

3 KEY QUESTIONS FOR EM INVESTORS – PART III

HOW TO ALLOCATE WHEN CYCLES GET
SHORTER?

December 2025



GlobalEvolution

3 QUESTIONS FOR EM INVESTORS

PART III: HOW TO ALLOCATE WHEN CYCLES GET SHORTER?

Over recent years, top-down regime shifts resulted in shorter market cycles. The DM-centric nature of the drivers behind shorter risk-on/risk-off phases shielded EM Debt (EMD) somewhat from the negative ramifications. Contrary to the common perception, EMD's diversification appeal and risk/return profile has therefore improved relative to DM debt. Consequently, the reshaped investment environment calls for a more prominent role to active asset allocation *within* EMD and *between* EMD and DM debt.

By Witold Bahrke, Senior Macro and Allocation Strategist

When the only constant is change

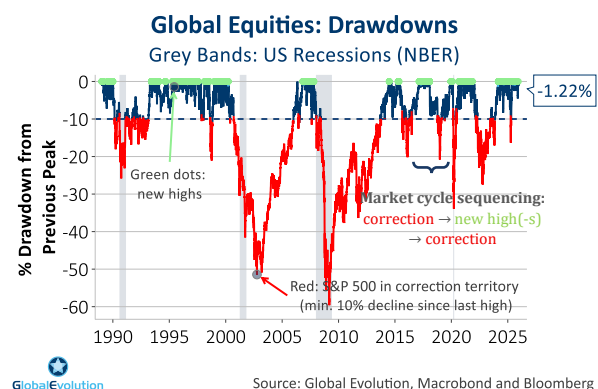
The macro landscape is changing rapidly and with it the investment environment. Rarely have investors witnessed such a density of structural shift within a relatively short time frame. Yesterday's environment of low interest rates, low fiscal deficits, low inflation and low geopolitical risks seem long gone. In previous publications, we zoomed in on the consequences for EMD investors from some of the most prominent structural shifts we have in mind, e.g. inflation and geopolitics. A key consequence of *the sum* of these regime shifts has been shorter market cycles and a more uncertain investment environment as witnessed over recent years, in our view.

Looking ahead, the question to ask is whether we should extrapolate development or merely see it as a (albeit prolonged) intermezzo, resulting from the transition from one macro regime to another? If the answer is tilted towards the former, then how does such an investment environment impact the role of EMD in the context of broad asset allocation as well as the role of asset allocation within EMD? This piece tries to give some answers.

There is no common standard definition of a market cycle. The approach here is to map market cycles through the lense of risk-on, risk-off waves in financial markets. Here, a market cycle therefore is simply defined as the move from a risk-off regime to risk-on

and back to risk-off. With global equities as a crude proxy for risk appetite, the threshold for entering a risk-off phase is when equities enter correction territory. This implies that the market cycle sequence starts with global equities recovering from a decline of min. 10% from their most recent peak (red parts of the drawdown line in Chart 1), then recovering to a new high (marked with green dots) and ends when global equities enter correction anew.

Chart 1: Mapping market cycles via equity drawdowns



A market cycle defined in such way differs from a business cycle, running from recession to recession. Why not choose a higher hurdle for cyclical turning points, e.g. a bear market rather than a correction or a recession? We believe it does not require a bear

market (min. 20% drawdown) and/or an outright recession to create fluctuations in markets and risk appetite that are relevant from an asset allocation perspective. In other words, for most investors, expecting a 10% drawdown in risk assets suffices to make them reconsider their tactical asset allocation. Setting the bar around a 20% drawdown looks too restrictive.

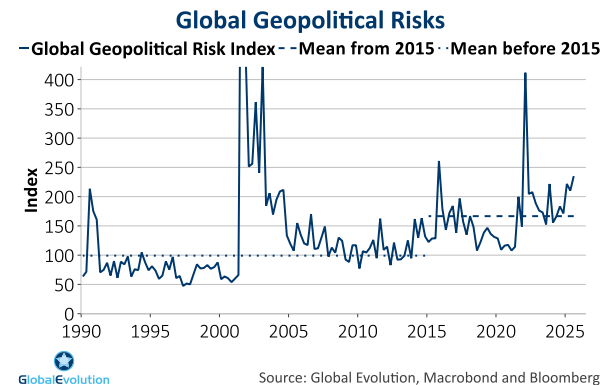
Defined in such way, market cycles have roughly halved over the past years. More concretely, the average length of a market cycle since 2015 stood at just over 2 years (26 months to be precise). Since the onset of the great moderation and until 2015, the average length of a market cycle was roughly twice as long (49 months on average). With the average wavelength of recent market cycles halving, this begs the question whether such pattern is a presage of what lies ahead or rather should be seen as a one-off. The answer naturally depends on what has driven more frequent shifts between risk-on and risk-off periods over the last decade.

