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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 Kiblisky

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 9/30/2025	QTD	YTD	1 yr	3 yr*	5 yr*	S.I.*
RVX EM Corp FI (Gross)	2.52%	7.45%	7.76%	11.37%	4.26%	3.90%
RVX EM Corp FI (Net)	2.42%	7.13%	7.34%	10.88%	3.78%	3.41%
iShares JPM EM Corp Bond ETF	3.17%	7.24%	5.84%	9.01%	2.36%	2.48%
Morningstar EM Corp Bond	3.55%	8.16%	6.16%	9.32%	1.47%	1.85%

* *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

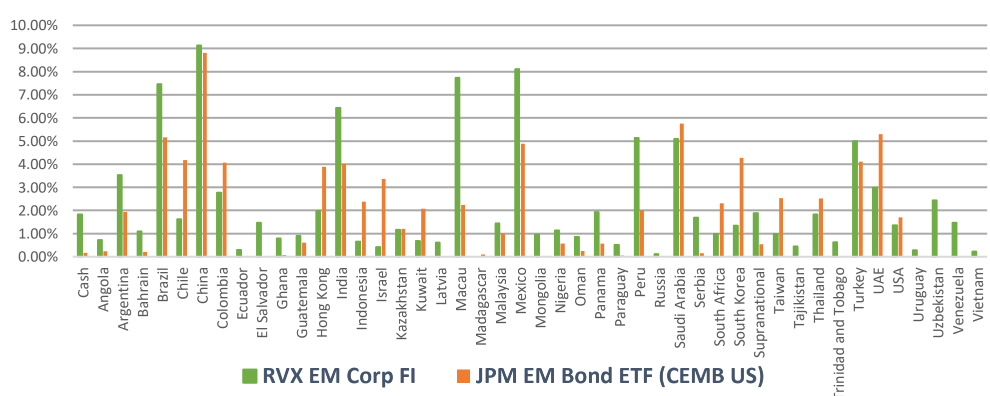
* Specific investments described herein do not represent all investment decisions made by RVX. The reader should not assume that investment decisions identified and discussed were or will be profitable. Specific investment advice references provided herein are for illustrative purposes only and are not 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
ARAMCO 2 1/4 11/24/30	4.16%	Energy	Saudi Arabia	4.74	4.36	A+
MEXCAT 5 1/2 07/31/47	3.76%	Industrial	Mexico	12.06	6.68	BBB-
VOLCAN 8 3/4 01/24/30	3.57%	Basic Materials	Peru	1.88	7.22	B-
SAMMIN 9 1/2 06/30/31	2.43%	Basic Materials	Brazil	0.04	-4.32	B
MCBRAC 7 1/4 06/30/31	2.34%	Energy	Brazil	3.75	10.65	B+
ADSEZ 4 3/8 07/03/29	1.96%	Consumer, Non-cyclical	India	3.38	5.09	BBB-
BABA 4 12/06/37	1.73%	Communications	China	9.50	4.84	A
SERBIA 6 06/12/34	1.68%	Government	Serbia	7.00	5.39	BB
MPEL 7 5/8 04/17/32	1.43%	Consumer, Cyclical	Macau	3.07	6.11	BB-
ADSEZ 3.1 02/02/31	1.42%	Consumer, Non-cyclical	India	4.79	5.50	BBB-
	24.48%					

