



Candoris Outlook Event

1. Welcome and Introduction



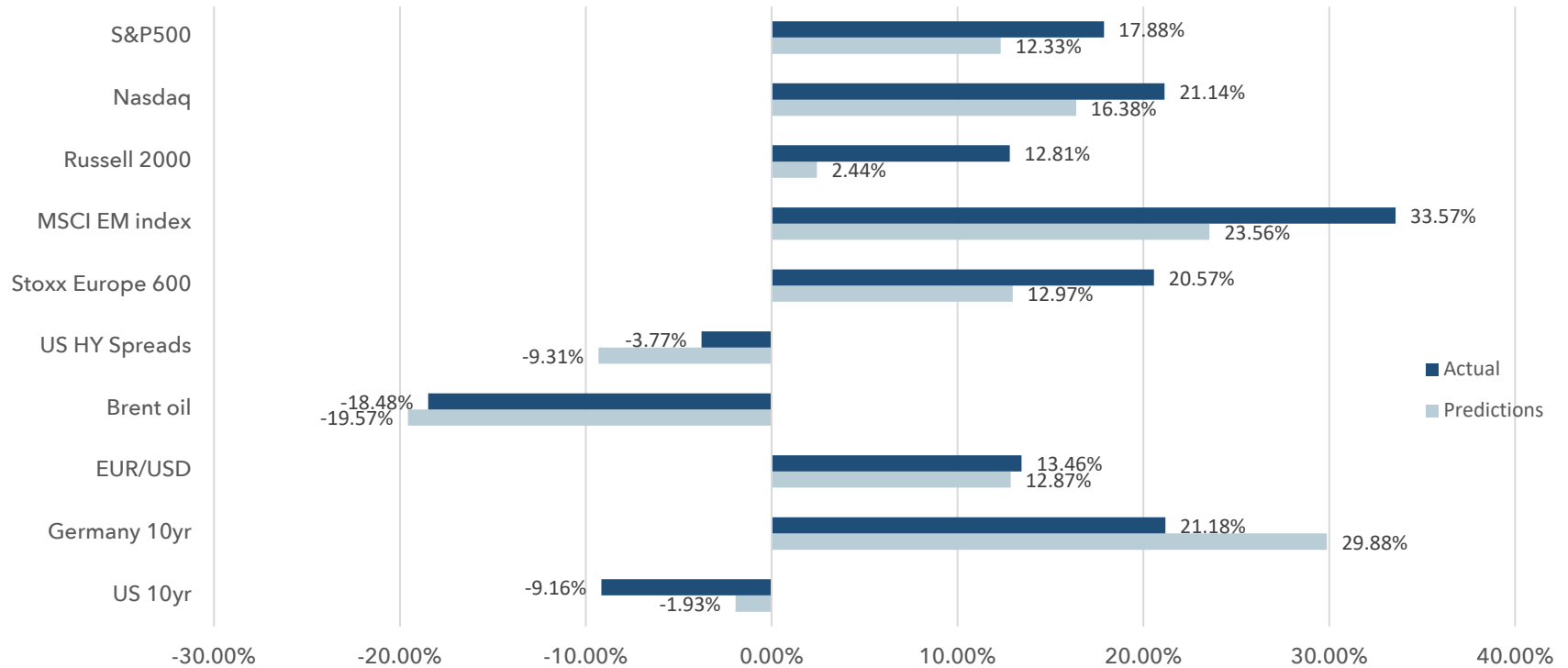
Agenda

1. Welcome and Introduction
2. 2025 Expectations vs Reality
3. Outlook for 2026 - Geopolitics, Mid-terms, US Economy, Risks
4. Asset Class Views for 2026, EME, US HY, US Small Cap, EMD
5. Announcement of Winners - Champagne Competition 2025
6. Kick-off of the Champagne Competition 2026 + Final Remarks



2. 2025 Expectations vs Reality

Predictions vs Actual Growth



	US 10yr	Germany 10yr	EUR/USD	Brent oil	US HY Spreads	Stoxx Europe 600	MSCI EM index	Russell 2000	Nasdaq	S&P500
Actual	-9.16%	21.18%	13.46%	-18.48%	-3.77%	20.57%	33.57%	12.81%	21.14%	17.88%
Predictions	-1.93%	29.88%	12.87%	-19.57%	-9.31%	12.97%	23.56%	2.44%	16.38%	12.33%

3. Outlook for 2026 - Main Themes

2026: Geopolitics Back in the Driver's Seat

- Geopolitics is again a dominant market force
- Power politics increasingly override international law

US-China Power Struggle

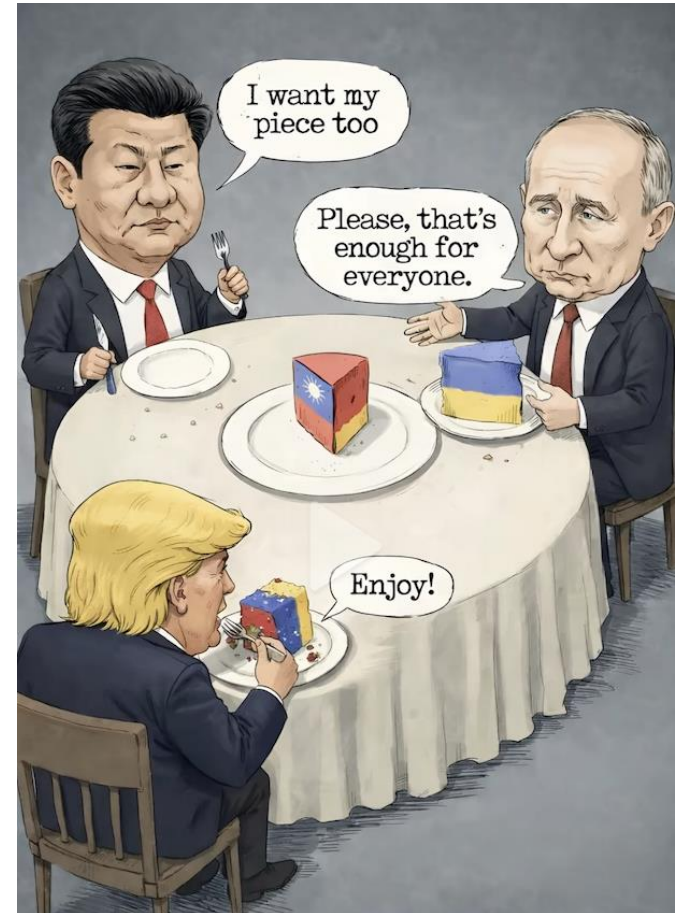
- AI is the central battleground
- AI leadership drives global dominance

AI's Three Critical Inputs

- Advanced chips and technology
- Rare earth elements
- Cheap, reliable energy

Energy and Resources as Leverage

- US: leads in chips and advanced tech
- China: leads in energy capacity and rare earths
- Trump focuses on securing energy and rare earths (Greenland, Venezuela, Ukraine, Russia)



3. Outlook for 2026 - Main Themes

Russia, Ukraine,

- Trump focuses on deals and resource access, not war outcomes
- China could benefit through resources and increased influence

Taiwan

- China aims to bring Taiwan under its control
- Military action is risky; encirclement is more likely
- US response is uncertain; global chip supply chains are highly exposed (Mag 7)

US Domestic Politics

- Midterms are critical for Trump
- Economic stimulus and lower inflation are central
- Emphasis on cheap energy, and perhaps lower tariffs
- Pressure on the Fed to cut rates; QE extension possible

Markets: Short vs Long Term

- Short term supportive for equities and potentially bonds
- Long term risks around inflation, the dollar, and debt
- Yield Curve Control is becoming increasingly likely



3. Outlook for 2026 - The big picture

Things are generally looking pretty supportive

1 Global GDP ~2.8%

2 US GDP ~2.6%

3 China GDP ~4.8%

4 Euro area GDP ~1.3%

5 An ongoing acceleration in productivity growth
(great for earnings, more questionable for the labour market)

6 Inflation near target in most major economies
(in fact, labor market & rent growth inflation in the US is already below pre-pandemic levels)

7 50bps more of non-recessionary Fed cuts expected in 2026



3. Outlook for 2026 - Push for lower inflation and more fiscal stimulus ahead of midterms



Which party will win the House in 2026?



\$1,743,937 Vol. Nov 3, 2026 Earn 4%

Polymarket

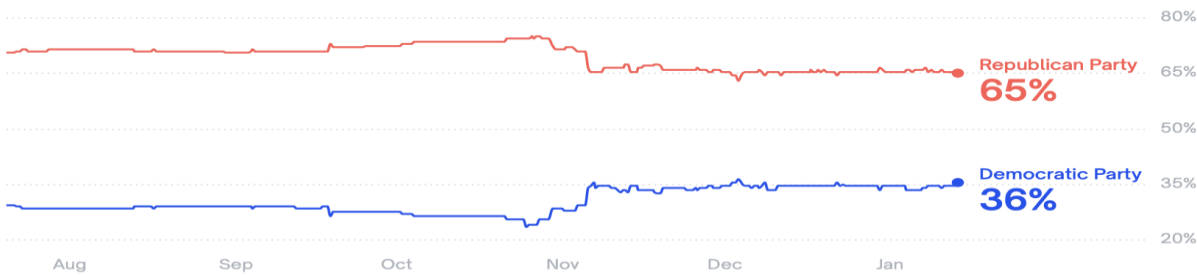


Which party will win the Senate in 2026?



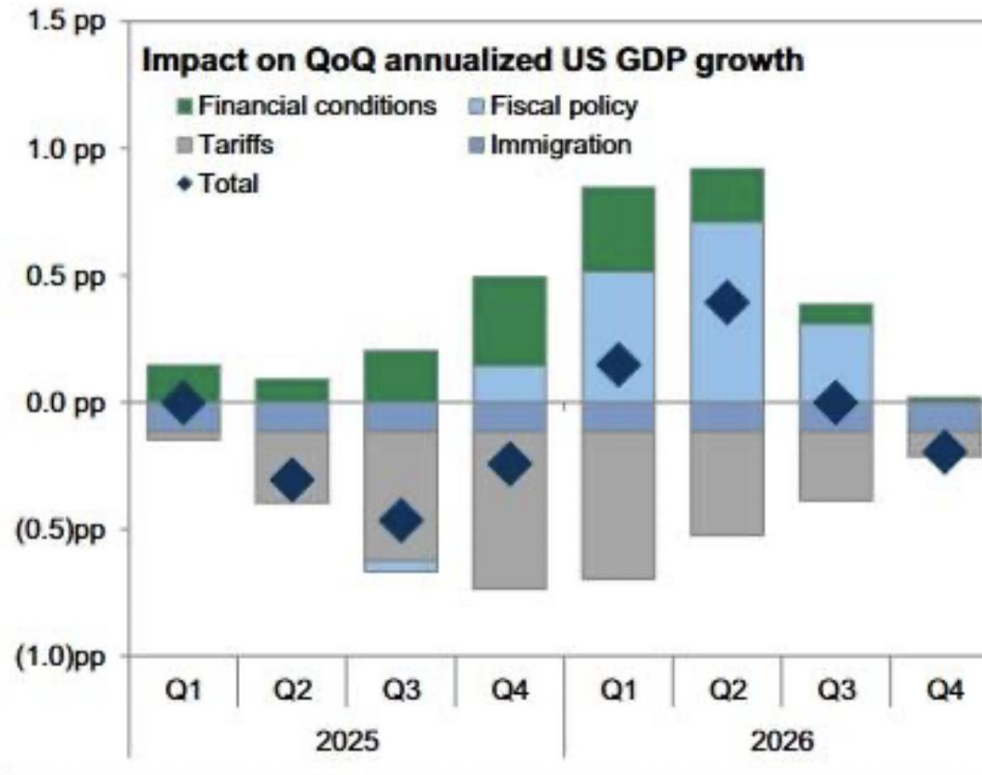
\$434,647 Vol. Nov 3, 2026 Earn 4%

Polymarket



3. Outlook for 2026 US

Exhibit 28: Goldman Sachs economists forecast positive impulses to 2026 GDP growth