Fast & furious: What's driving shorter cycles?

Firstly, the geopolitical and policy regime shift we have debated in previous reports (see [here](#) and [here](#)) springs into mind. There's strong evidence that these factors directly and indirectly contributed to market volatility and shorter market cycles, either changing the direction or amplifying existing moves. In fact, the last two market cycle turning points have been triggered by spiraling geopolitical risks (see Chart 1).

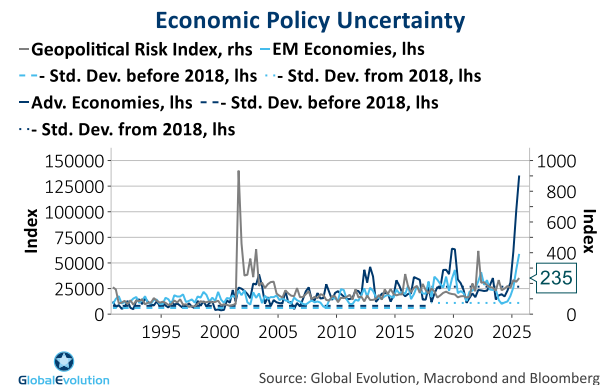
The Ukraine war in 2022 triggered a jump in geopolitical risks indices and a bear market in equities. The latest example is a quantum leap higher in trade policy uncertainty in 2025, causing a correction in equity markets and a significant widening in EM credit spreads. Chart 2 illustrates the regime shift from low to high geopolitical risk on the back of a more fragmented, multipolar world.

Chart 2: Geopolitical regime shift



In the same vein, measures of economic policy uncertainty as such has trended higher and exhibited increased volatility (Chart 3). Moreover, as far as it is possible to split these types of indices into EM and DM components, it becomes clear that the level shift higher has been more pronounced in DM and EM. This hints at different implications for EM and DM from the geopolitical and policy regime shift described here - more about this aspect later.

Chart 3: Policy uncertainty getting more uncertain, especially in DM.



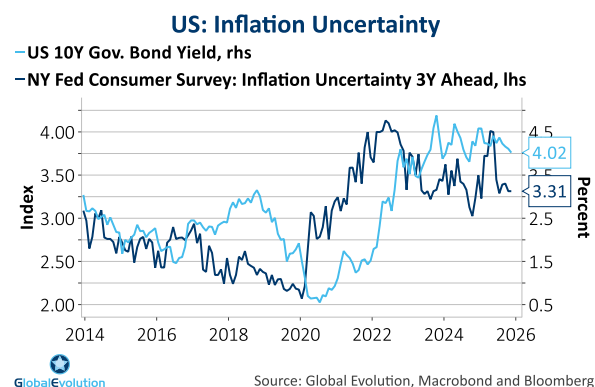
Although spikes in policy uncertainty as seen in spring 2025 should remain highly exceptional in magnitude, a return to the pre-Trump era of relatively limited (trade) policy uncertainty looks unlikely, as well. Whether it is about the strategic rivalry between the US and China, the conflict between Ukraine and Russia or - more generally - the revival of populist political agendas, exemplified by the Trump administrations often-used “escalate-to-deescalate” strategy – none of these factors are likely to fade or reverse anytime soon.

Higher geopolitical uncertainty has directly and indirectly contributed to market volatility and shorter

market cycles, either changing the direction or amplifying existing moves. In fact, the last two market cycle turning points have been triggered by spiraling geopolitical risks (see Chart 1).

Secondly, the transition to shorter market cycles is closely linked to higher inflation. The Pandemic cemented the end of the “lowflation” environment many investors became accustomed to during the years between the Great Financial Crisis (GFC) and the pandemic. But it’s not only about higher inflation per se. Inflation uncertainty experienced a level-shift higher, as well. And despite inflation itself coming down somewhat after a post-pandemic spike, inflation uncertainty seems to have stayed elevated (see Chart 4). From a macro stability perspective, higher inflation uncertainty is arguably at least as challenging as high inflation itself. It creates planning problems in the wider economy and undermines central bank’s ability to use forward guidance, ultimately threatening hard-won central bank credibility.

