assign risk ratings.

Elections

There have been several important elections recently, with more still ahead. Germany has seen the rise of the AfD. The U.S. midterms are 34 days away, and Brazil holds its first-round presidential election this Sunday, 4 October. If needed, a second round would take place on Sunday, 25 October.

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Contact Information

RVX Asset Management, LLC
20900 NE 30th Avenue, Suite 401
Aventura, FL 33180

Raymond Zucaro, CFA
Chief Investment Officer

(305) 363-6892

rzucaro@rvx-am.com
www.RVX-AM.com

COMMENTARY:

As of today, Polymarket favors right-leaning Flávio Bolsonaro at about 60%, with incumbent Lula da Silva at about 39%. Polls have shown a much closer race, so the outcome remains uncertain.

That said, we can still assess how Brazilian assets might react in either scenario.

If Bolsonaro wins the presidency, that would mark a further rightward shift in Latin America. We think there is a meaningful chance Brazil would distance itself from BRICS and move closer to the Trump administration. In that case, assets would most likely rally: tariff and trade changes could arrive quickly, lowering discount rates and lifting profit margins.

We continue to see Latin America as a whole, and Brazil in particular, as a beneficiary of the current Middle East conflict. The region has seen higher realized oil prices alongside production growth. Disruptions in the Middle East have also reduced fertilizer output, which is likely to weigh on Asia and Africa. Latin America could benefit further if agricultural prices rise, though Brazil's own fertilizer-import bill is a partial offset.

If Lula wins reelection, we do not expect a sharp move lower in asset prices, as the status quo looks largely priced in. That said, we would expect continued heavy state involvement in key sectors, with the country's large quasi-sovereign issuers keeping a strong grip on industries such as Petrobras. We could also see less appetite for further privatizations and a higher risk that past privatizations are reversed. In most cases, that would be credit-positive for names that see increased state participation in their capital structure.

FED and Treasury

As we said back in February at the start of the Iran conflict, this war had the potential to be extremely disruptive for the global economy. September really felt like a pressure cooker. The Fed raised rates in a unanimous 12-0 vote, with Warsh saying he was removing leftover "accommodation." Futures markets are still leaning toward another hike in December. That timing looks more realistic than October after New York Fed President Williams said there is "no urgency," and after an October meeting that would land just days before the midterms. The 10-year Treasury yield rose 54 basis points and the 30-year hit its highest level since 2004, pushing national mortgage rates back above 7% and tightening the housing market further.

Treasury Secretary Bessent almost seemed to dare the capital markets with the line "I am the house now," which recalled the pirate in Captain Phillips, who thought he had more power than he really did. He then abruptly increased targeted buybacks of longer-dated bonds in an effort to control the long end of the curve. With only \$6 billion of buybacks at a time when the U.S. government is issuing well over \$50 billion of debt a week, our view is that it made matters worse.

Hank Paulson's famous line was, "If you've got a bazooka, and people know you've got it, you may not have to take it out." Unfortunately, \$6 billion of debt buybacks does not even look like a water pistol when double-secret bazookas are needed to stop a freight train.

Convergence

This combination of an energy shock, arrogance, fiscal slippage, high-grade debt crowding out, and poor messaging has made for a difficult time in developed-market fixed income. That is exactly why we still prefer active emerging-markets debt. The same oil shock that is stressing U.S. inflation and the long end is putting cash in the hands of Latin American producers. The same crowding-out that is cheapening AI paper against its ratings is a reminder that benchmark-hugging IG is no longer the risk-free ballast people think it is. Country debt burdens in much of EM remain lower than in the United States, and the Brazil election, either path, is a live example of the kind of dispersion active management is paid to underwrite. September was a pressure cooker for Treasuries and high grade. It was also a month that argued for being selective in EM rather than hiding in "high" grade.

Quarterly Movers

When dissecting performance from a country perspective, the largest contributors this quarter were China, Colombia, and Israel.

China delivered strong results, driven by our position in West China Cement. The name recovered after a leading investment bank signaled that the second-quarter sell-off—triggered by concerns that the issuer might someday be excluded from a major Asian credit-focused index—was excessive. The bank added the credit to its conviction list, supporting a sharp rebound in the bonds.

Colombia was a standout performer following the surprise announcement that Gran Tierra would be acquired by Maurel & Prom for \$1.33 billion. The bonds reacted quickly and are currently trading at a modest discount to the acquirer's existing debt. We continue to see further upside as the transaction approaches its expected close in December.