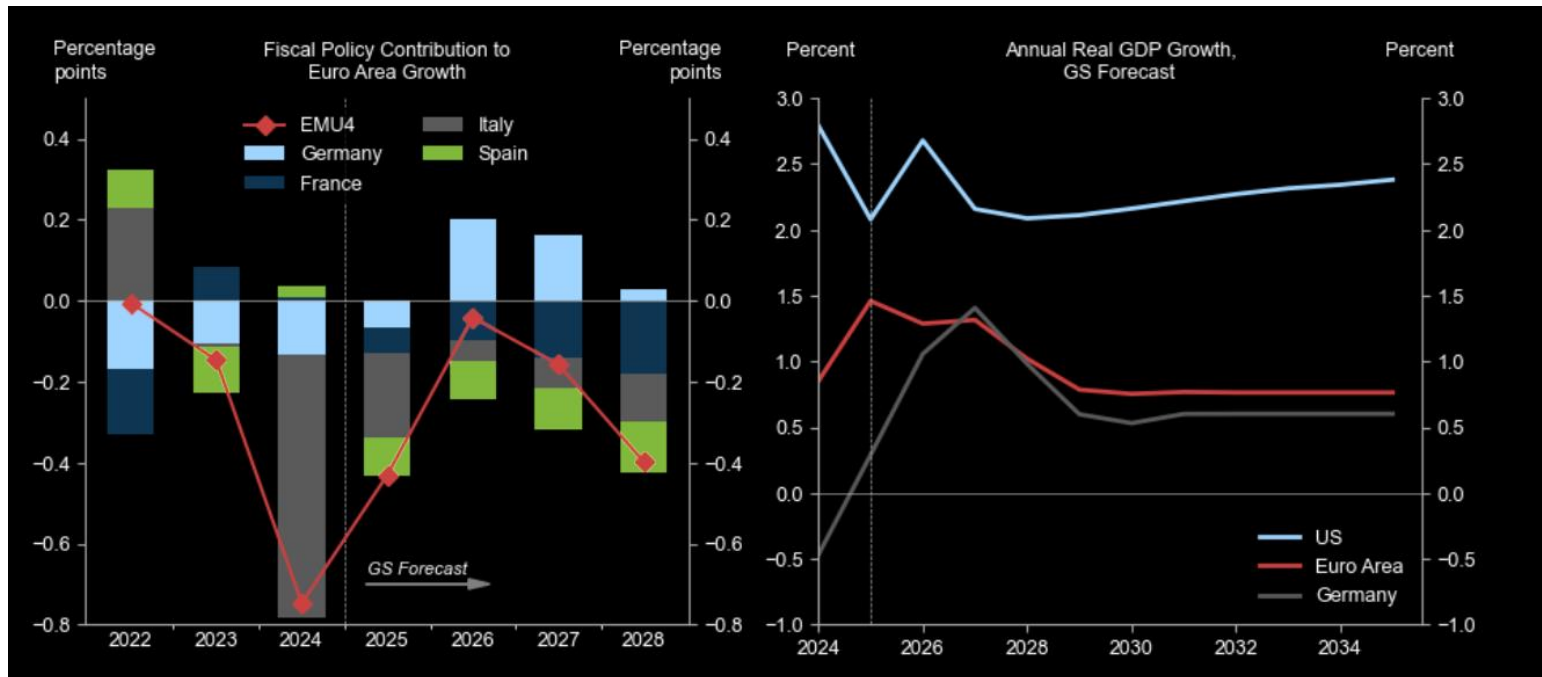
Source: Goldman Sachs Global Investment Research



3. Outlook for 2026 and beyond Europe + US



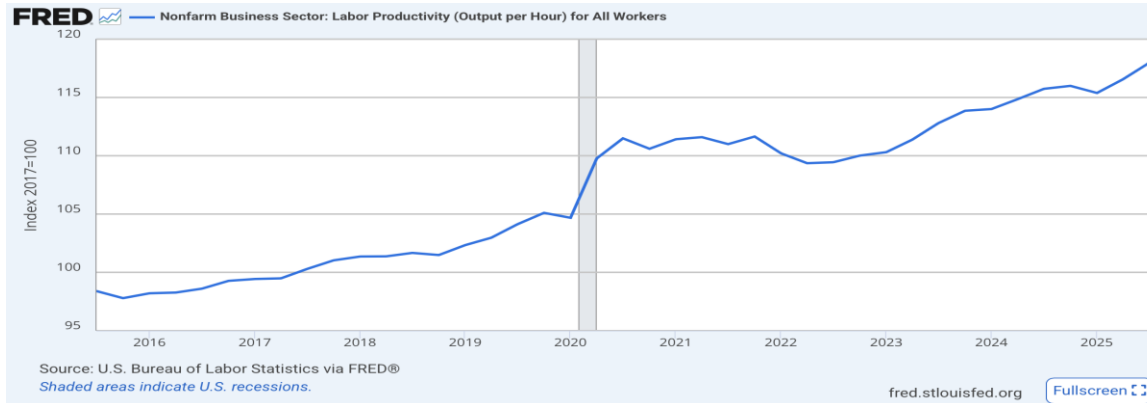
The gap between growth in the US and Europe is expected to widen structurally



3. Outlook for 2026 - Labour Productivity US exceeds Europe massively



US

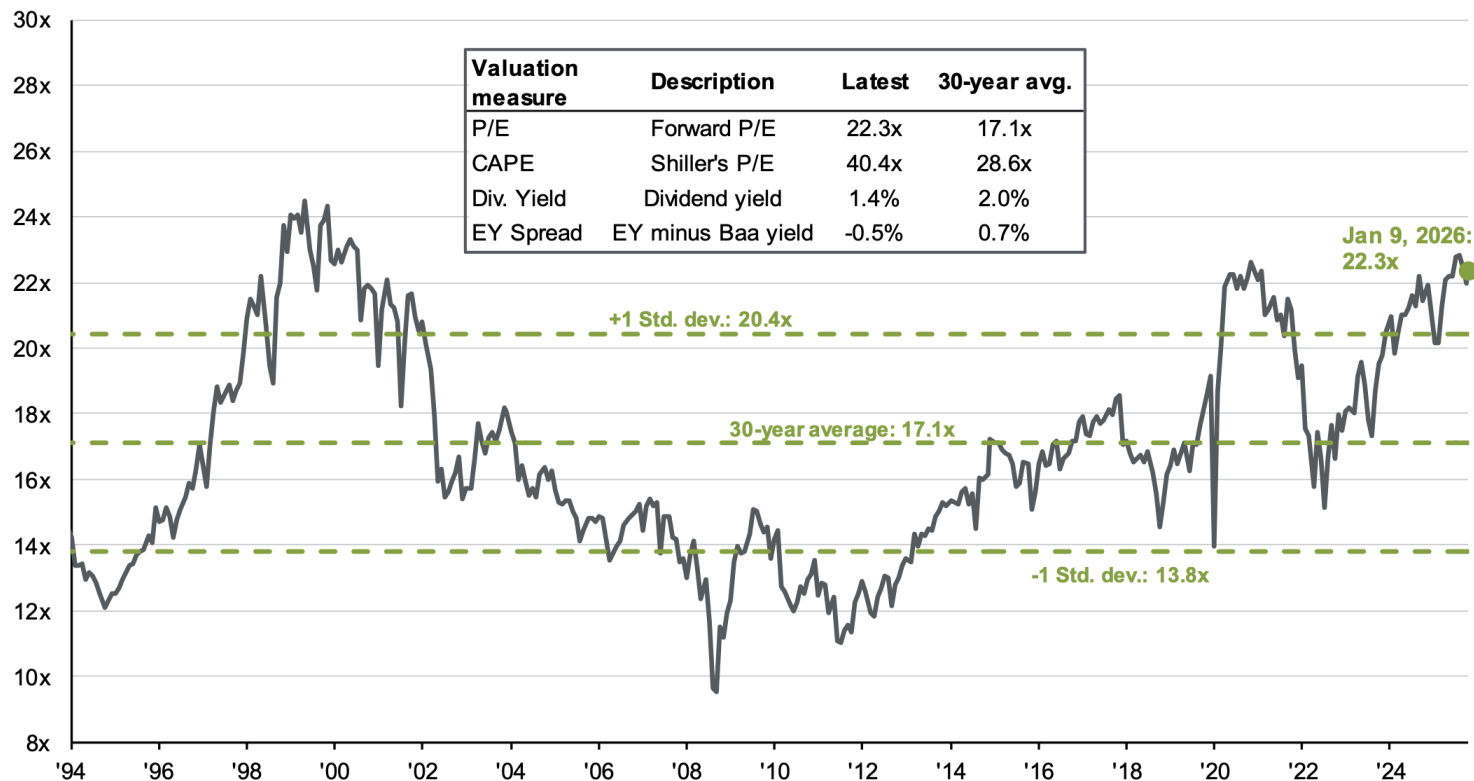


Euro area



3. Outlook for 2026 - Valuations are the issue

S&P 500 index: Forward P/E ratio



Source: Bloomberg, FactSet, Moody's, Refinitiv Datastream, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.
 Forward P/E ratio is the most recent S&P 500 index price divided by consensus analyst estimates for earnings in the next 12 months, provided by IBES since March 1994 and FactSet since January 2022. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as consensus estimates of dividends in the next 12 months, provided by FactSet, divided by the most recent S&P 500 index price. EY minus Baa yield is the forward earnings yield (the inverse of the forward P/E ratio) minus the Bloomberg U.S. corporate Baa yield since December 2008 and interpolated using the Moody's Baa seasoned corporate bond yield for values beforehand.
 Guide to the Markets - U.S. Data are as of January 9, 2026.

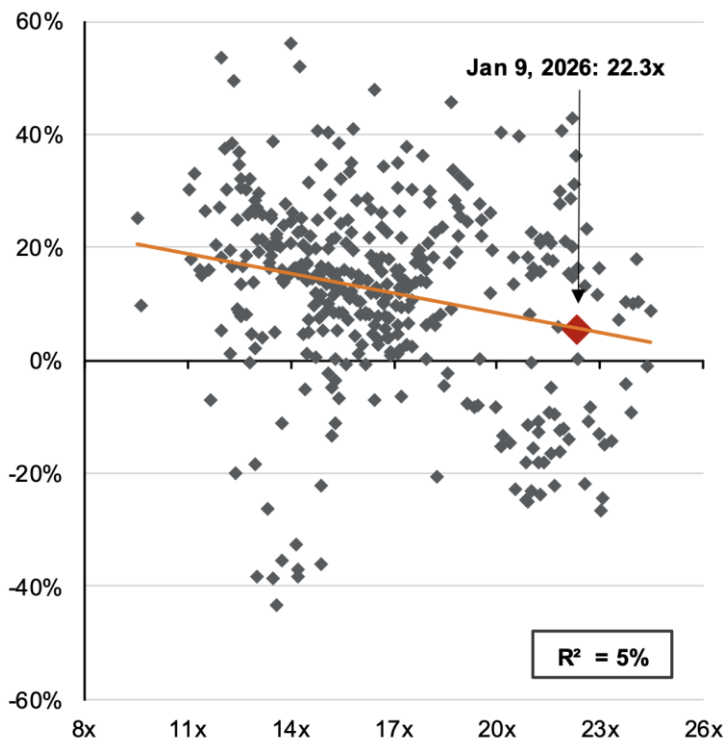
J.P.Morgan
 ASSET MANAGEMENT

3. Outlook for 2026 - S&P 500 Returns expectations muted based on forward P/E



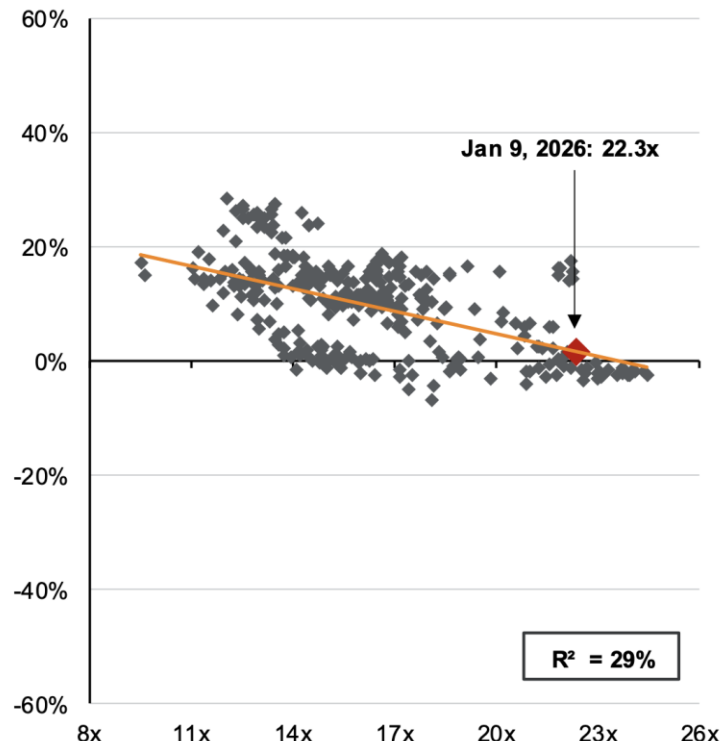
Forward P/E and subsequent 1-year returns

S&P 500 Total Return Index



Forward P/E and subsequent 5-year annualized returns

S&P 500 Total Return Index



Source: FactSet, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.

Returns are 12-month and 60-month annualized total returns, measured monthly, beginning 12/31/1993. R^2 represents the percent of variation in total return that can be explained by forward P/E ratios. The forward P/E ratio is the most recent S&P 500 index price divided by consensus analyst estimates for earnings in the next 12 months, provided by IBES since December 1993 and FactSet since January 2022. Past performance is no guarantee of future results.

