Dear Investor

While markets remained resilient in October the political pattern of whoever deviates most from the ‘establishment’ continued with Milei’s surprisingly strong mid-term election, Paz winning in Bolivia and ending left-populism and EU-sceptic Babis winning in Czech. Broadly speaking risk sentiment remained buoyed by expectations of further monetary easing and robust corporate earnings even as a U.S. government shutdown dragged on to record length. Geopolitically, the hunt for securing rare earths continued just as unprecedented US military actions continues off the coast of Venezuela among other things. In credit, investment-grade bonds outperformed high-yield marginally. The U.S. dollar’s weakness persisted, encouraging diversification into emerging markets assets and supporting EM local-currency markets. Overall, EM hard-currency corporates posted positive total returns, driven largely by coupon carry. We estimate our strategy’s EUR share class returned 0.37 % (gross) and outperformed its benchmark by 1 bps, while the USD share class returned +0.55% (gross), trailing its benchmark by 1 bps.

Credits in Eastern Europe and Middle East did well with 0.7 % total returns in October whereas African credits trailed by only delivering 0.13 % total returns. Notable performers were Georgian issuers despite the political noise which delivered returns of more than 1.6 % over the month. Our exposure to Georgian banks yielded modest relative performance. The main driver for outperformance from the region in October was the exposure to WeSoda which stabilized after fears had resurfaced on alleged wrongdoings following some corporate transactions. At the other end of the spectrum, the exposure to Kosmos Energy led to some detraction given the company’s rather tight liquidity profile and rising leverage on the back of declining Brent prices.

Asian names also performed well with a return of 0.7%. Mongolian credits performed the best over the month with a return north of 1.1 % and our exposure to the Mongolian complex provided modest positive performance. In particular, our exposure to Mongolian Mining Company benefitted from the strong results over the month. At the same time strong selection among Chinese credits also added to the positive performance given the exposure to the long end of the Chinese technology companies whilst avoiding Chinese real estate company Vanke which slumped over the month.

LatAm again underperformed the rest of the market over the month with a return of 0.5% with the notable exception of Argentinean credits which provided almost 3.1 % total returns post the surprisingly strong mid-term election for President Milei. Our modestly cautious positioning in Argentina up to the election caused a minor negative relative performance over the month. Concerns by the impact of the hurricane Melissa also hit Jamaican credits which caused tragic and devasting damage for the country. Our underweight provided small positive relative performance. Brazilian credits continued to cause alarm for investors as investors have been hit and alarmed by the implosion of Ambipar and Braskem. In October, Raizen became the next victim given concerns of the company’s solvency and the bonds of the investment grade company dropped by double digit returns. Our overweight to the company which has struggled on its capital raise as JV partner Shell does not want to take a majority position led to a notable drag of 12 basis points performance in October. Importantly, the company continues to have a decent liquidity position and expectations on its capital raising amongst others from its Argentine assets were boosted by the Milei victory. Positively, the fund benefitted as non-binding agreements were signed for a healthy takeover of Telefonica’s Telefonica Moviles in Chile just as the fund benefitted from its exposure to copper magnate Southern Copper which saw tailwinds from the very strong copper market.

Rating actions among our holdings were skewed to the upside as Hungarian bank OTP was upgraded to A3 from Baa1 by Moody’s just as Fitch upgraded Jamaican insurance company Sagicor to BBB from BBB-. At the same time, Moody’s upgraded all Mongolian banks to B1 from B2 on the back of the sovereign upgrade benefitting the 3 banks in the portfolio and lastly Moroccan phosphate giant OCP was upgraded to BBB- by S&P from BB+. Conversely, both Moody's and Fitch put Brazilian company Raizen on watch negative following the delayed capital raising the company faces.

Primary market activity slowed significantly in October. After a burst of issuance in September, EM corporates raised only about $30 billion in new hard-currency bonds in October – less than half the prior month's volume ($66bn) and well below the typical October average of ~$39bn. Even so, year-to-date (YTD) EM issuance remains very robust at $426 billion, on track for one of the strongest years on record. A notable trend was the surge in non-USD issuance. Roughly one-third of October's supply (~$10bn) was denominated in currencies like EUR and local currencies, far above the YTD average share (~17%). In fact, EUR-denominated deals have reached $52bn YTD, a record high, as issuers took advantage of diversified investor bases and favorable euro-market conditions.

07-11-2025	Return last month (USD)	Return YTD	Yield to Worst	*Last Month*	*Δ YTD*	OAS Spread	*Last Month*	*Δ YTD*
CEMBI EUR Hedge	0.36	6.01						
EM Corporate Index	0.56	7.90	5.91	-0.02	-0.65	193	2	-13
CEMBI Investment grade	0.59	7.87	5.10	-0.01	-0.58	102	3	-11
CEMBI High Yield	0.53	7.95	7.57	0.05	-0.60	376	10	1
EMBI	2.13	12.63	6.90	-0.26	-0.97	270	-21	-55
EMBI Investment grade	1.15	10.01	5.29	-0.10	-0.60	95	-4	-24
EMBI High Yield	3.12	15.25	8.84	-0.46	-1.31	476	-42	-83
Developed USD IG (JPM)	0.46	7.29	5.18	0.00	-0.38	92	5	0
US High Yield Corp (BarCap)	0.16	7.13	6.89	0.08	-0.60	294	14	7
5Y US Treasury bond	0.45	6.21	3.70	-0.05	-0.68	n.m.		
10Y US Treasury bond	0.71	8.06	4.11	-0.07	-0.46	n.m.		

Returns in USD except CEMBI EUR hedged

Kind regards,

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

BI Asset Management Fondsmæglerselskab A/S "BankInvest"
Last edited 7th November 2025.

Disclaimer

This document is solely intended for professional investors, defined as investors qualifying as professional clients, clients that have requested to be treated as professional clients or who are otherwise authorized to receive such information under any applicable laws. This document and subsequent information provided either in written or verbal form are private and confidential and for the sole use of the recipient - it is not to be distributed to the public or to any third party.

The content of this document is for general informational purposes only and does not constitute investment research, investment advice, tax advice/accounting advice, nor should it be relied upon as a basis for an investment decision, as a recommendation for an investment, advice to buy or sell certain securities or investment products, or to adopt a certain investment strategy. Any mention of specific companies (issuers) or financial instruments are solely for informational and illustrative purposes. Investment decisions by BI Asset Management Fondsmæglerselskab A/S (hereafter "BankInvest") are based on a myriad of factors, and as such may not be relied upon as an indication of trading intent for any strategy or portfolio. The content of this document is based upon sources of information believed by BankInvest to be reliable and are provided without any warranties of any kind, and any estimates, forecasts or opinions are subject to change at any time without prior notification. BankInvest will not be liable for any damages arising from the use of this document, and in the event of doubt the investors should seek independent advice.

Investment involves risks, and the initial capital is not guaranteed. Investors should fully understand the risks associated with any BankInvest product or service offered and should consider the investors' investment objective and risk tolerance. Any return and key figures in the document have been calculated on the basis of the latest information available at the time, and any such figures may be corrected subject to future information with past settlement date. Past performance is no guarantee of future performance, and the value of investments can fluctuate subject to market conditions and costs. Exchange rates may also cause the value of the investments to go up and down. For further information and before making an investment decision please refer to relevant documents for the product/service you receive, such as the prospectus and key investor information if such has been produced, other informational documents of the products/service, or to the investment management agreement between you and BankInvest.