Finally, our outperformance in Israel stems from our zero exposure to the country. We do not believe the risk-reward profile of Israeli credits adequately compensates for the broader country risk at this time, and avoiding the market proved beneficial as spreads underperformed.

When dissecting performance from a country perspective, the largest detractors this quarter were Macau, Ecuador, and Brazil.

Macau came under pressure amid increased concerns that elevated energy prices would crimp disposable spending and raise travel costs, potentially weighing on visitor arrivals. Bookings for China's National Day (Golden Week) holiday also tracked below expectations. We continue to like the sector. While operating trends are softer than earlier in the year, they remain well above the post-pandemic lows, and the credits continue to improve from a balance-sheet perspective by paying down bank loans and terming out debt.

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rzucaro@rvx-am.com
www.RVX-AM.com

COMMENTARY:

Ecuador was weak in the quarter, largely due to heightened concerns around fiscal continuity and the IMF program following President Daniel Noboa's surprise decision to remove Finance Minister Sariha Moya (who had been leading the IMF relationship) and appoint Bernardo Cordovez. We view the change more as a cabinet shuffle than a derailment of the broader policy framework and continue to hold our positions.

Finally, Brazil detracted, driven by two specific credits—Braskem and CSN—even as broader election-related caution remains a market theme. Braskem saw limited progress on its restructuring amid the political calendar, while CSN suffered as investors grew more skeptical that long-promised asset sales would deliver as expected. We continue to hold both names, as we see tangible catalysts for re-pricing higher once meaningful progress is made on restructuring and asset disposals, respectively.

Portfolio Snapshot

Currently, portfolio quality is at BB-, versus the benchmark's BBB-. Portfolio duration is 3.50 years versus the benchmark's 4.26 years.

Given the economic shock surrounding the Strait of Hormuz and the persistent overshooting of inflation data and as we touched on in the section above regarding the Fed, we have shortened our duration and lowered our quality. We feel rates will continue to test higher until some long-term agreement can be reached in the Middle East, which we think is the only thing that can provide some inflation relief at this time.

Footnotes:

¹ Returns from Bloomberg 10-14-2026

² Goldman Sachs, Commodities Research 29 September 2026. Oil Comment: Adaptation: Persian Gulf Exports Return to 2025 Level. By Yulia Zhestkova Grigsby, Alexandra Paulus and Daan Struyven. www.goldmansachs.com

³ <https://oilprice.com/Latest-Energy-News/World-News/JP-Morgan-Goldman-Diverge-on-Hormuz-Oil-Flow-Estimates.html>

⁴ <https://x.com/Kpler/status/2105230955464040484?s=20>

⁵ JP Morgan, Global Markets Strategy 29 September 2026. Oil Flash Note, The Final 11% by Natasha Kaneva, Lyuba Savinova and Artem Fakhretidinov. www.jpmorganmarkets.com

⁶ <https://x.com/zerohedge/status/2105305520072741209?s=20>

⁷ <https://www.reuters.com/business/energy/oil-stocks-us-strategic-petroleum-reserve-fall-lowest-level-since-1982-2026-09-28/>

⁸ JP Morgan, Global Markets Strategy 25 September 2026. EM Flows Weekly. It's not you, it's the Fed: EM bond funds see a second It's not you, it's the Fed: EM bond funds see a second week of outflows as yields continue to climb. By Leonardo Tiago, Santiago J Olalquiaga Calcano and Ikue Saito. www.jpmorganmarkets.com

⁹ <https://www.ifre.com/bonds/2397565/amazon-makes-market-history-with-largest-corporate-bond-sale-ever>

¹⁰ <https://finance.yahoo.com/markets/stocks/article/debt-is-fueling-the-ai-boom-and-warning-signs-are-flashing-094352460.html?guccounter=1>

¹¹ <https://www.bloomberg.com/news/articles/2026-02-02/global-bond-sales-reach-1-trillion-at-their-fastest-pace-ever>

¹² <https://www.reuters.com/legal/transactional/hyperscale-us-corporate-bond-issuers-flood-market-with-18-billion-new-paper-2026-05-11/?outputType=chromeless>

¹³ [https://en.wikipedia.org/wiki/Crowding_out_\(economics\)](https://en.wikipedia.org/wiki/Crowding_out_(economics))