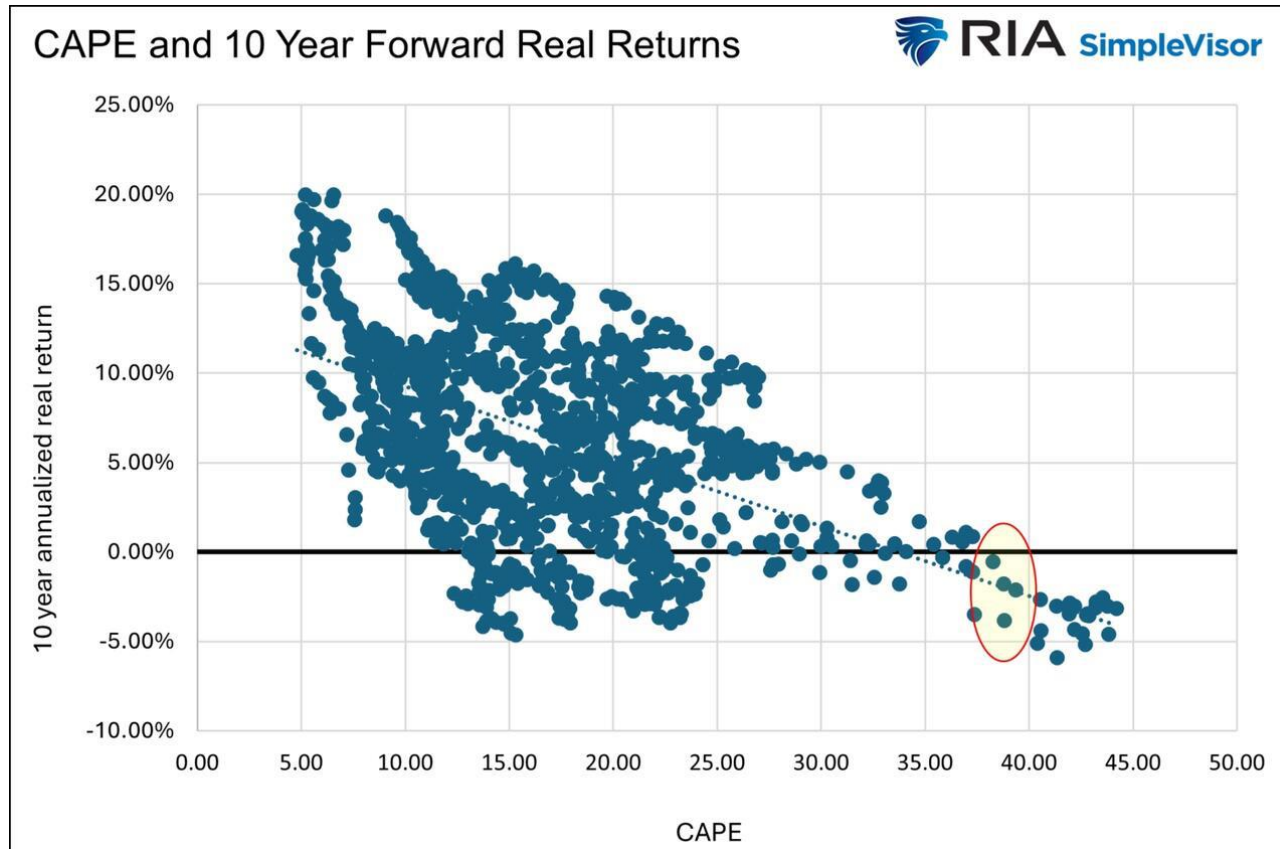
Guide to the Markets - U.S. Data are as of January 9, 2026.

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3. Outlook for 2026 - S&P 500 Returns expectations muted

Based on historical correlations between valuations and returns, we should expect negative real returns over the next 10 years.



CAPE (also called the Shiller P/E) is a stock market valuation metric. Straight talk version:

What it is: The price of the stock market (usually the S&P 500) divided by the average of the last 10 years of inflation-adjusted earnings.

Why 10 years: It smooths out the business cycle, so profits from boom or bust years do not distort the picture.

What it tells you: **How expensive the market is compared to its long-term earning power.** High CAPE usually means lower long-term returns; low CAPE usually means higher long-term returns.

How to read it
Around 15-17 → roughly fair value historically

Above 25-30 → expensive, future returns tend to be lower

Below 10-12 → cheap, often seen after crises

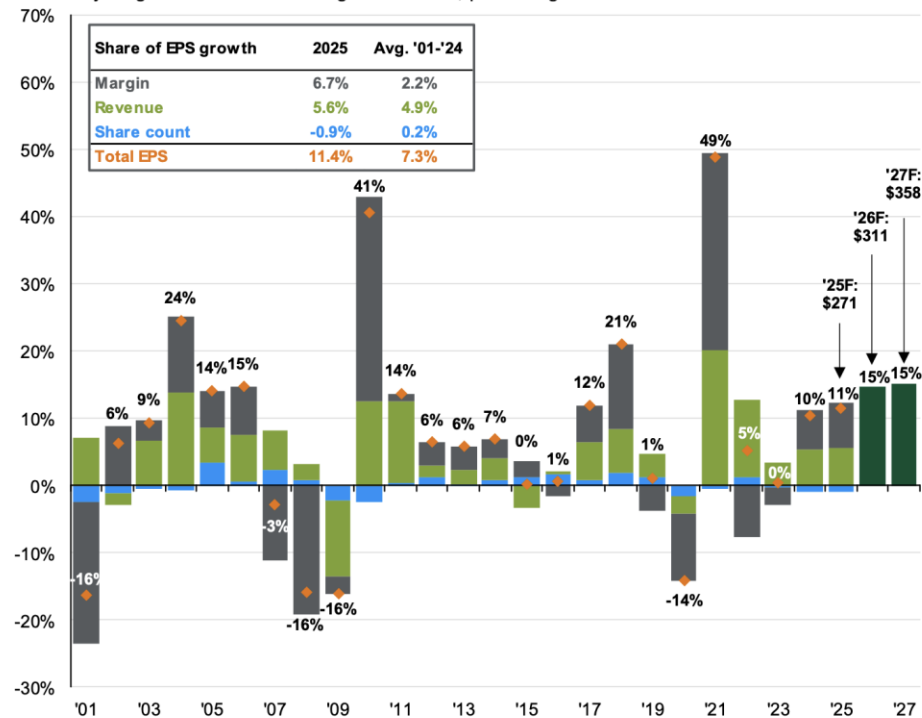


3. Outlook for 2026 - Earnings to grow, but upside limited as profit margins already high



S&P 500 EPS growth

Year-over-year growth broken into changes in revenue, profit margin and share count



Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management. Historical EPS values are based on annual earnings per share. Forecasts for 2025, 2026 and 2027 reflect consensus analyst expectations, provided by FactSet. Past performance is no guarantee of future results. Guide to the Markets - U.S. Data are as of January 9, 2026.

S&P 500 profit margins

Quarterly earnings/sales



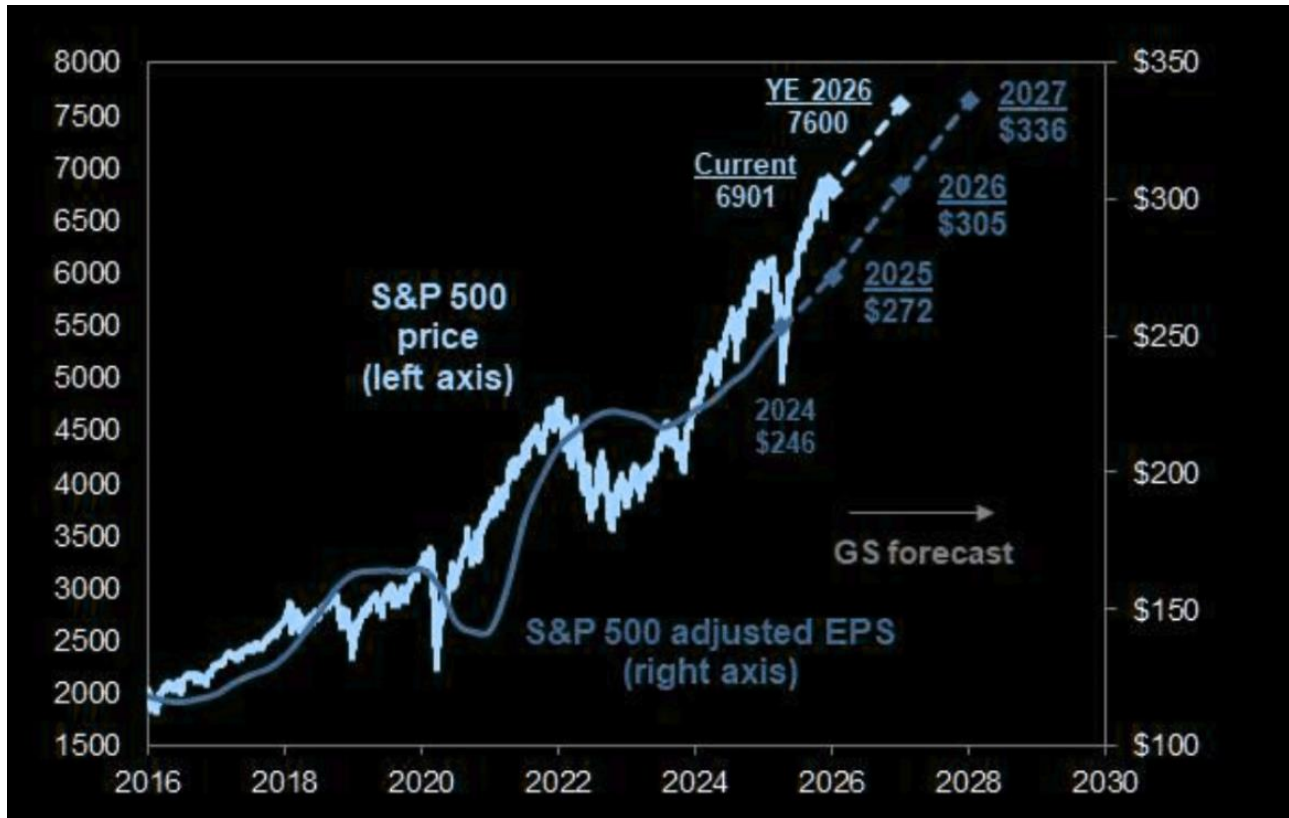
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Access to the world's best investment strategies.

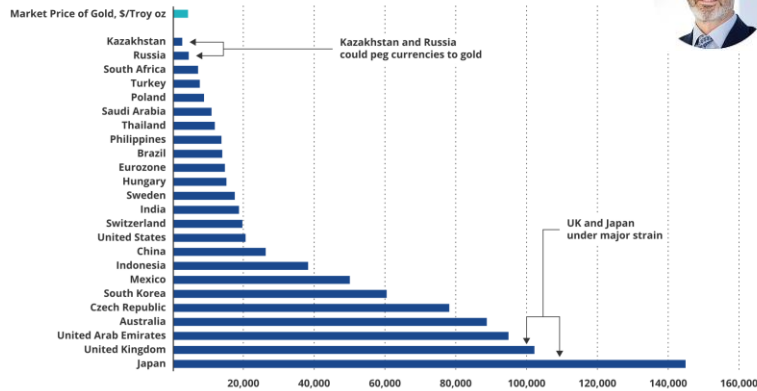
3. Outlook for 2026 - But if earnings continue to grow, returns could be decent



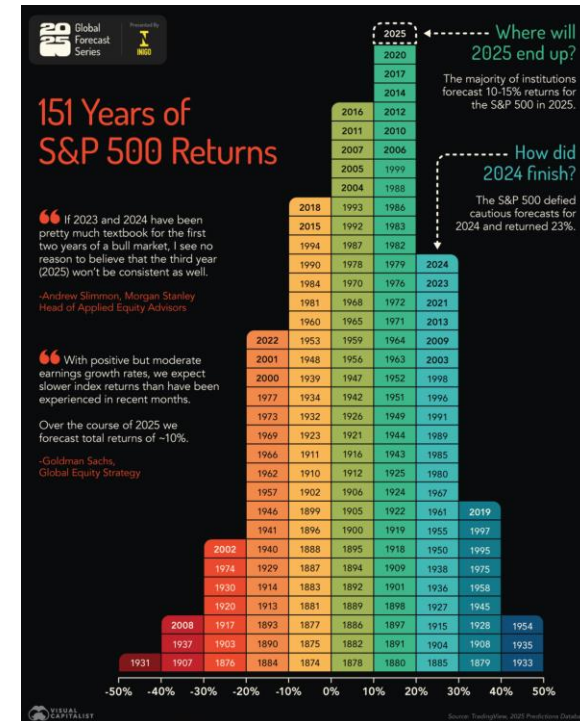
3. Outlook for 2026 - Risks

- Geopolitics
- Japan: rising rates, a weakening currency, and debt-to-GDP above 230% pose a material risk.
- Higher long-end rates, who will buy US debt? The FED?
- AI risk: investment spending is outpacing realistic returns.
- Accelerating loss of trust in USD (Gold/Bitcoin/Silver up)