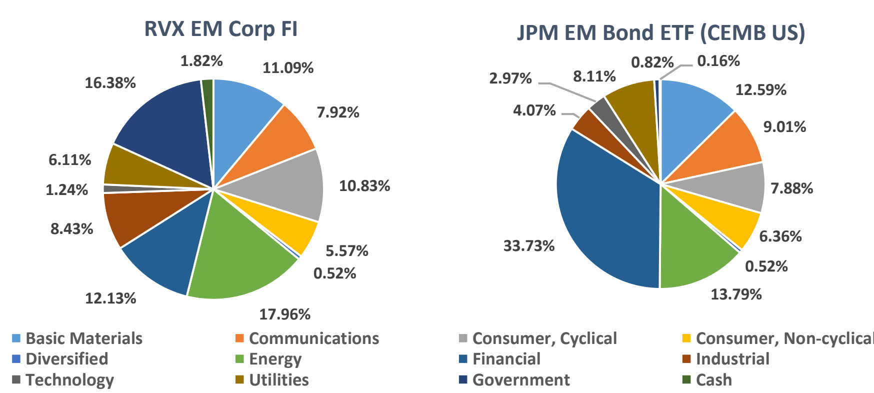
The Top Ten Holdings were selected based on objective, nonperformance-based criteria and the criteria used is applied consistently from period to period. Fund holdings and allocations are subject to change and should not be considered a recommendation to buy or sell a security. Source: RVX Asset Management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

COUNTRY WEIGHTINGS:



**Source: RVX Asset Management Representative Account and*

SECTOR WEIGHTINGS:



**Source: RVX Asset Management Representative Account and *JPM EM Bond ETF (CEMB US) used as a proxy for the JPM CEMBI Brd Div*

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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…………………………	*6.10%*
Yield to Maturity…………………………	*7.12%*
Yield to Worst……………………………	*6.39%*
Avg. Maturity……………………………	*8.90*
Effective Duration………………………	*3.83*
Average Quality…………………………	*BB*
Number of Holdings……………………	*189*
Number of Issuers………………………	*156*

Portfolio Turnover (TTM)……………… 8.66 %

COMMENTARY:

3Q 2025 Commentary

During the month of September 2025, the RVX Fixed Income Long Only Strategy **Underperformed** the iShares JPM CEMB ETF by **131bps** for a monthly gross return of **-0.31%.**

For the third quarter of 2025, the RVX Fixed Income Long Only Strategy **Underperformed** the iShares JPM CEMB ETF by **65bps** for a monthly gross return of **2.52%.**

For Year-to-date 2025, the RVX Fixed Income Long Only Strategy **outperformed** the iShares JPM CEMB ETF by **21bps** for a gross return of **7.45%**.

For the trailing twelve months, the RVX Fixed Income Long Only Strategy **outperformed** the iShares JPM CEMB ETF by **192bps** for a gross return of **7.76%**.

For the 3-year-period ending September 2025, the RVX Fixed Income Long Only Strategy **outperformed** the iShares JPM CEMB ETF by **855 bps** for a three-year gross return of **38.13%.**

For the 5-year period ending September 2025, the RVX Fixed Income Long Only Strategy **outperformed** the iShares JPM CEMB ETF by **1079 bps** for a five-year gross return of **23.20%.**

And finally, since the 12/31/2019 inception date, the RVX Fixed Income Long Only Strategy **outperformed** the iShares JPM CEMB ETF by **947 bps** for a since-inception gross return of **24.60%.**

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 **1.12%** and **0.88%** respectively. For the third quarter, they returned **1.12%** and **0.88%** respectively.

"There are decades where nothing happens, and then there are weeks where decades happen"; ironically, a quote often attributed to Vladimir Lenin, but one we find strikingly fitting for these times.
The final month of the quarter was particularly significant, not just because of our underperformance, but due to the many pivotal global events that unfolded, which we believe will carry profound long-term consequences.
We hate to lean on the cliché from our last two quarterly updates about "flooding the zone." Since Trump reassumed the presidency on January 20, 2025, it's been nonstop political maneuvering and jockeying.
We'll aim to address these topics in chronological order.

Shanghai Cooperation Organization

The beginning of September saw the largest gathering to date of the Shanghai Cooperation Organization (SCO) in its 24-year history. Some notable but not exhaustive highlights include the extremely friendly appearance of the leaders of the big three members; Xi, Putin and Modi from China, Russia and India. While these leaders have all been together in other settings, we feel this meeting was especially important given the increasing political pressure that the West was trying to implement against Russia. Trump was not able to hide his disappointment in how these three powerful leaders are sticking together.
India and China made great strides in improving their bilateral relations, with announcements of increased trade, tourist visas, and with the resumption of direct flights between the two countries.