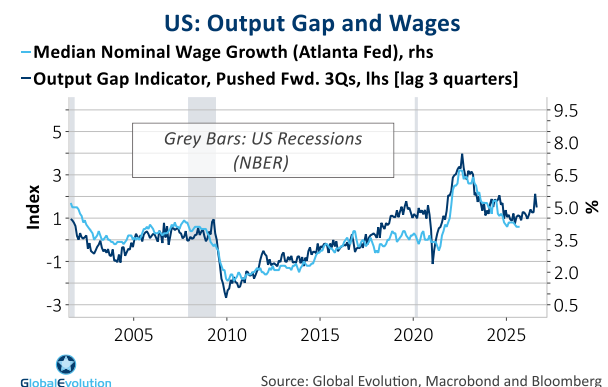
Chart 4: Post-pandemic level-shift in inflation uncertainty



Notwithstanding the recent moderation in global inflation and a so far limited pass-through from tariffs to headline inflation, there’s no reason for inflation complacency at the current juncture. With US unemployment still sitting at relatively low levels, stalling labour supply and no appetite to reign in fiscal spending in industrialized countries, the underlying drivers behind higher inflation remain very much in place, particularly in the DM space. More concretely, the combination of supply side constraints (e.g. limited labour supply in the US and strained global supply chains) combined with positive demand shocks stemming from fiscal stimulus and lagged effects of monetary easing could re-widen the output gap as we head into 2026 (see [here](#)). This could quickly cause underlying inflation to reaccelerate, see Chart 5.

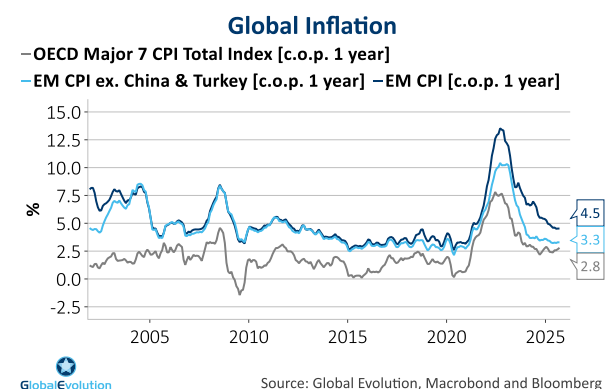
According to the Dallas Fed, the monthly growth rate in employment needed to keep unemployment steady stands at a meager 30.000, so once the US government shutdown has been digested, even modest job growth could cause unemployment to decline from already low levels. In addition, while the US effective tariff rates is set to rise further in the coming months. Hence, there is still upside risk to inflation from tariffs.

Chart 5: What if the output gap re-widens in 2026?



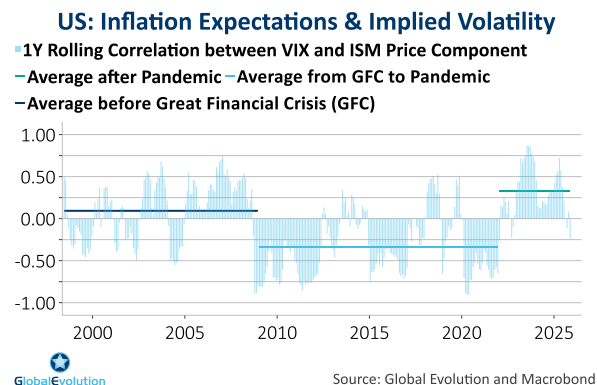
On the other hand, downside risks to the business cycle cannot be ignored, underlying that two-way risks to inflation persist. As with the geopolitical side of things, it is important to highlight the unbalanced nature of higher inflation in the post-Pandemic era. Without going into detail, as we covered this topic in a [previous publication](#), the chart serves as a reminder that EM inflation outperformed DM inflation over the past few years. EM countries’ inflation has returned to the pre-Pandemic trend. The same cannot be said about DM inflation. As with the geopolitical factors described above, we need to keep this divergence in mind when assessing the impact on EMD.