Exhibit 3 - Price of Gold (in USD) That Equalizes Gold/M0 Ratio



Source: VanEck Research, IMF, Bloomberg LP, exchange rates as of December 18, 2025



4. Asset Class Views for 2026

4.1 Emerging Market Equities by Rohit Khuller

4.2 US High Yield by Kevin Power

4.3 US Small Caps by Martijn van Vliet

4.4 Emerging Market Debt by Eric Fine





Emerging Market Equities

By

Rohit Khuller

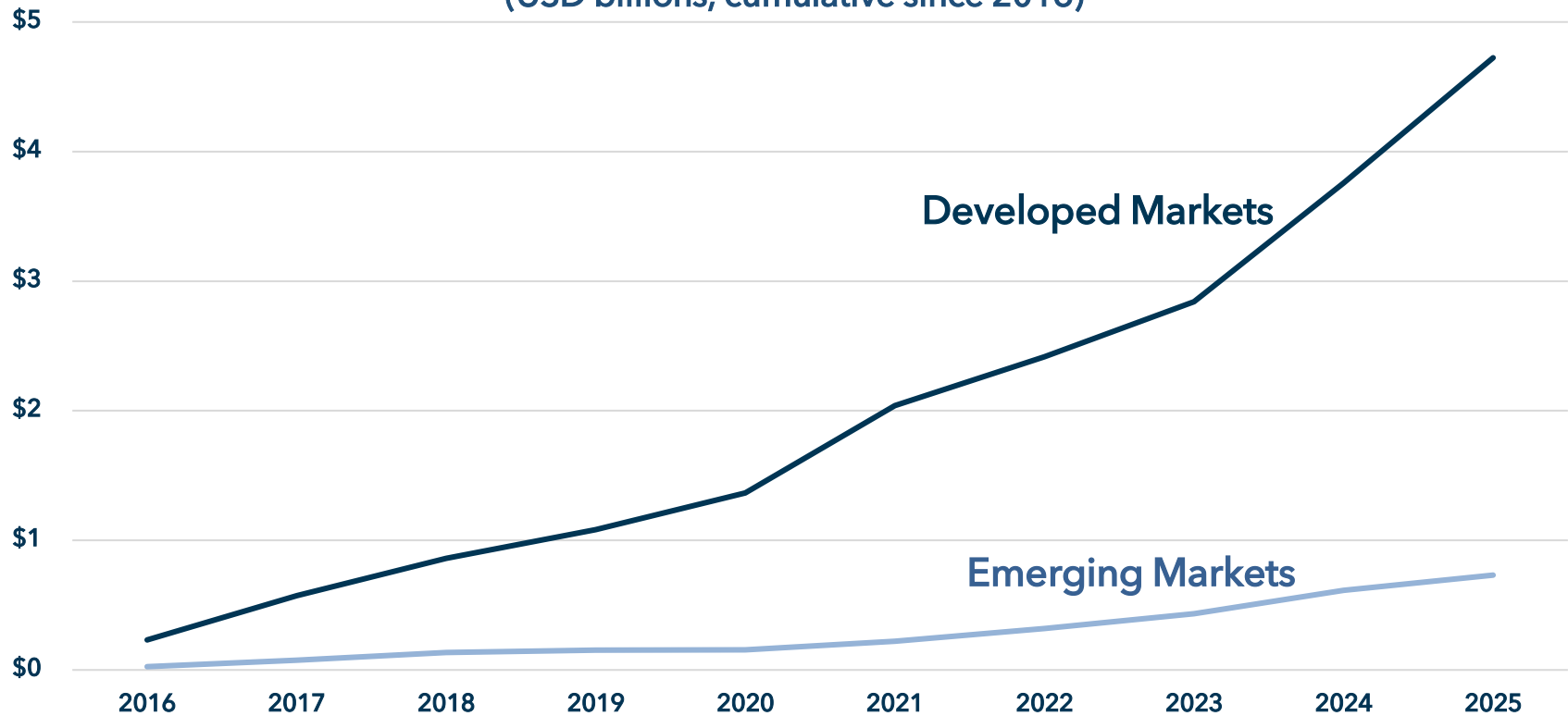
Lead PM Letko Brosseau Emerging Markets Equity Strategy



Why Emerging Markets Now?

Mean Reversion

Net Fund Flows into Developed Markets vs. Emerging Markets
(USD billions, cumulative since 2016)⁽¹⁾



Developed markets have dominated fund flows.

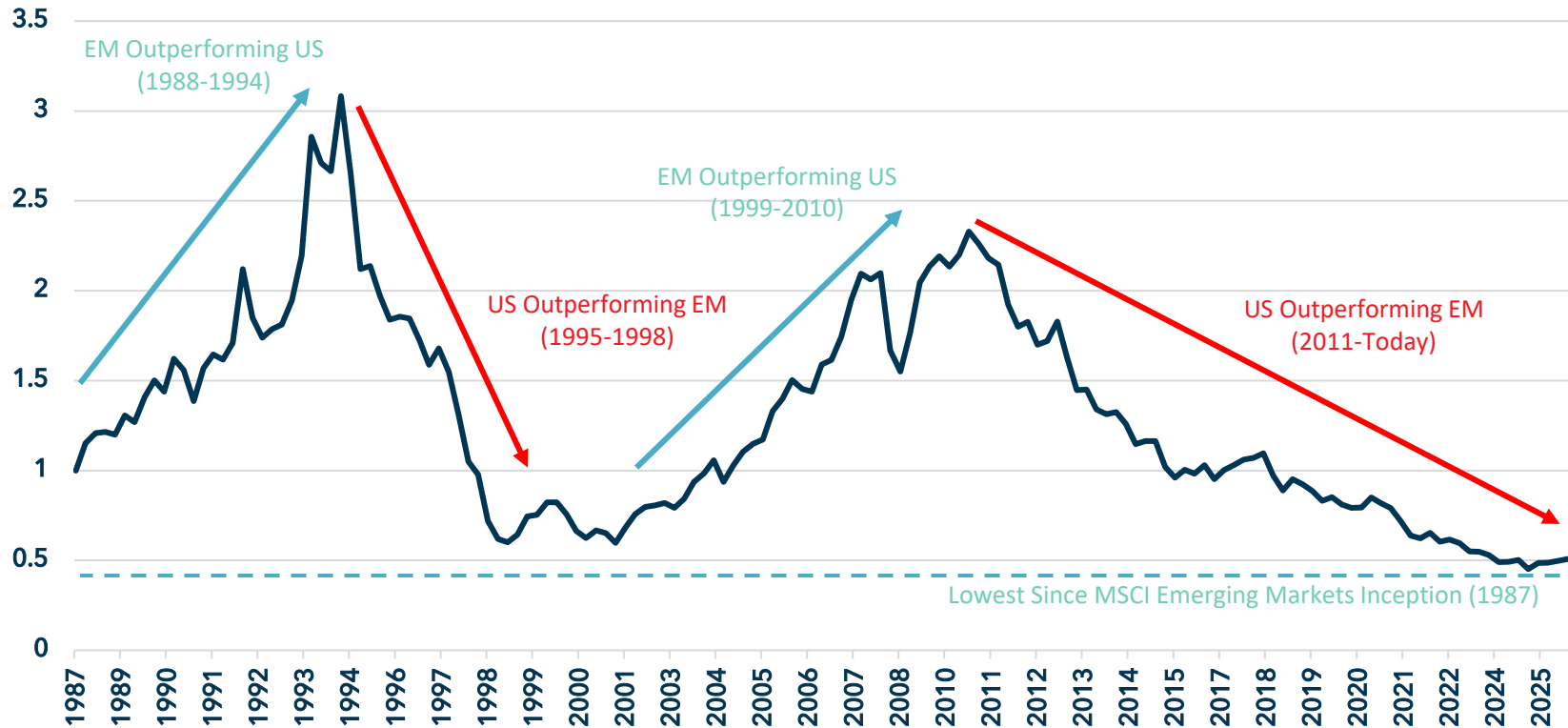
⁽¹⁾Bloomberg, cumulative net fund flows from 2016 (USD billions); 2025 data is cumulative from January 1, 2025, to December 31, 2025, LetkoBrosseau.



Why Emerging Markets Now?

Mean Reversion

MSCI Emerging Markets to S&P 500 Ratio Total Return⁽¹⁾



But... mean reversions do occur and can last a decade.

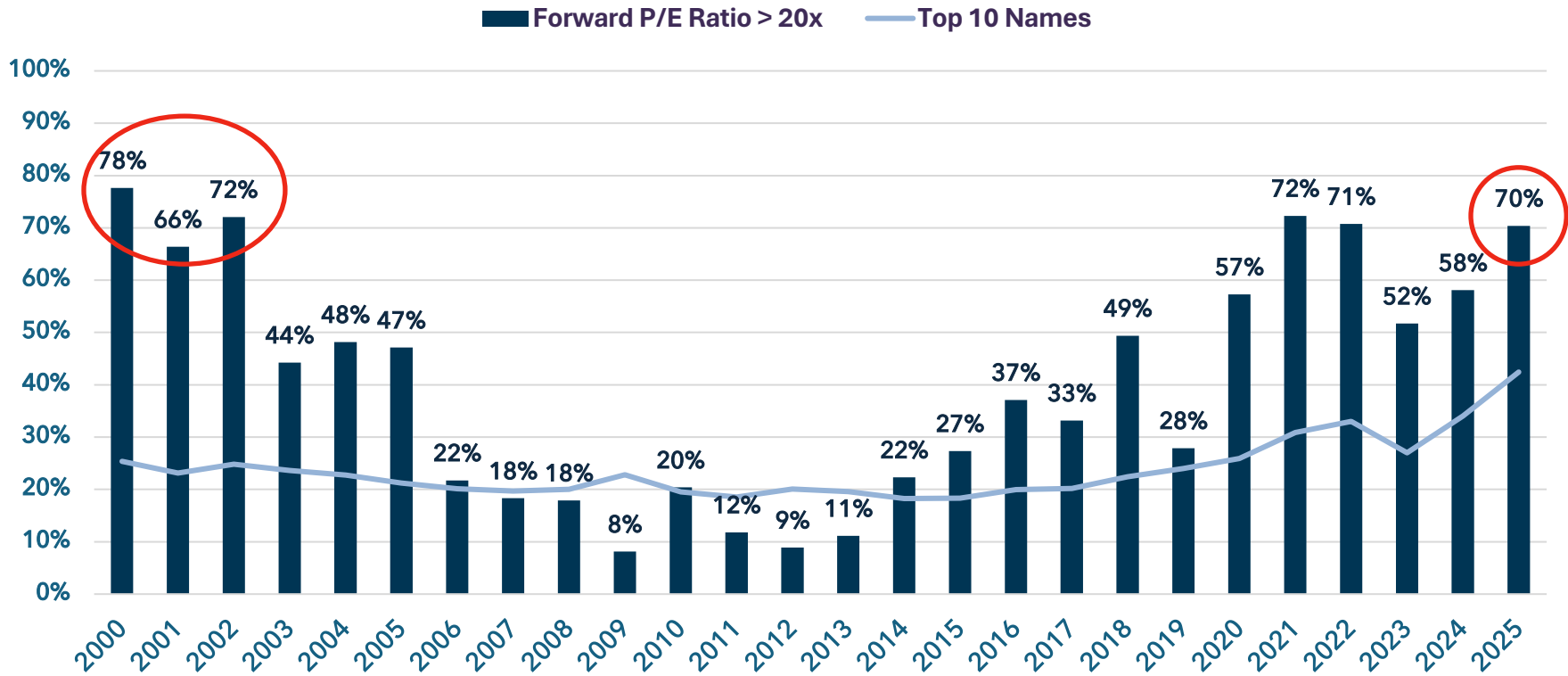
(1) Bloomberg, quarterly index data in U.S. dollars from December 31, 1987, to December 31, 2025, LetkoBrousseau.



Why Emerging Markets Now?

U.S. Equities Face Rising Risks

S&P 500 Distribution by Index Weight⁽¹⁾



U.S. equities: historically high valuation and overconcentration.

(1) Bloomberg, annual S&P 500 data from January 1, 2000, to December 31, 2025. Distribution derived yearly based on LTM EPS and market cap in U.S. dollars.



Why Emerging Markets Now?

U.S. Equities Face Rising Risks



U.S. Dollar Index Spot⁽¹⁾



Trump's policies have hurt safe-haven status of U.S. dollar, Macklem says

MARK RENDELL > ECONOMICS REPORTER
PUBLISHED SEPTEMBER 23, 2025

THE GLOBE AND MAIL

Updated Nov. 18, 2025 9:20am ET

Fears of AI Bubble Grow, Bank of America Survey Shows

By [Alexander Osipovich](#), Reporter

WSJ

Federal Prosecutors Open Investigation Into Fed Chair Powell The New York Times

Cracks have emerged in the U.S. market.

