



GALLOWAY EMERGING MARKETS BOND FUND – November 2025

U.S. economic indicators released in November continued to signal a softer labor market, even in the absence of the monthly employment report. Weekly jobless claims remained elevated, with initial claims at 216k and continuing claims rising to 1.96 million. Employment components within the November PMIs also weakened, showing contraction in manufacturing hiring and a clear deceleration in services. These signs of cooling momentum, combined with lingering fallout from the recent government shutdown, strengthened expectations for a more accommodative Federal Reserve. Market-implied odds for a 25bp rate cut at the December FOMC climbed to roughly 85%, reinforced by dovish commentary from Fed officials including John Williams and Christopher Waller. The 10-year Treasury yield ended the month 6bps lower at 4.02%, meanwhile our fund had a positive performance of **0.49%** during November.

Brazil's economic outlook remained moderate in November, with softer GDP momentum, ongoing disinflation, and expectations of a gradual Selic decline in 2026. Labor and activity indicators continued to signal a mild slowdown, while agriculture provided an important buffer to overall growth. Despite weaker cyclical dynamics, inflation trends, stable financial conditions, and improving medium-term rate expectations contributed to a more balanced macro environment, supporting a constructive view for the next stages of Brazil's economic adjustment. On the corporate side, Samarco delivered a solid 3Q25, with operations strengthened by the full Phase 2 ramp-up and production reaching 4.1Mt. C1 costs fell to USD 42/t, reinforcing its low-cost position, and the company maintained positive FCF even under softer pellet premium. The post-JR environment is stable, decharacterization is 95% complete, and Phase 3 advances with long-term demand, and no near-term funding needs, supporting a constructive outlook for volumes, margins, and future rating momentum.

In Colombia, economic conditions remain mixed: domestic demand shows resilience, but inflation persistence continues to limit BanRep's room to ease monetary policy in the near term. Even so, the government executed a USD ~4bn bond buyback in November, a constructive liability-management step that helps smooth upcoming maturities, lower rollover risk, and reinforce market access. Although policy uncertainty and fiscal pressures still weigh on sentiment, the operation provides a modest improvement in Colombia's medium-term financing outlook and reduces immediate sovereign risk. On the corporate side, Ecopetrol delivered a resilient 3Q25, with stable production supported by recent field additions and solid growth in natural gas output. Revenues improved QoQ and EBITDA rose 13%, with margins holding at a healthy 39%. Transportation and refining also posted strong operating results, including the highest refinery throughput in four years. Net leverage remained at 2.3x, and the company secured new financing to support investment plans, reinforcing a constructive credit outlook.

The fund currently has a yield to worst of **8.39%**, duration of **5.23 years** and an average credit rating of **BB-**.



Kind regards,

*Institutional Class