In classical "do as I say and not as I do," the West has been pressuring both China and India to stop buying Russian oil and gas . Which is ironic for several reasons: one, the Biden administration specifically asked India to replace their Middle Eastern oil purchases with Russian oil to help stabilize and lower prices but one of the largest purchasers of refined Indian production is Europe itself!

Post the SCO meeting it seems that China and India are largely ignoring the continued threats against them and continuing with business as usual. Either China's near monopolistic control of rare Earths has taken away much of the United States sanction threat, or they have come to the realization that the West will be antagonistic towards them no matter what and have decided to lean into the wind and increase their economic ties to Russia.

Frankenstein's Monster

As avid readers of our pieces, you know why we keep pounding the table about the importance of Emerging Markets. What was surely not the West's long-term intention has come to pass: the political and economic union of three giants—China, India, and Russia—has created a Frankenstein-like monster against the West and the world's "old" economies.

We often say, "Geography is destiny" (check out this excellent geographical *video* *here*). Our view is that the West aimed to contain China by controlling key choke points: the Malacca Strait for the country's energy needs and the South China Sea for the rest of China's commerce, including critical food imports. But by bringing these three giants together—Russia, a key provider of food and energy, and India, now the world's most populous nation, with expanding economic ties—the West has lost significant leverage.

Nail in the coffin

Further proof of the headache that the West has created for itself can be seen in the legally binding memorandum of understanding (MOU) signed on the back of the SCO meeting between China and Russia. On September 2, these two countries finalized the Power of Siberia 2 natural gas pipeline; what we see as a final and irreversible nail in the coffin for European industrial production.

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COMMENTARY:

This agreement, announced by Gazprom CEO Alexei Miller, covers construction of the pipeline from Russia's Yamal Peninsula through Mongolia to China, with a capacity of up to 50 billion cubic meters per year over 30 years. It also includes expanding supplies via the original Power of Siberia pipeline from 38 to 44 billion cubic meters annually.

Why we call this the final and irreversible nail for Europe is that it's the gas that had been earmarked for the now-destroyed Nord Stream pipeline, which was at the heart of German industrial competitiveness.

Where is Puck going?
As a firm, we believe one of our strengths lies in our expertise in identifying compelling opportunities in Frontier markets—an area where passive EM investing is hard to come by. The Power of Siberia 2, we envision, will be transformational for Mongolia. This vast geographical nation, with a modest population of 2.8 million, stands to gain significantly from transit fees that will bolster government coffers over time. We'd love to dive deeper into this topic, but we're concerned this write-up is already running long. We promise to revisit it in the future.

It is nice to have friends with deep pockets.

In a package we have not seen since the Tequila Crisis, the United States offered Argentina a lifeline. Argentine assets had seen weakness after regional elections in the province of Buenos Aires saw Milei's party perform very poorly, even below weak expectations. As we were quoted in this story in Fortune Magazine, we view this as the clear mark of the end of the honeymoon of Milei's presidency. That said, when Scott Bessent says he will do whatever it takes to help stabilize Argentina, we take him at face value, given our deep respect for him professionally.

Our view is the United States sees Argentina as a key ally in what we have repeatedly stated is this administration's backyard. As we wrote about in our year-end outlook piece and as we stated in a recent podcast (our segment starts at minute 23:40; *link*.), the U.S. is returning to its Monroe Doctrine roots and would like to have a stable and prosperous Argentina; especially with future political conflicts with Brazil and potential hot conflicts with Venezuela.