Chart 6: EM Inflation back to pre-Pandemic levels, DM inflation not.



In an environment of persistent inflation uncertainty, DM central banks easing bias has largely vanished. Markets have reacted accordingly. Whereas the correlation between gauges of risk appetite such as the Vix index and forward-looking measures of price pressure has been negative in the low-inflation era between the GFC and the Pandemic, it flipped back into positive territory in the aftermath of the Pandemic (Chart 7). Put differently, markets have transitioned from welcoming a bit more inflation to becoming scared whenever inflation risks run hot – because central banks are forced to react in a decisively hawkish way, now more so than in the past. Technically speaking, the beta of policy rates to measures of inflation is positively correlated with inflation itself.

Chart 7: Market's shifting views on inflation



The bottom-line is that it has become much harder for central banks to smooth both business and market cycles. Both the shift higher in DM trend-inflation away from central banks targets as well as a more uncertain inflation trajectory is threatening central bank credibility. This has forced DM central banks and particularly the Fed to remove its easing bias.

In addition, through the re-emergence of supply-side uncertainties, central banks find it much harder to take a firm view of where we are in the business cycle, which makes conducting monetary policy even more challenging. The response from DM central banks has been to navigate in a “data-dependent” way. However, that means monetary policy is becoming more reactive and backward-looking, altogether pointing to a more volatile macro environment and shorter market cycles. As the underlying drivers behind higher inflation and inflation uncertainty are unlikely to reverse anytime soon, the resulting shortening of market cycles is here to stay, as well.

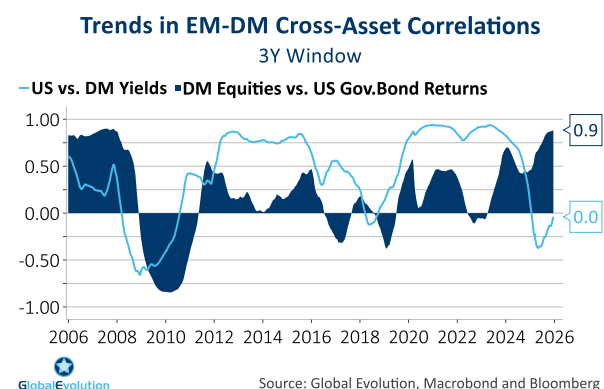
EMD beyond carry: Diversification appeal...

A changing investment environment characterized by shorter market cycles has wide-ranging consequences for asset allocation between DM bonds and EM Debt as well as within EMD. It's hardly a coincidence that cross-asset correlations have changed markedly over the recent years. The starkest example is presumably a sharply rising correlation between equities and core bonds, the main building blocks of the classic 60/40 portfolio. Intuitively, the shift higher makes sense, particularly considering the message from Chart 7. Both core bonds and equities suffer when inflation picks up. This means Treasuries, Bunds & co. do not shield balanced portfolios the way they have done as markets have become jittery about inflation.

Investor's ability to diversify *within* the DM universe has deteriorated as the correlation between risk assets and DM core bonds has risen. If our thesis of shorter cycles driven by higher inflation and geopolitical risks proves correct, centering a well-diversified portfolio around the classic 60/40 bonds-equity allocation might not do the trick anymore. At the same time, more frequent turns in risk appetite makes diversification ever more relevant. How to square the circle? Broadening the diversification opportunity set becomes an investment imperative.

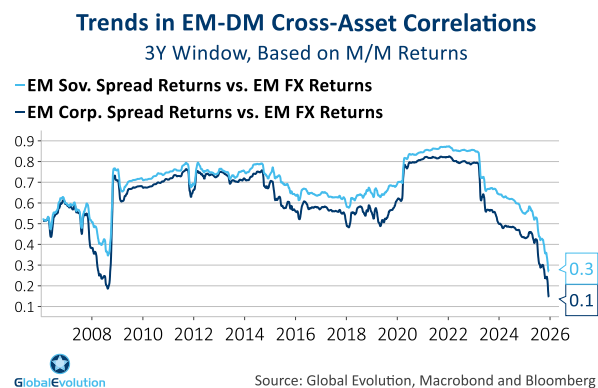
Rethinking the role of EM debt as an additional source of diversification can help alleviate such diversification headaches. On the back of relative policy discipline and EM inflation outperformance relative to DM inflation, the correlation between EM yields and core yields has plummeted (Chart 8). When it comes to the need for diversification, EMD's attractiveness relative to core fixed income seems to improve, despite shorter market cycles and a more uncertain investment environment.