(1)Based on the Dollar Index Spot (Bloomberg), from January 1, 2025, to December 31, 2025.

Sources: The New York Times article retrieved on January 12, 2025 (The New York Times). The Wall Street Journal article retrieved on January 12, 2025 (The Wall Street Journal). Globe and Mail article retrieved on September 25, 2025 (The Globe and Mail).



Why Emerging Markets Now?

Compelling Fundamentals

~65%

Forecasted contribution to global GDP growth by 2035⁽¹⁾

+2x

Emerging markets GDP growth rate versus developed markets⁽²⁾

~4x

Emerging markets EPS growth rate versus developed markets⁽³⁾

61%

Emerging markets' share of global GDP⁽²⁾

6.9B

People within emerging markets⁽²⁾

50+

Year historic low for EM equities relative price discount to US equities⁽⁴⁾

\$50T+

Opportunity of emerging market GDP growth through addressing unmet needs⁽⁵⁾

126%

Increase in globalization and interconnection since 1970⁽⁶⁾

(1)Data and projections based on reports from S&P Global in alignment with IMF forecasts (2025). (2)IMF World Economic Outlook October 2025, share based on PPP in USD. (3)Bloomberg, 2023-2025 total earnings per share growth estimates of the MXWO (MSCI World) and MXEF (MSCI EM) index. (4)Bloomberg, based on index data (MSCI EM/S&P 500 ratio, in U.S. dollars). (5)LetkoBrousseau estimates, IMF, US dollars, incremental GDP growth, assumes GDP per capita of emerging economies converge to a mere 25% of advanced economies. (6)Data from World Bank Group, based on World exports of goods and services (% of GDP).

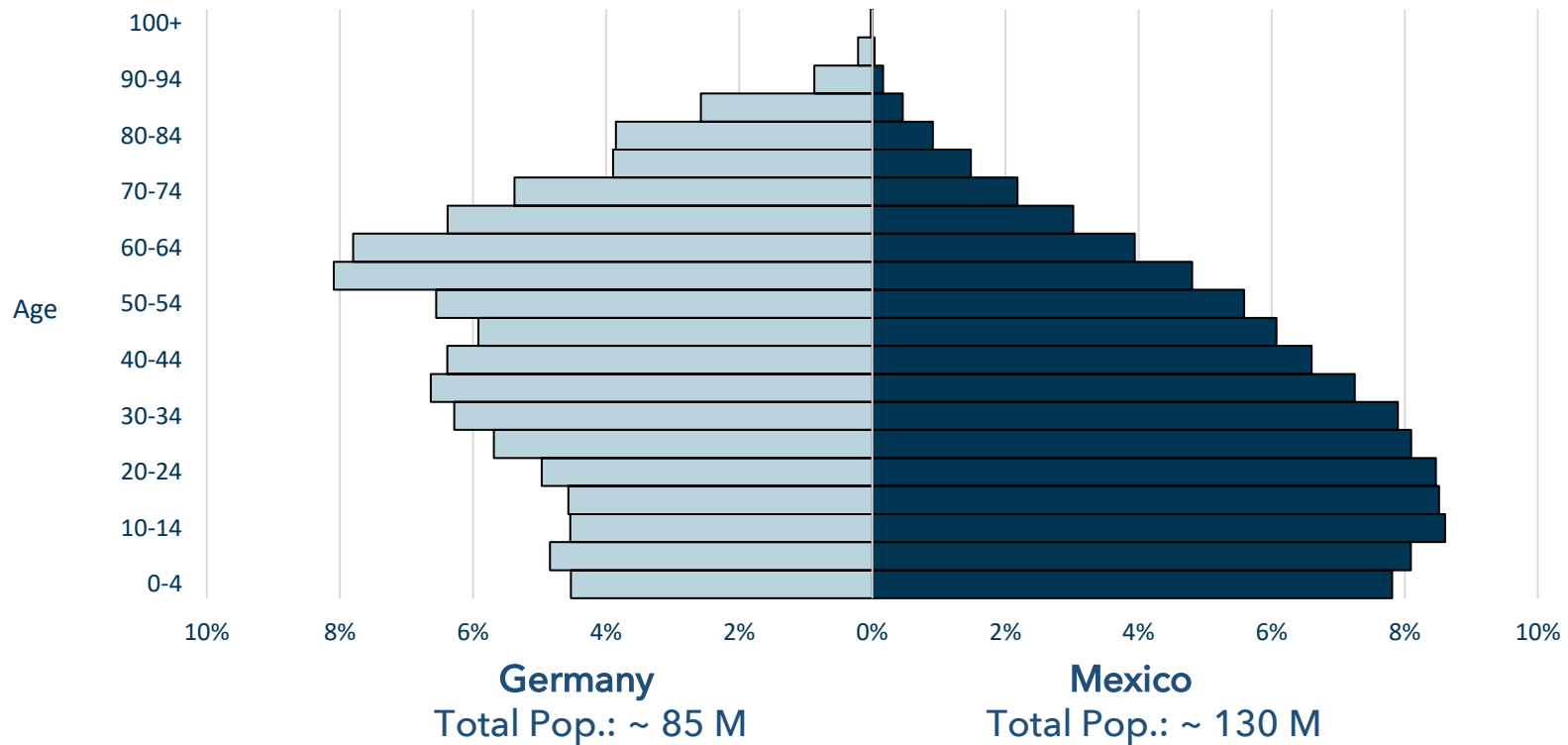


Why Emerging Markets Now?

Compelling Fundamentals



Example 1: Demographics⁽¹⁾



EM expected to account for 75% of the global middle class by 2030.⁽²⁾

(1)United Nations, Department of Economic and Social Affairs(2024).

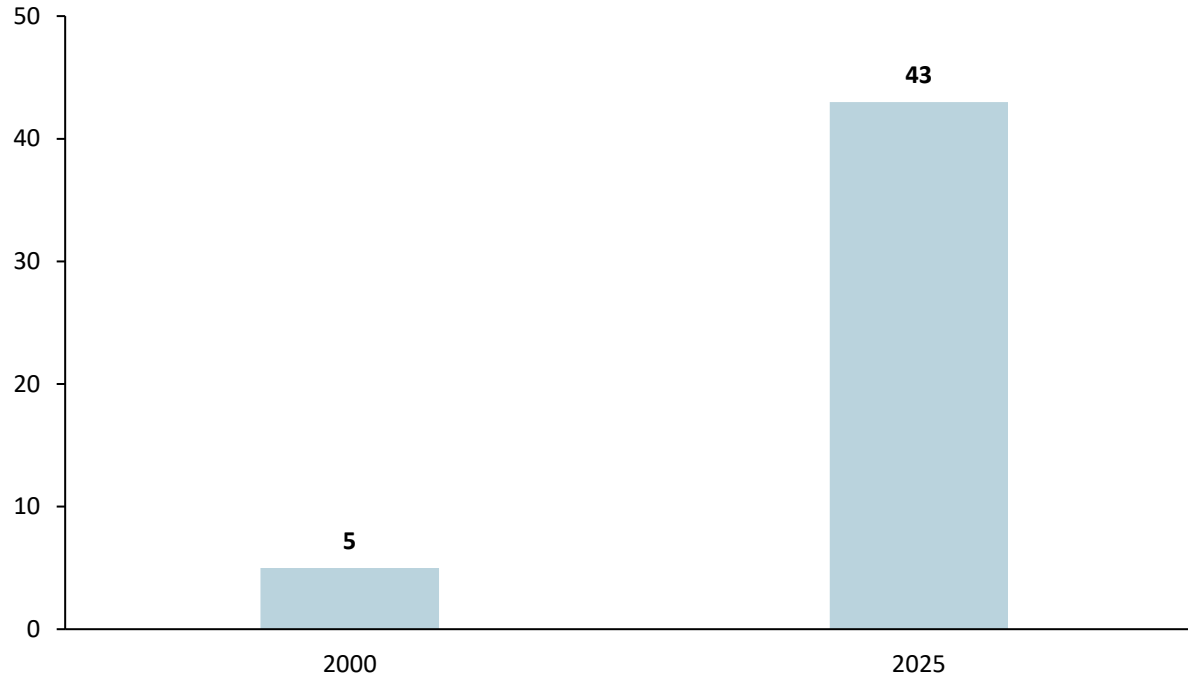
(2)Data and projections from CaixaBank Research (2024).



Why Emerging Markets Now?

Compelling Fundamentals

EM Central Banks with inflation-targeting frameworks (# of countries)



Since 2000, more EMs have adopted clear mandates focused on price stability.

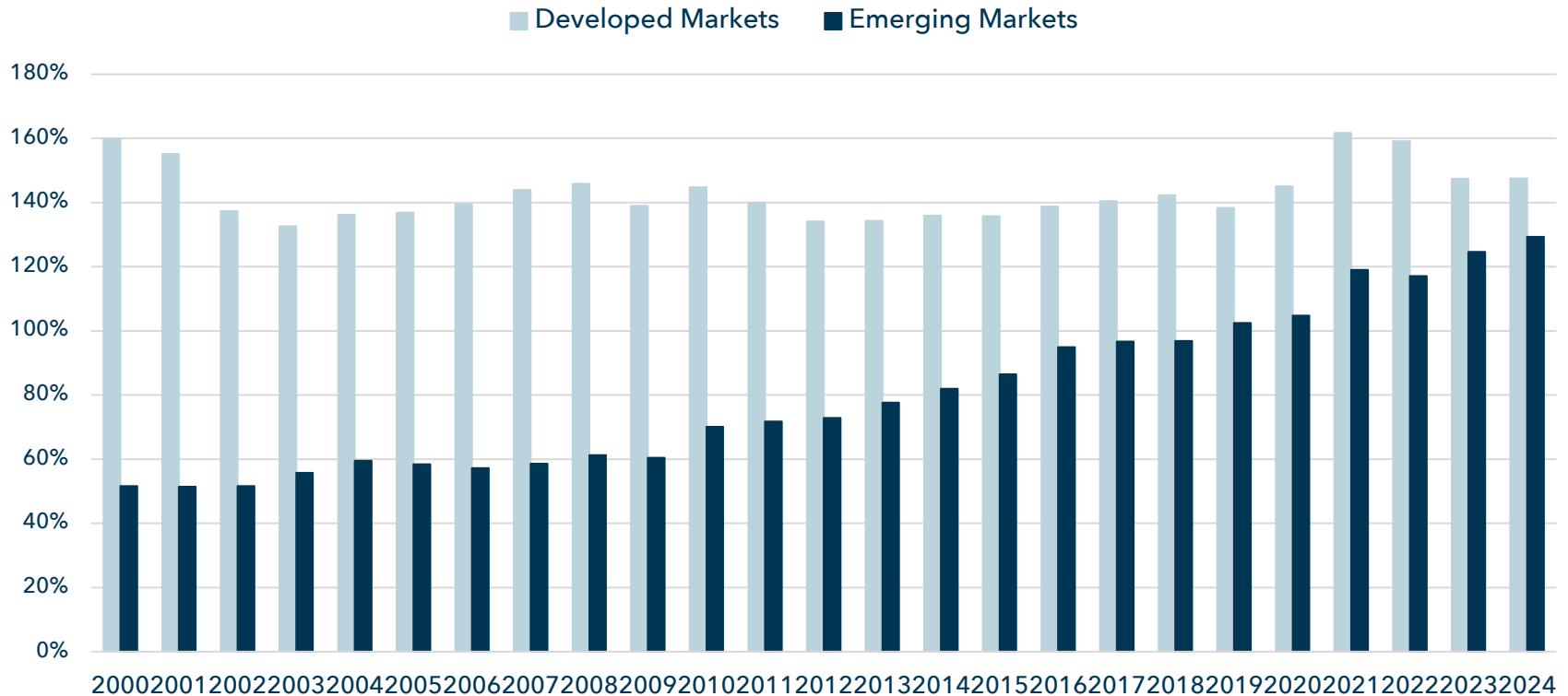
Source: IMF AREAER database and LBA calculations.



Why Emerging Markets Now?

Compelling Fundamentals

Example 2 : Domestic credit to private sector (% of GDP)⁽¹⁾



Continuously developing capital markets should support equities.

(1)Data from World Bank Group - International Financial Statistics database, International Monetary Fund (last updated: July 1, 2025). Developed markets data is composed of high income countries and emerging markets data is composed of middle and low income countries.