(Not)-United Nations
On September 23rd, Trump addressed the United Nations. In what was a longer and somewhat rambling address than expected, one area we would like to emphasize is Trump's comments on Rejection of Globalism and Defense of Sovereignty: Trump delivered a "powerful rebuke" to "destructive globalism," arguing it has fueled conflict and chaos. Inasmuch as regional elections marked the end of the Milei honeymoon, we view this speech as the end of globalism. This end of globalism is why we are more positive on emerging markets than we have ever been over our 29-year career focused solely on emerging markets.

Mea Culpa

For those who have been lucky enough to see us present in person, one thing we bring up often is how we make the analogy of a Venn diagram, where we view our strengths (combining our macro top-down and our credit bottom-up) as being where those two circles overlap—our "edge," if you will. Well September was not a good bottom-up month…

During the last week of the month, we had two credits, both based out of Brazil, precipitously drop in value. One of them we view as a quasi-sovereign credit. Braskem is a multinational petrochemical company headquartered in São Paulo, Brazil, specializing in the production of thermoplastic resins and basic chemicals. It is the largest producer of thermoplastic resins in the Americas and the world's eighth-largest resin producer. The company operates through segments including Chemicals (basic petrochemicals like ethylene and propylene), Polyolefins (polyethylene and polypropylene), Vinyls (PVC), and international operations in the United States, Europe, and Mexico.

Petrobras owns 36.1% of Braskem's total capital (common and preferred shares combined) and 47% of its voting capital (common shares).

With cash balances of well over $1.5 billion in cash and a $1 billion undrawn credit line and no large maturities until 2028, the company's announcement that they hired advisors to address their capital structure frankly caught us off guard.

We do not think this is the end of this story, and frankly we think the sell-off has been overdone given how important this company is, its market share, potential tax credits, amount of unencumbered assets, and its shareholders—we see more potential for higher prices in the future than lower.

The other credit that had a horrible month was the Brazilian waste management and environmental, emergency response, and industrial service provider Ambipar. On Thursday, September 18th, S&P affirmed their BB- rating but did put them on negative watch (of note Fitch also had them at BB-). S&P even stated the company had current liquidity to cover their needs for the next 12 months. Yet just 4 trading days later, the company also announced they had gone to a Brazilian state court to seek judicial protection. The dust has yet to settle here, but needless to say, for a company with over $800 million in cash, a former Bank of America banker as CFO, a global footprint, and relatively stable business lines, we were caught off guard how quickly things seemed to have unwound.

Stories are now circulating in the local Brazilian press that the company had just recently signed an interest rate swap with Deutsche Bank for only $35 million, but that the facility included triggers tied to both BRL/USD FX movements as well as bond price movements. The aspect of linking to bond prices seems to have created a death spiral in that bond price weakness caused larger margin calls, and the information of larger margin calls caused further bond price weakness.

While we expect the ultimate value to be higher for both of these, we are more optimistic about Braskem given the importance of its key shareholder, Petrobras.

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COMMENTARY:

Final Thoughts

This was a quarter where geopolitical realignments accelerated, long-term energy flows shifted, and political rhetoric hardened. We believe these developments underscore why emerging and frontier markets remain central to the global investment story, not as peripheral exposures, but as core drivers of structural change.

We appreciate your continued partnership and look forward to discussing these dynamics further in the months ahead.

When dissecting performance from a country perspective, the largest detractors for the quarter were Brazil, Argentina and Chile. We discussed the two names in Brazil that caused the underperformance above. Regarding Argentina, which was also discussed above, we did take advantage of the post Bessent comments to reduce our Argentina sovereign position. We do feel the metrics when compared to other similarly rated countries (Ghana, Ecuador and Pakistan) and does make Argentina look "cheap" but we expect more volatility and tactically reduced. Chile detracted due to our large underweight. Unfortunately, we struggle to find interesting opportunities in Chile, especially when compared to much more interesting opportunities in Latam as a whole.