Chart 8: Intra-DM diversification opportunities drying up...



The same tendency of declining correlations becomes evident when diving deeper into the main segments and key returns drivers within EMD. The correlation between credit risk on the hard currency side and EMD FX risk on the local currency side has dropped to the lowest levels since the GFC (Chart 9). As such, there is strong evidence for improving diversification opportunities when deploying an active asset allocation approach *between DM and EMD* well as *within EMD*. A natural pushback to our arguments is that the rapid decorrelation between EMD risk premiums simply reflects the recent US Dollar weakness, end of story. It is hard to argue against Dollar weakness impacting correlations. However, rather than undermining our rationale, it is very much in line with our overall take presented here. The key question is why the US Dollar has faced stiff headwinds as of late. Namely, the US Dollar's decline is very much happening because the drivers behind a more uncertain and volatile investment environment are not only skewed towards DM, but often towards the US itself. Hence, the weak USD is a very prominent symptom of the regime shifts described in this piece (for more details, see [here](#)).

Chart 9: ...while intra-EM diversification opportunities improve.

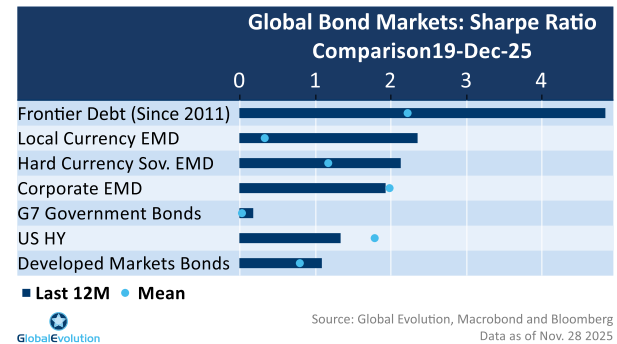


...and improving risk/reward relative to DM bonds

The potential merits of EMD in an asset allocation is not only about diversification per se. How has the risk-reward profile of EMD evolved in times of shorter market cycles? The short answer is surprisingly well. Sharpe ratios – serving as a crude proxy for risk/reward in the asset class – have outperformed their historical averages as of late, with the exception of EM corporate bonds (see Chart 10). This is particularly noteworthy as key DM peers such as US High Yield bonds haven't seen the same strength in

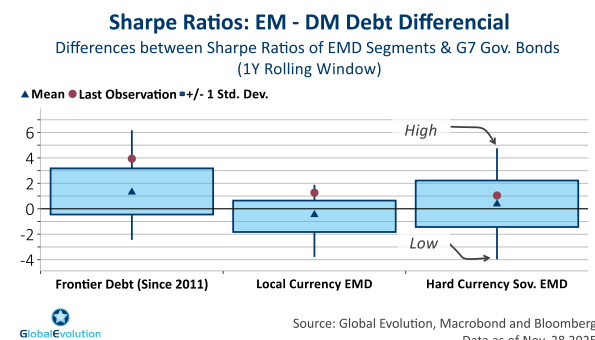
their risk-adjusted return profile relative to their own history.

Chart 10: Most EMD segments exhibit robust risk-adjusted returns as of late, despite shorter market cycles .



Comparing EMD risk-return profiles with those of core government bonds, they are in the grand scheme of things outperforming their DM bond peers. More concretely, the difference between EMD and DM bond Sharpe ratios are generally positive and in the high end of their historical range (Chart 11). EM hard currency sovereign debt is lagging a bit given that its returns are partly driven by core duration, not benefitting from EM's relative outperformance in macro terms.

Chart 11: EMD sharpe ratios mostly in the upper end of their historical distribution relative to DM bonds.



Perception is not reality: Asset allocation takeaways

The bottom-line is that investing in EMD has become less one-dimensional on the back of shorter market cycles experienced in recent years. Put simply, it's not simply a question of optimizing carry anymore. Contrary to the common perception, EMD's diversification appeal and risk/return profile is set to improved relative to DM debt on the back of a transition to an investment environment shaped by

shorter market cycles. Thinking beyond carry, we see two overarching asset allocation take-aways for the years to come.