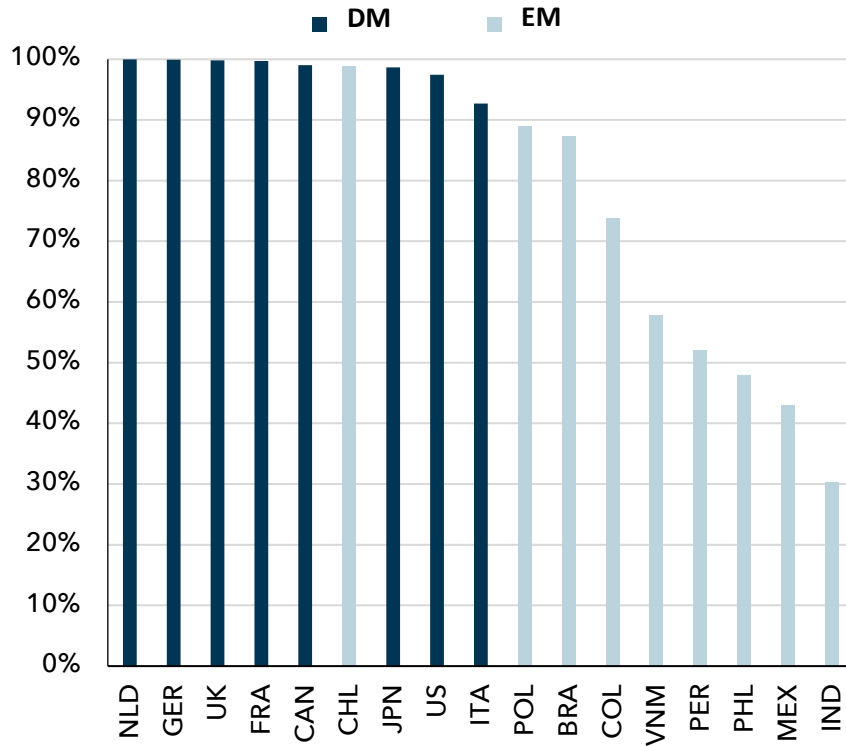


Why Emerging Markets Now?

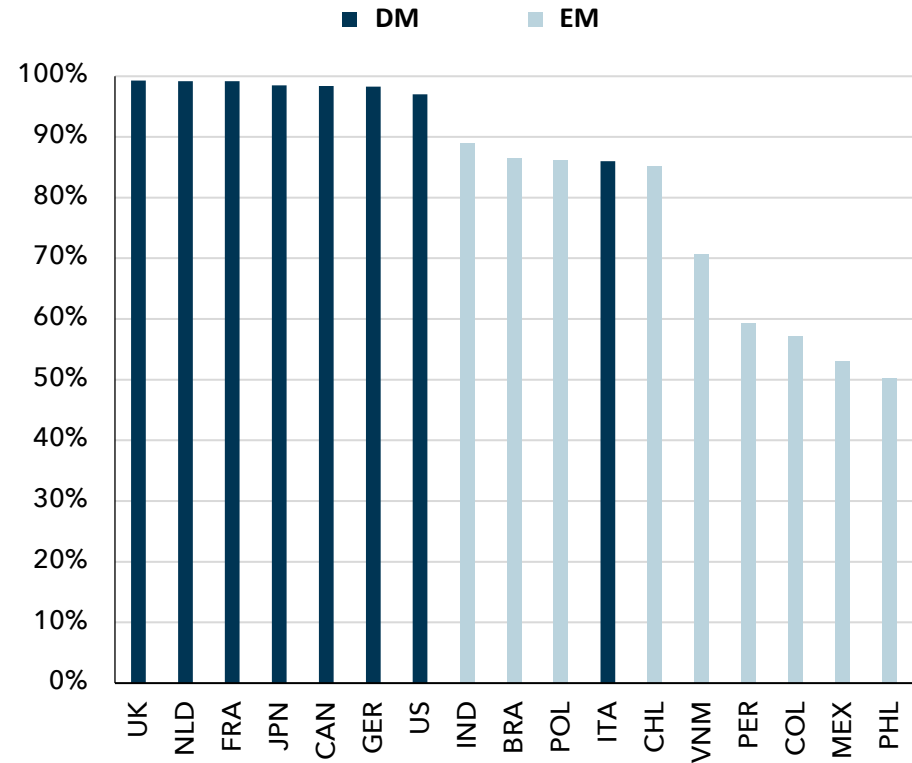
Room to Run



Population using safely managed drinking water services (%)



Share of adults with a bank account (%)



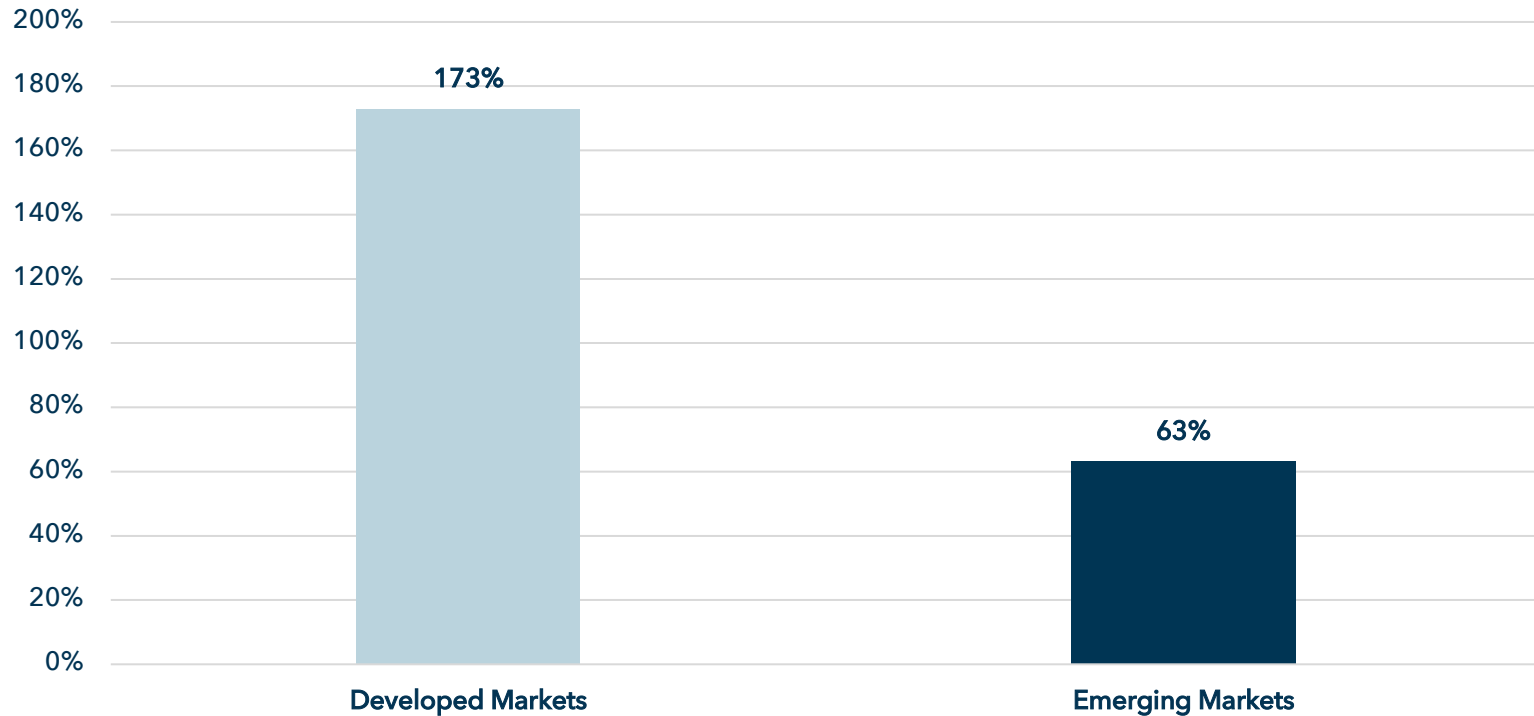
Unmet needs: Scope for major infrastructure and financial services investment across EMs.

Source: World Bank

Why Emerging Markets Now?

Room to Run

Market capitalization of listed domestic companies (% of GDP)(1)



EM stock markets are relatively underpenetrated.

(1)Data from World Bank Group - World Federation of Exchanges database (last updated: July 1, 2025). Developed markets data is composed of high income countries and emerging markets data is composed of middle and low income countries.



Why Emerging Markets Now?



Active Managers Tend to Generate More Alpha in Emerging Markets

	5-YR Alpha*	10-YR Alpha*
Global Equity Managers ⁽¹⁾	(1.0)%	(0.1)%
EM Equity Managers ⁽²⁾	1.7%	1.3%
LetkoBrosseau Emerging Markets Equity Strategy ⁽³⁾	10.9%	5.7%

*Benchmark: 100% MSCI Emerging Markets Total Return (Gross Dividends).

Structural inefficiencies in EM reward active managers.

Sources: (1) Evestment All Global Equity Universe metrics are based on disclosed average excess returns data by 565/2261 investment products, in SCAD and as of December 31, 2025. (2) Evestment Emerging Markets Equity, All Cap Universe metrics are based on disclosed average excess returns data by 142/333 investment products, in SCAD and as of December 31, 2025. (3) This Composite includes all discretionary emerging markets equity mandates with asset mix targets for fixed income securities of less than 10%. The Composite assets as of December 31, 2025 were \$2.5 billion or 12.2% of assets under management. Performance results are presented before management and custodial fees but after trading commissions. Custody/administration costs may vary depending on client's custody arrangement and account. Past performance does not guarantee future returns.

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Valuation Metrics

	S&P 500	MSCI ACWI	MSCI EM
Price/Earnings	22.0	18.9	13.2
Price/Cash Flow	16.2	13.0	9.2
Price/Book	4.7	3.2	1.9
Dividend Yield	1.2%	1.8%	2.6%
EPS CAGR Estimate (2025-2027)	14.6%	13.5%	18.8%

Source: Bloomberg, as of December 31, 2025.



US High Yield

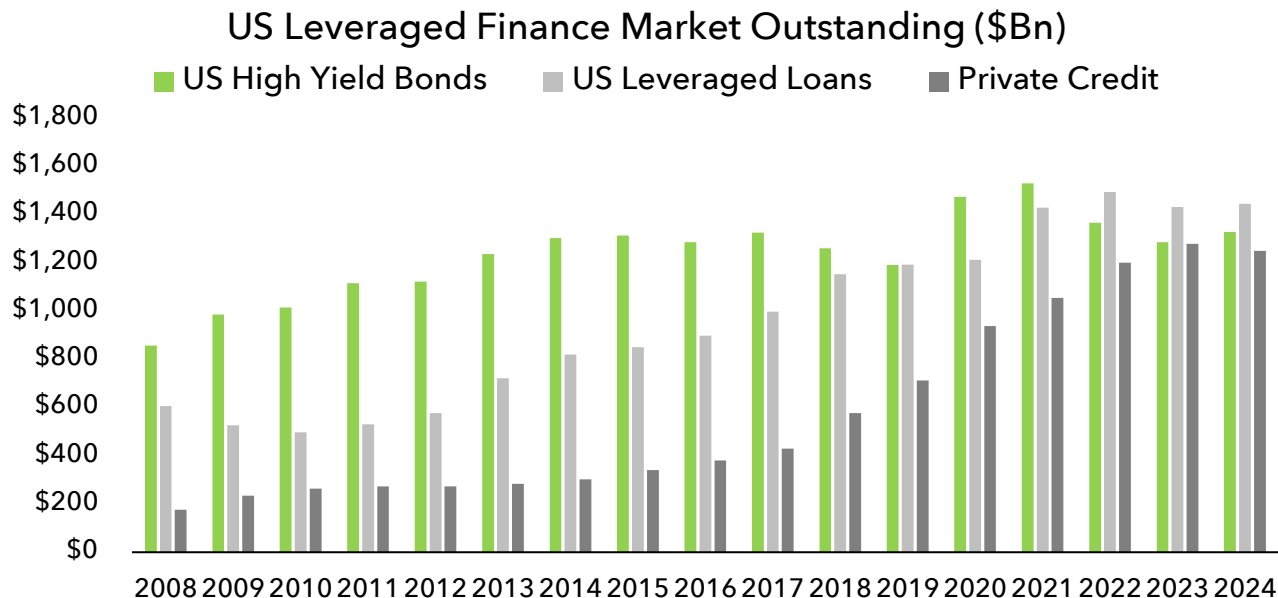
By

Kevin Power
PM SiM US High Yield Strategy



Leveraged Credit Market

Since 2008, Private Credit and Leveraged Loans AUM have grown substantially more than High Yield



Source: JPMorgan, Pitchbook

	Debt/EBITDA	EBITDA/Interest Expense
High Yield	4.4	4.2
Leveraged Loan	5.0	3.1
Private Credit	5.9	1.9

Sources: J.P. Morgan, S&P Capital IQ, Fitch as of Q3 2025

Leveraged Credit Market Ratings Change



High Yield credit ratings have improved while Leveraged Loans have declined

High Yield vs Leveraged Loans Single B or Lower Index Percentage



Source: JP Morgan



High Yield Rating Change

As Private Credit and Leveraged Loans AUM has grown, the credit makeup of High Yield has improved

High Yield Index Rating Change



Source: JP Morgan





Credit Market Snapshot (Year-End 2026)

Spreads shown in basis points (bps)

Asset Class	Year-End 2026 Spread (bps)	Default Rate	Total Return
High Yield	350	1.5-2.5%	5.5-6.5%
Leveraged Loans	450	3-4%	4.5-5.5%
Private Credit	700	4-5%	5-6%

Note: Ranges are indicative; shown for illustrative presentation purposes.

