

## Dear Investor

*Please note that information regarding companies (issuers) and financial instruments (e.g. shares or bonds) in this investor letter shall not be considered as investment recommendations to buy, sell or hold any financial instruments. Information about companies and financial instruments shall only be considered as information concerning the fund's portfolio and risk profile for that quarter.*

The broader market remained relatively sanguine despite the "wall of worries" out in the world at the moment. The lack of dramatic or market moving news flow, characteristic of the summer months, was taken by investors as a signal to continue driving valuations higher across asset classes. US yields remained rangebound relative to recent months albeit somewhat higher than in June as tariff debates continued to pour through in the headlines and US fiscal dynamics remained worrisome. The USD recovered some lost ground as the signing of a tariff deal with the European Union was seen as more damaging for Europe than for the US. Commodities remained rangebound as well and emerging markets remained interesting among investors as a weaker USD with still robust fundamentals in emerging markets is usually a good combination for this space. CEMBI returned almost 1% in USD with HY firmly leading as the overall market sentiment remained favorable for risk. Our EUR denominated institutional share class returned about +1.4% (gross) and was about 70bps ahead of its benchmark. Our USD share class returned +1.6% (gross) and were also about 70bps ahead of the benchmark.

Asian corporates were on the back foot again given the preponderance of IG papers in this space hence returning only 0.7% on aggregate (0.6% IG / 1.1% HY). The notable surge in HY outperformance did not come from the Chinese real estate sector, as had been the case for many months, but was instead more spread across sectors and countries. Chinese credits returned 0.6% (0.5% IG / 1.1% HY) in a context where the market has been identifying value in different sectors amid a softening of trade rhetoric from the US. Out underweight in Chinese credits yielded positive relative performance on the back of bottom-up selection across IG and HY. Credits from Indonesia absolutely dominated performance in Asia with a return of 1.7% (1.6% IG / 2.0% HY) as valuations bounced back after the US announced the resolution of trade negotiations with several countries in Asia. Our overweight exposure to credits from Indonesia contributed positively to performance.

CEEMEA names were the most popular in July with a return of 1.1% (0.9% IG / 1.3% HY). Strong performance in the oil and gas space amid resilient international prices helped this regional block in July with HY rated corporates in frontier jurisdictions posting returns above 1.0%. Corporates from Ghana returned almost 5% in July boosted by asset divestments and somewhat receding refinancing concerns regarding the oil issuers domiciled in this country. Our small overweight in one of these names contributed positively to performance. Turkish credits also performed strongly with a return of 1.8% despite some setbacks in monetary policy developments in the country and increased political tensions. Bottom-up stories like Zoren contributed to the strong performance as the completion of divestments eased liquidity concerns for the name. Our overweight in Turkish credits produced neutral relative performance since we have kept some distance from the weakest names.

LatAm corporates returned 1.0% (0.7% IG / 1.0% HY) with far more dispersion of returns than CEEMEA. Colombian names were the notable outperformers with a return of 2.0% (1.0% IG / 2.1% HY) as months of negative news flow on the sovereign side with cheap valuations in both the sovereign and corporate space finally attracted buyers, especially with more resilient oil prices in July. Our almost neutral exposure to these names yielded modest negative performance on the back of our footprint in Canacol which lagged the rest of the names owing to setbacks in its gas exploration campaign. Mexican credits were among the top contributors in our holdings in July as bottom up stories and the shorter tenors have proven resilient amid the US tariff volatility. This thesis has held true especially for car part producer Nemark, with the automotive industry under scrutiny at the moment. The benchmark names returned 0.9% in July (0.7% IG / 1.4% HY).

**LMM – Bankinvest Emerging Markets Corporate Debt**

Rating actions among our holdings were largely positive in July with Turkish banks being upgraded by 1 notch by Moody's following actions on the sovereign (Türkiye Garanti Bankası, Yapi Kredi, Akbank), Istanbul Metropolitan Municipality also got a 1 notch lift to Ba3 from B1 with Moody's, Pluspetrol in Argentina made it to B1 from B3 with Moody's, Telecom Argentina reached B2 from Caa1 with Moody's, Navoi Mining was placed at BB from BB- with Fitch, the National Bank of Uzbekistan also reached BB from BB- with Fitch, and the same applied for the Uzbek Industrial and Construction Bank - all on the back of the sovereign upgrade. EM corporate issuance came in at about USD27bn which was adequate given the usually slower pace of the summer months. Tight valuations and a vacuum of deeply negative headlines probably prompted issuers to seize the moment. Asia priced about USD12bn of the total while the Middle East and Africa did USD6bn of the total. LatAm printed USD5.4bn and the remainder came from Emerging Europe. IG papers accounted for USD14.6bn of the total priced. Primary activity may remain highly tactical should volatility return to the markets.

04-08-2025	Return last month (USD)	Return YTD	Yield to Worst	Last month	Δ YTD	OAS Spread	Last month	Δ YTD
CEMBI EUR hedged	0.70	3.99						
EM Corporate Index	0.91	5.17	6.19	-0.09	-0.37	212	-25	6
CEMBI Investment grade	0.70	5.18	5.33	-0.05	-0.35	115	-19	2
CEMBI High Yield	1.21	5.16	7.85	-0.16	-0.32	394	-32	19
EMBI	1.27	7.05	7.44	-0.09	-0.42	314	-23	-10
EMBI Investment grade	0.77	6.03	5.59	-0.03	-0.30	114	-16	-6
EMBI High Yield	1.73	8.01	9.71	-0.02	-0.43	554	-17	-4
Developed USD IG (JPM)	0.18	5.03	5.29	0.04	-0.27	93	-10	1
US High Yield Corp (BarCap)	0.45	4.90	7.11	0.02	-0.38	301	-12	14
5Y US Treasury bond	-0.31	4.90	3.76	0.18	-0.62	n.m.		
10Y US Treasury bond	-0.59	5.93	4.23	0.15	-0.34	n.m.		

Returns in USD except CEMBI EUR hedged

Kind regards,

Aksel Madslie, Chresten Hagelund, Eduardo Ordoñez,  
Jakob Christensen, and Søren Bertelsen.

**BI Asset Management Fondsmæglerselskab A/S**  
**"Bankinvest"**

Last edited 08<sup>th</sup> August 2025.

This material is produced by the BankInvest Group with the purpose to give general information about the performance of the fund and is not to be considered as investment recommendations. BankInvest assumes no responsibility for the completeness or accuracy of the disclosed information, whether provided by BankInvest or obtained from external sources, which BankInvest finds reliable. BankInvest is not responsible for transactions or omissions made on basis of the disclosed information. BankInvest recommends expert and professional advice on any intended investment decisions. Past performance is not a reliable indicator of future results. An investment decision should be made on basis of the current prospectus and Key Investor Information. Please see relevant documents at [www.bankinvest.com](http://www.bankinvest.com).