¹⁴ Price taken from Bloomberg 30 September 2026

¹⁵ <https://www.axios.com/2026/09/21/germany-election-results-afd-merz>

¹⁶ <https://polymarket.com/event/brazil-presidential-election>

¹⁷ <https://x.com/RayZucaro/status/2028508487605506083?s=20>

¹⁸ <https://www.nbcnews.com/business/markets/bond-yields-oil-treasury-buyback-bessent-rcna599604>

¹⁹ <https://youtu.be/GE5JOaGhrFI?si=bs-J7B6yslhnKVC0>

²⁰ <https://www.youtube.com/shorts/rbEZk9tR4ZI>

²¹ <https://www.nytimes.com/2008/09/09/business/09sorkin.html>

²² <https://www.morningstar.com/news/marketwatch/20260925121/why-investors-arent-buying-yet-another-attempt-by-the-treasury-department-to-calm-the-rattled-bond-market>



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DISCLOSURES:

Primary Index: iShares J.P. Morgan EM Corporate Bond ETF
Secondary Index: Morningstar Emerging Markets Corporate Bond Index

- RVX Asset Management, LLC ("RVX" or the "Firm") claims compliance with the Global Investment Performance Standards ("GIPS®"), and has prepared and presented this report in compliance with the GIPS standards. RVX has been independently verified for the periods 1 November 2018 to 31 December 2025. The verification report is available upon request.
- A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.
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- The RVX Emerging Markets Corporate Debt Composite ("EM Corp Composite") consists of fully discretionary Accounts invested in its related investment strategy ("Strategy"). Accounts consist primarily of emerging market corporate bonds across a variety of durations and credit qualities. The investment objective of the Strategy is to outperform the index 1.5 to 2% annualized over a market cycle by targeting credit opportunities across global emerging market corporate bonds, and emerging and frontier sovereign and provincial debt markets. Securities are subject to general market risks due to factors that affect the overall market, which may include, but are not limited to, government actions, investor behavior, and economic conditions. Economic conditions may be influenced by liquidity risk, geopolitical risks, monetary and fiscal policy, interest rate risk, and inflation, among others. Key material risks include the risks that bond prices will decline, foreign currency prices will decline, available liquidity will decline, rule of law will decline, and the composite will underperform its benchmark.
- The composite was created in January 2022, and the inception date is 1 January 2020.
- The primary benchmark is the iShares J.P. Morgan EM Corporate Bond ETF, which tracks the performance of U.S. dollar-denominated bonds issued by emerging market corporate entities. Prior to 1 January 2025, the composite benchmark was the MSCI Corporate Emerging Markets Bond Index. The secondary benchmark is the Morningstar Emerging Markets Corporate Bonds Index, which measures the performance of USD denominated, fixed-rate, investment grade and high-yield corporate bonds issued by emerging market entities. It is market capitalization weighted with capping constraints. The benchmarks are provided for comparative purposes only to represent the investment environment during the time periods shown. The benchmarks are unmanaged and reflect no fees or expenses. Individuals cannot invest directly in an index. The composite Accounts differ from the indices content and asset allocation of the benchmarks, as unmanaged indices.
- Account returns are calculated using a time-weighted return ("TWR") methodology that calculates period-by-period returns reflecting the change in value and negating the effect of external cash flows. The monthly composite return is the asset-weighted performance of all Accounts in the composite. Monthly composite returns are geometrically linked to form year-to-date and annual returns. Returns include the reinvestment of dividends and other earnings. Valuations are computed and performance is reported in U.S. dollars.
- Gross-of-fee returns are presented before management and custodial fees, but after all trading expenses. Composite and benchmark returns are presented net of non-reclaimable withholding taxes. Net-of-fee returns are calculated by deducting a monthly model management fee of 0.0417%, 1/12th of the highest annual management fee of 0.50%, from the monthly gross-of-fee composite return. Beginning 1 January 2024, the management fee schedule for Accounts is as follows: 0.40% on the first \$50 million; 0.30% on the subsequent \$50 million; 0.25% thereafter.
- Internal dispersion is calculated using the asset-weighted standard deviation of annual gross-of-fee returns of those Accounts that were included in the composite for the entire year.
- The three-year annualized standard deviation measures the variability of the composite's gross-of-fee returns and the benchmark's returns over the preceding 36-month period.
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