Firstly, searching for diversification alternatives to core bonds in balanced portfolios argues for a more prominent role for EMD in a cross-asset context. While DM fixed income's diversification appeal has been watered down after the Pandemic, EMD has moved in the opposite direction. Particularly EM FX risk and EM duration risk haven't suffered from the same rise in volatility and correlation with e.g. global equity risk as compared to core bonds in the post-Pandemic years. At the same time, risk-adjusted returns remained attractive both absolutely and relatively, largely shrugging off a more uncertain investment environment on the back of shorter market cycles. After all, the key factors causing the length of market waves to shorten are rooted in the DM sphere, not so much in EM, emphasizing the importance of EMD in balanced portfolios as the risk-adjusted returns of core bonds is deteriorating.

Secondly, an active tactical asset allocation approach within EMD - e.g. in blended EMD mandates -

becomes ever more important as correlations between the main EMD returns drivers are declining. Meanwhile, the respective EMD risk premiums still exhibit systematic covariation with traditional macro factors such as growth and monetary conditions. How to best exploit this in order to optimize risk-adjusted returns in an asset allocation process is beyond the scope of this publication. But based on the analysis above, the key point here is that EMD investors could benefit from embracing the volatility stemming from shorter market cycles rather than hide in traditional diversifiers like core bonds. When combined with an active asset allocation approach, the new market order gives investors the opportunity to improve portfolio diversification as well as adding an additional source of returns to EMD portfolios.

Appendix 1 – Relevant Indices – Definition and Performance

Index	Definition	2024	2023	2022	2021	2020
J.P. Morgan GBI-EM GD	is the J.P. Morgan Government Bond Index for Emerging Markets Global Diversified (J.P. Morgan GBI EM GD) , in the text also referred to as “local currency EMD” : The index is comprehensive global local emerging markets index, and consists of regularly traded, liquid fixed-rate, domestic currency government bonds to which international investors can gain exposure. “EM FX Returns” mentioned in the text refers to the FX component of GBI EM GD total returns.	-2.38	12.70	-11.69	-8.75	2.69
J.P. Morgan EMBI GD	is the J.P. Morgan EMBI Global Diversified Index (EMBI GD) , in the text also referred to as “hard currency EMD” : The index is a market capitalization-weighted total return index of hard currency (USD, EUR, GBP) denominated Brady bonds, loans, Eurobonds and local market debt instruments traded in emerging markets. EM sovereign spreads mentioned in the text refer to the credit spreads of EMBI GD. “EM Sovereign Spread Returnk” mentioned in the text refers to the credit component of EMBI GD total returns.	6.54	11.09	-17.78	-1.80	5.26
S&P 500	is the 500 widely held stocks in US equity market. The index is market capitalization-weighted and includes stocks of industrial, financial, utility, and transportation companies.	23.31	24.23	-19.44	26.89	16.26
J.P. Morgan CEMBI BD	is the J.P. Morgan Corporate Emerging Market Bond Index Broad Diversified , in the text also referred to as “corporate EMD” , which track USD denominated debt issued by emerging market corporations. CEMBI BD is a granular asset class with 1,331 bonds of 609 different issuers from 52 different countries. . “EM Corporate Spread Returns” mentioned in the text refers to the credit component of CEMBI BD total returns.	7.63	9.08	-12.26	0.91	7.13
US High Yield	is the Bloomberg US Corporate High Yield Bond Index , in the text also referred to as “US High Yield” or “US HY” , measuring the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield I the middle rating of Moody’s, Fitch and S&P is Ba1/BB+/BB+ or below.	8.19	13.45	-11.19	5.28	7.11
G7 Government Bonds	Bloomberg Global G7 (DM Gov Debt) Total Return Index Value Unhedged USD measures investment grade debt from G7 countries (Canada, France, Germany, Italy, Japan, the United Kingdom and the United States), in the text also referred to as “G7 Government Bond Returns” .	-4.67	2.92	-18.06	-6.97	8.86
US Treasuries	is the Bloomberg US Treasury 7-10 Year Index , , in the text also referred to as “US Government Bond Returns” , measuring USD-denominated, fixed-rate, nominal debt issued by the US Treasury with 7-9.999 years to maturity.	-0.70	3.58	-14.89	-3.07	9.98
Frontier Markets Composite, Gross of Fees	The strategy invests in both local and hard currency denominated debt and currency instruments from frontier markets globally, in the text also referred to as “Frontier Debt” . To achieve the investment objective, Global Evolution’s investment process focuses on investing early in countries where there is positive momentum towards improving fundamental underpinnings, where the political environment is stable or a catalyst for positive change is present, where the financial infrastructure supports external investment, and where well-compensated risk premium exists that represents good value. Strategies are well-diversified and designed to provide attractive risk-adjusted returns.	17.25	11.71	-7.52	11.78	3.10
Frontier Markets Composite, Net of Fees	The strategy invests in both local and hard currency denominated debt and currency instruments from frontier markets globally, in the text also referred to as “Frontier Debt” . To achieve the investment objective, Global Evolution’s investment process focuses on investing early in countries where there is positive	15.57	10.78	-8.31	9.98	2.07