	Annualized Returns	Annualized Volatility	Modified Sharpe Ratio
HY Bond Index	7.73%	8.00%	0.96
Russell 3000 Index	10.16%	15.48%	0.66

Risk and return comparison of the High Yield Bond Index and Russell 3000 Index from 8/31/1986, inception of the HY Index, through 9/30/2025





US SMALL CAPS

By

Martijn van Vliet

Founder Candoris BV & Board Member Candoris UCITs Funds



US Small Caps

2025: Three of four pillars in place for US small caps

- Attractive valuations
- Extreme relative underperformance
- Expected rate cuts
- But weak earnings and tariff-related uncertainty held back investment

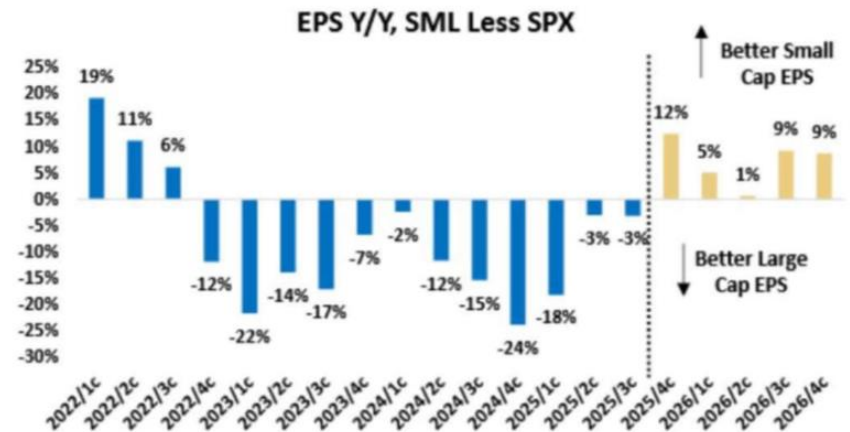
2026: Setup now looks complete

- Earnings momentum is improving
- Rate outlook is turning more supportive
- Valuations remain compelling vs large caps and long-term averages

Additional tailwinds:

- Re-shoring benefits domestically focused small caps
- AI adoption is lowering costs
- Small caps adjust faster than large companies, now showing up in earnings

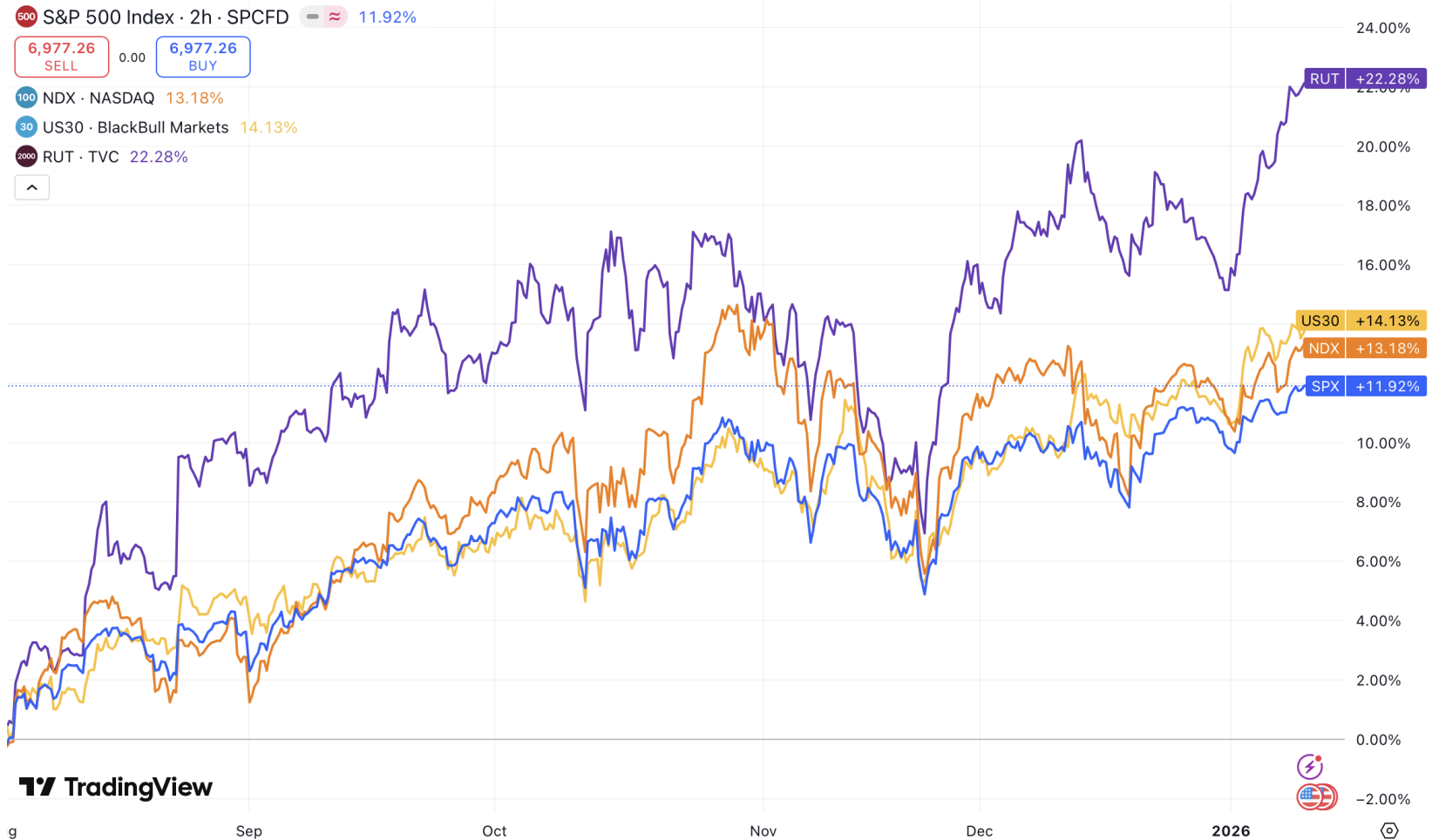
Small Cap EPS Growth Set to Outpace Large Cap Growth in Coming Quarters



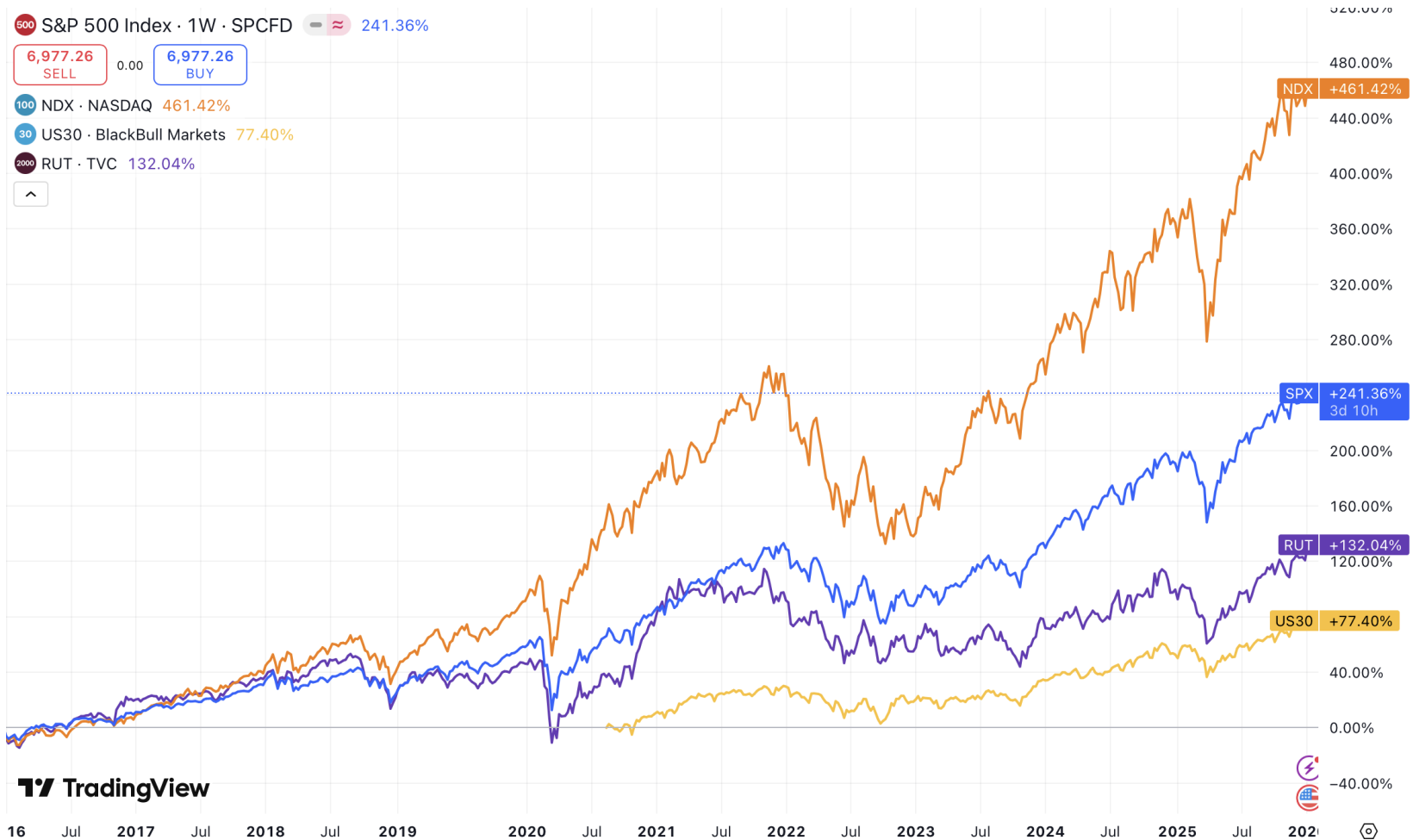
Source: FactSet, Morgan Stanley Research.



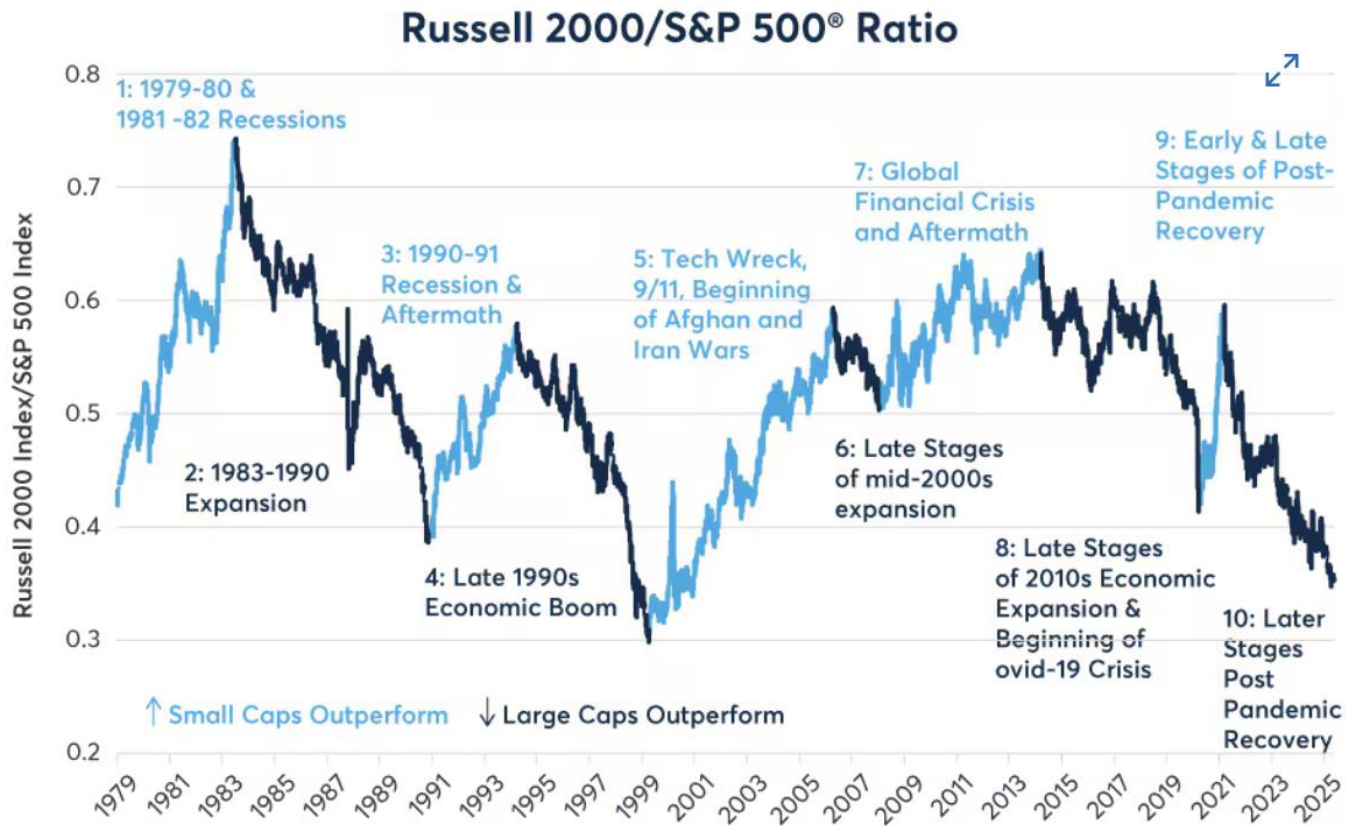
Relative performance has been strong since August