The largest contributors to performance for the quarter were Mexico, Macau and China. Mexico stood out as a top performer, fueled primarily by the strong showing of PEMEX, the fully government-owned oil giant. In July, the Mexican government issued sovereign-backed debt, with funds earmarked to bolster PEMEX's working capital cleanup. Post-issuance, Fitch Ratings upgraded PEMEX. The tight bond between PEMEX and the Mexican government often sparks debate among emerging markets (EM) players. We see it as a "left pocket, right pocket" deal, essentially, they are one entity. Thus, any yield premium over the sovereign is just compensation for a hypothetical liquidity hit. Mexico has reliably backed PEMEX when push comes to shove, given its role as the nation's top taxpayer and a major employer. Macau, our top and longstanding overweight holding, has once again secured its place as a quarterly standout. As we've repeatedly emphasized, especially after our 2024 Macau visit, the market has consistently undervalued its rebound. Recent revenue and passenger numbers far exceeded consensus forecasts (though aligned with our own). All Macau securities have surged, and as we've noted before, we see strong potential for a return to pre-Covid-19 ratings and spreads across all names. China delivered standout performance this quarter, propelled by a potent mix of property sector names and industrial companies. For well over a year, we've consistently argued that valuations in the Chinese market had become excessively undervalued, presenting a compelling opportunity. Our analysis, reinforced by ongoing market observations, has underscored the significant upside potential in these sectors, as their fundamentals were being overlooked by the broader market. The recent rally in both property and industrial stocks validates our long-held view that China's valuations were simply too attractive to ignore, positioning these assets for a robust recovery.

Currently, portfolio quality is at BB, versus the benchmark BBB-. Portfolio duration is at 3.80 versus the benchmark's 4.50. Between a now full public divorce of the administration and Lisa Cook to the revised economic data causing BLS senior officials to be publicly fired, it is hard for us to see any scenario where rates are not lower sooner. Based on this combination of factors we are heavier in "High-Yield" names as we feel the increased carry of 121 bps over benchmark compensates us for the duration handicap in a rate falling environment.

Footnotes:
[1] Performance from Bloomberg, data drawn on Octobr 8th, 2025.
[2] Xi, Putin and Modi Try to Signal Unity at China Summit - The New York Times
[3] https://x.com/TrumpTruthOnX/status/1963915154955137482
[4] SCO Summit 2025: New Momentum for India-China Relations
[5] https://www.aljazeera.com/news/2025/8/5/india-accuses-us-eu-of-russia-trade-double-standards-who-is-right
[6] https://www.reuters.com/business/energy/exclusive-india-can-buy-much-russian-oil-it-wants-outside-price-cap-yellen-says-2022-11-11/
[7] Exports of oil products by private Indian refiners | Reuters
[8] https://united24media.com/latest-news/chinas-heng-yang-9-caught-docking-in-crimea-defying-eu-us-sanctions-with-secret-sevastopol-visits-11870
[9] America Will Be the Last Superpower, Here's Why
[10] Demographics - Embassy of Mongolia
[11] Bessent halts Argentina crisis as U.S. lifeline upends short bets | Fortune
[12] RVX 4Q 2024 EM Fixed Income Fact Sheet
[13] From Wall Street to Space: A N... - RMW - Dinero y Mas - Apple Podcasts
[14] Intersection (set theory) - Wikipedia

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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 2024. 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.
• RVX is an investment advisor registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940. The Firm was founded in 2015, and initially registered with the SEC in 2016. RVX provides asset management services to institutions and other investment advisors (excluding pooled funds as a distinct business). The Firm invests client assets ("Accounts") primarily in emerging and frontier market government and corporate debt, and currencies which are allocated among asset classes based on the client's risk and return requirements. RVX is an independent investment management firm that is not affiliated with any parent organization.
• 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.
• Investing in securities always carries the risk of potential loss of investment principal. Actual Account returns may be higher or lower than the Composite returns due to differences in portfolio holdings, timing of security transactions, and account inception date. Please see our Form ADV Part 2 for a complete description of advisory fees. Returns of less than one year are not annualized. You can obtain RVX's Investment Policy Statement, firm and investment strategy information, as well as fee information by contacting RVX.
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