	momentum towards improving fundamental underpinnings, where the political environment is stable or a catalyst for positive change is present, where the financial infrastructure supports external investment, and where well-compensated risk premium exists that represents good value. Strategies are well-diversified and designed to provide attractive risk-adjusted returns					
Bloomberg Developed Markets Aggregate Total Return Index	Bloomberg Developed Markets Aggregate Total Return Index is a float market-cap-weighted equity benchmark that covers the top 99+% of market cap of the measured market, , in the text also referred to as "Developed Market Bonds".	17.79	23.34	-18.05	21.20	16.05
MSCI World	The MSCI World Index is a free-float weighted equity index. It was developed with a base value of 100 as of December 31, 1969, in the text also referred to as "Developed Market Equities". MXWO includes developed world markets, and does not include emerging markets. MXWD includes both emerging and developed markets.	17.00	21.77	-19.46	20.14	14.06
MSCI World All Countries	The MSCI ACWI Index is a free-float weighted equity index. It was developed with a base value of 100 as of December 31 1987, in the text also referred to as "Global Equities". MXWD includes both emerging and developed world markets.	15.73	20.09	-19.80	16.80	14.34

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Frontier Blended Currency Sovereign Debt Composite

Composite Creation Date: December 31, 2016

Composite Inception Date: December 15, 2010

Investment Objective: The objective is to create an attractive return stream by utilizing a benchmark agnostic, conviction-based investment process that invests in frontier markets. The strategy invests in both local and hard currency denominated debt and currency instruments from frontier markets globally. To achieve the investment objective, Global Evolution's investment process focuses on investing early in countries where there is positive momentum towards improving fundamental underpinnings, where the political environment is stable or a catalyst for positive change is present, where the financial infrastructure supports external investment, and where well-compensated risk premium exists that represents good value. Strategies are well-diversified and designed to provide attractive risk-adjusted returns.

Benchmark: None. The Composite is presented without a benchmark as no relevant index is available that represents the asset class and composite objective.

Minimum Asset Level: USD 5 million.

Fee Description: The management fee schedule for segregated accounts is as follows: 0.85% for a mandate of \$100 to \$150mn, 0.80% for a mandate of \$150 to \$200mn, 0.775% for a mandate of \$200 to \$300mn, 0.75% for a mandate of \$300 to \$400mn, and 0.70% for a mandate of more than \$400mn. 10% Performance fee is charged on positive performance subject to HWM. For the Frontier Markets UCITS Fund, which is included in the composite, the management fee and total expense ratio are 1.00% and 1.45% respectively. 10% Performance fee is charged on positive performance subject to HWM.

Illiquid securities: As of December 31, 2024, Funds within the composite held illiquid securities totaling less than 10% of the total assets in the composite. These securities were fair valued in compliance with our policies and procedures.

Derivatives Exposure: Certain Global Evolution Funds in the composites may utilize derivative instruments to manage risk or to achieve timely and cost-effective implementation of the investment strategy. As of December 31, 2024, the number of accounts shown below held derivatives with the equivalent exposure as a percent of total net assets. The short derivative exposure is 0.00% and the long derivative exposure is 0.14%.

Year	Composite Return			Composite Dispersion* %	Accounts in Composite at End of Period	Assets in Composite		Annualized 3-Year Standard Deviation Net of Fees		Volatility* %	Sharpe Ratio**	Correlation Coefficient*** %	Beta**	Tracking Error*** %
	Gross of Fees %	Net of Fees %	Benchmark** %			USD million	% of Firm	Composite %	Benchmark					
2024	17.25	15.57	N/A	N/A	<5	3394	24.94	4.65	N/A	2.59	3.95	N/A	N/A	N/A
2023	11.71	10.78	N/A	N/A	<5	3144	32.82	4.57	N/A	4.29	1.40	N/A	N/A	N/A
2022	-7.52	-8.31	N/A	N/A	<5	2881	21.23	10.29	N/A	6.24	-1.37	N/A	N/A	N/A
2021	11.78	9.98	N/A	N/A	<5	3748	22.52	9.23	N/A	2.15	4.52	N/A	N/A	N/A
2020	3.10	2.07	N/A	N/A	<5	3307	21.12	9.34	N/A	6.02	0.03	N/A	N/A	N/A
2019	12.16	11.15	N/A	N/A	<5	3715	25.30	2.19	N/A	2.90	2.88	N/A	N/A	N/A
2018	-1.50	-2.54	N/A	N/A	<5	3100	32.45	2.62	N/A	2.86	-1.48	N/A	N/A	N/A
2017	17.22	15.06	N/A	N/A	<5	2621	41.78	2.95	N/A	1.89	7.43	N/A	N/A	N/A
2016	14.50	12.96	N/A	N/A	<5	1406	34.89	3.10	N/A	4.19	2.94	N/A	N/A	N/A
2015	0.26	-0.89	N/A	N/A	<5	1087	51.43	2.68	N/A	4.04	-0.28	N/A	N/A	N/A
2014	6.63	5.35	N/A	N/A	<5	1345	62.27	2.26	N/A	2.81	1.81	N/A	N/A	N/A
2013	5.01	3.81	N/A	N/A	<5	1059	52.50	2.40	N/A	2.69	1.30	N/A	N/A	N/A
2012	20.03	18.32	N/A	N/A	<5	452	39.13	N/A	N/A	2.61	6.80	N/A	N/A	N/A
2011	6.11	5.20	N/A	N/A	<5	124	15.22	N/A	N/A	3.29	1.49	N/A	N/A	N/A
2010***	0.59	0.54	N/A	N/A	<5	55	14.27	N/A	N/A	1.38	0.38	N/A	N/A	N/A

* Internal dispersion: A measure of the spread of the annual returns of individual Funds within a composite. The internal dispersion is calculated by the standard deviation equal weighted of Fund returns.

** Additional risk and return statistics are shown as supplemental information to this compliant presentation. The risk measures are calculated net of fees. The risk-free rate of return is based on a 3-month USD Swap Curve. Benchmark returns are not applicable, as the composite does not have a benchmark. Please visit: <https://www.globalevolutionfunds.com/fundrange> for more information.

*** The period represents a partial calendar year as of the composite's inception date. Return and risk measures are cumulative for the period and has not been annualized.

Global Evolution Asset Management A/S ('Global Evolution') claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Global Evolution has been independently verified for the period January 1, 2009, to December 31, 2024, by EY Godkendt Revisionspartnerselskab. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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. The Frontier Blended Currency Sovereign Debt Composite has been examined for the period December 15, 2010, to December 31, 2024. The verification and performance examination reports are available upon request. Valuation and returns are computed and stated in USD. Gross-of-fees returns are presented before management fees, performance fee, custody fees and administration fees, but after all trading costs, withholding taxes and direct expenses. Net-of-fees are presented before custody fees and administration fees, but after management fees, performance fee, all trading costs, withholding taxes and direct expenses. Performance is calculated based on mid-market prices, i.e., the average of bid and ask at 4pm CET or if none of these are available, last price. Calculations typically utilize foreign exchange rates at 4pm CET. Total returns of the benchmark are provided for each period depicted, expressed in USD. The composite performance may be presented for partial periods and be subject to final annual revision and recalculation where the result may be adjusted due to changes in management fees, performance fee, custody fees and administration fee. **Past performance does not guarantee future results.**

The GIPS compliant entity is Global Evolution Asset Management A/S and subsidiaries ("Global Evolution") including all portfolios, funds and segregated accounts managed by a Global Evolution entity as either investment manager or sub-advisor.

A complete list of firm composites and definitions, along with policies for valuing portfolios, calculation performance, preparing compliant presentation, are available upon request. For further information please contact Global Evolution, email: GIPS@globalevolution.com