But the last decade has been a disaster for US Small Caps



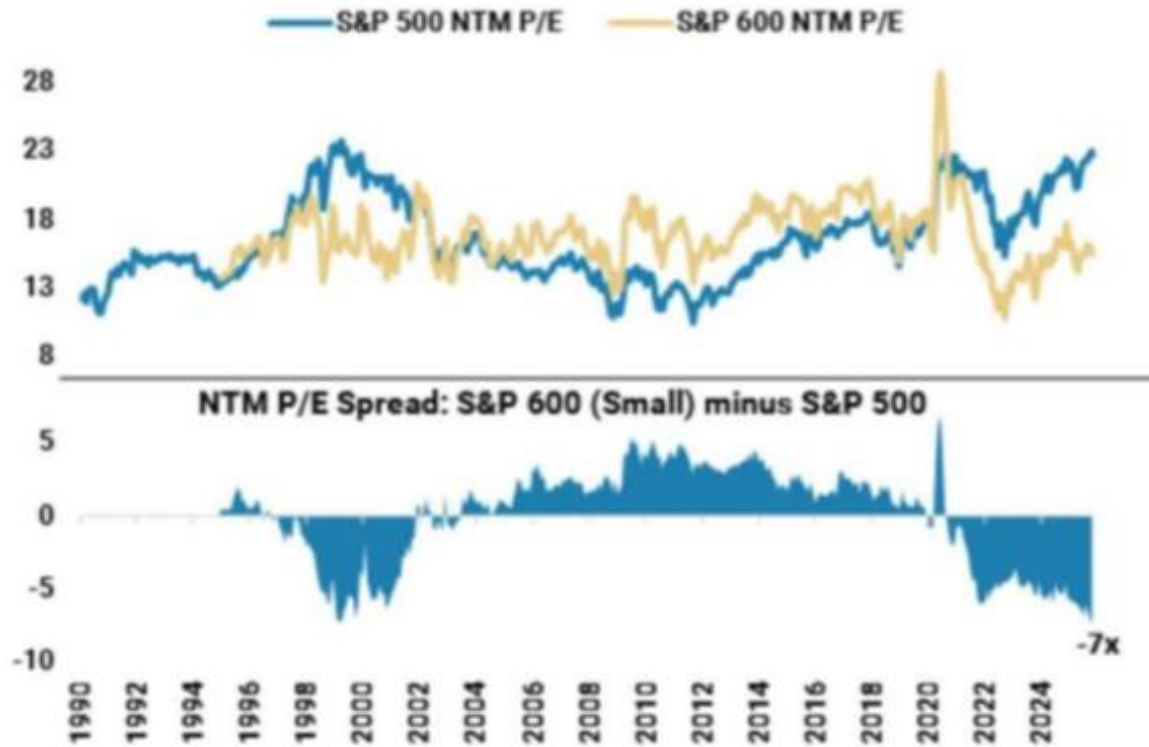
Relative performance goes in cycles



Source: Bloomberg Professional (SPX and RUY)



Forward P/E at record discount to large caps



Source: FactSet, Morgan Stanley Research.

As of 11/17/25



Other metrics show a similar picture

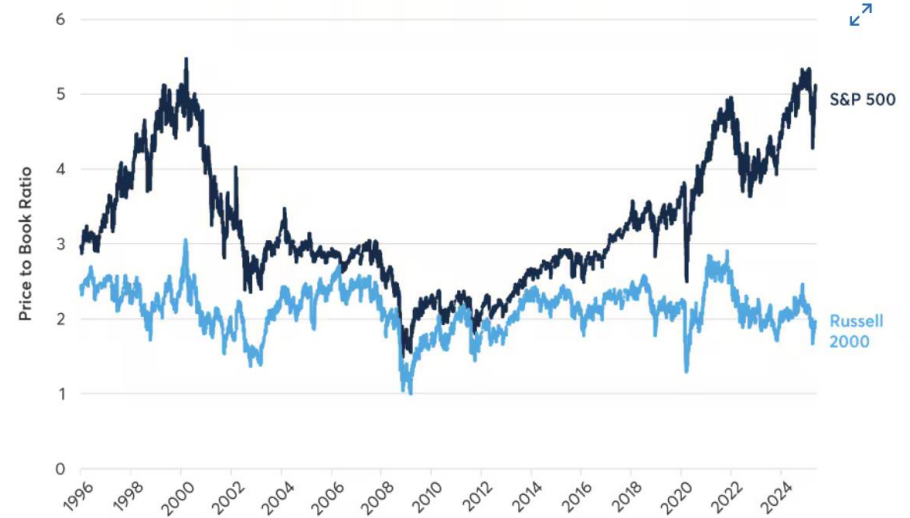


S&P 500 and Russell 2000 Price to Sales



Source: Bloomberg Professional (SPX and RTY), Price to Sales

S&P 500 and Russell 2000 Price to Book



Source: Bloomberg Professional (SPX and RTY), Price to Book



US Small have historically outperformed after a period of relative underperformance



Period	Length (In Years)	Small Caps		Large Caps		Relative Performance		1Yr Subs Relative Perf		3Yr Subs Relative Perf		5Yr Subs Relative Perf	
		Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
Jan. 1926 to May 1932	6.3	-81.8	-23.6	-52.6	-11.1	-61.6	-14.0	82.2	82.2	65.5	18.3	144.7	19.6
Feb. 1937 to June 1939	2.3	-48.1	-24.5	-27.7	-13.0	-28.2	-13.2	8.8	8.8	26.2	8.1	81.2	12.6
May 1946 to June 1949	3.1	-35.4	-13.2	-12.6	-4.3	-26.1	-9.3	2.7	2.7	1.6	0.5	-4.6	-0.9
Dec. 1968 to Dec. 1973	5.0	-41.5	-10.2	11.8	2.3	-47.7	-12.2	2.2	2.2	51.1	14.8	112.2	16.2
July 1983 to Oct. 1990	7.3	35.9	4.3	149.3	13.4	-45.5	-8.0	22.2	22.2	40.6	12.0	27.0	4.9
Feb. 1994 to Mar. 1999	5.1	79.1	12.1	219.0	25.6	-43.9	-10.7	23.9	23.9	63.9	17.9	98.3	14.7
Feb. 2014 to Jan. 2016	1.9	-14.4	-7.8	7.3	3.7	-20.2	-11.1	13.3	13.3	5.2	1.7	7.8	1.5
Dec. 2016 to Sept. 23?	6.7	49.8	6.2	119.8	12.4	-31.9	-5.5	?	?	?	?	?	?
Average (Excludes Current)	4.4	-15.2	-9.0	42.1	2.4	-39.0	-11.2	22.2	22.2	36.3	10.5	66.7	9.8



Source: Center for Research in Security Prices (CRSP®), The University of Chicago Booth School of Business; Jefferies

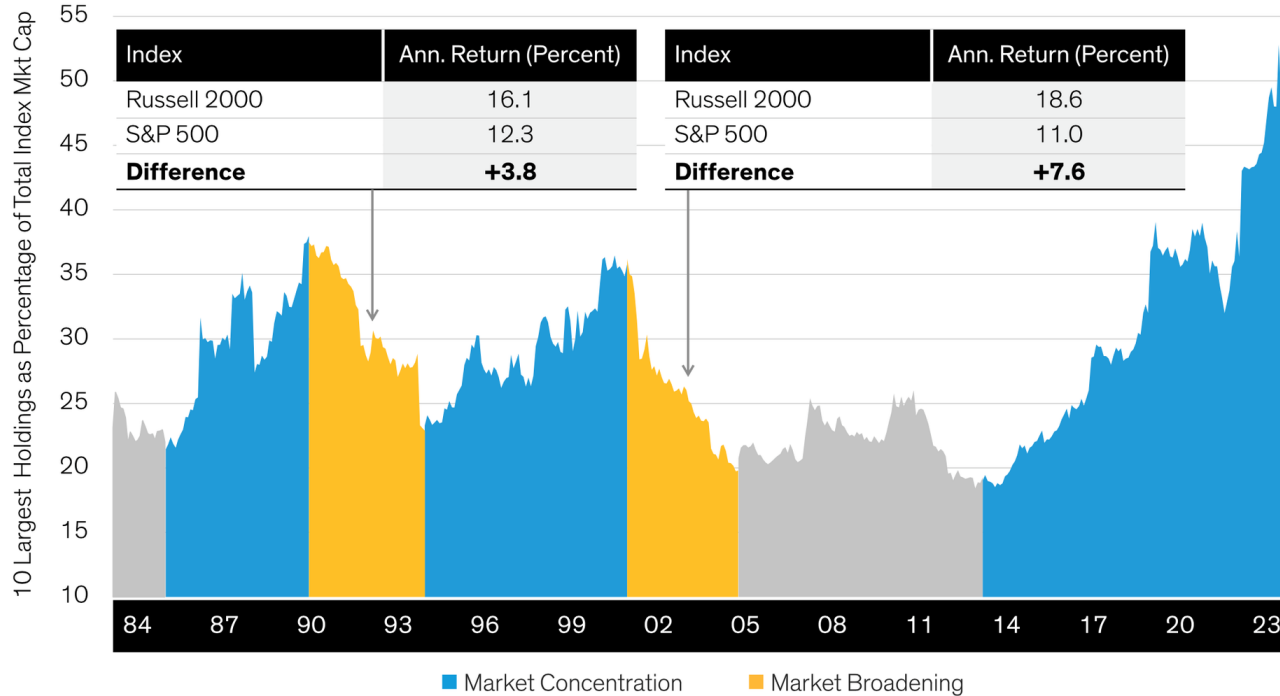


The market is broadening out, historically this goes along with small cap outperformance



Small-Caps Have Historically Outperformed When Markets Broaden

Russell 1000 Growth Index



Historical analysis does not guarantee future results.

Through March 31, 2025

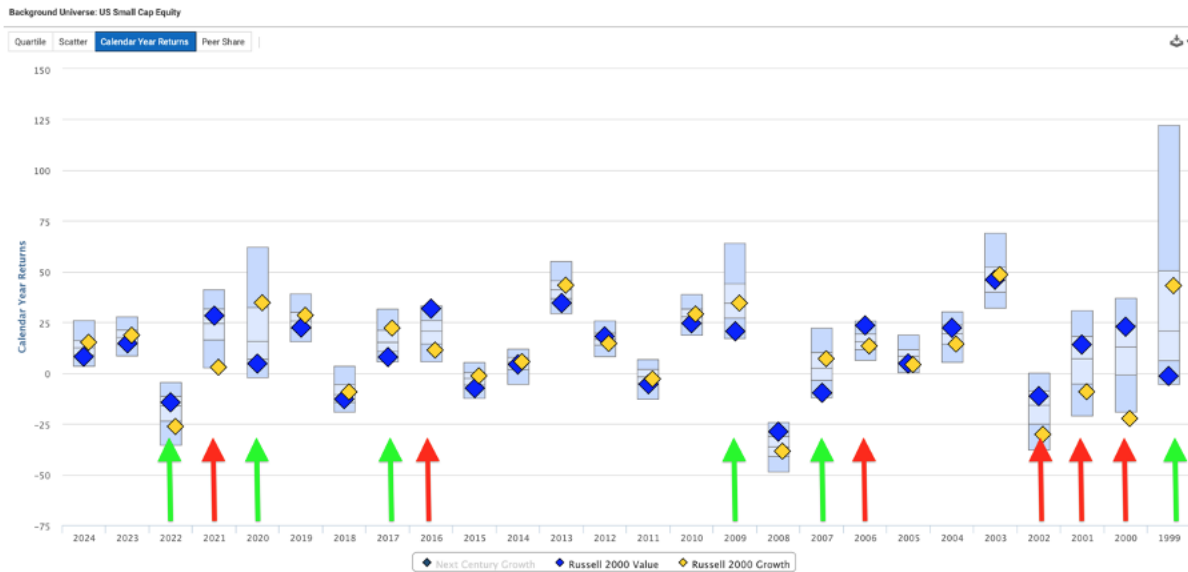
Source: Bloomberg, company reports and AB



US Small Caps Core, Growth or Value?

Why Growth and Value and not Core in US Small Caps?

Years in which performance difference between Small Growth and Small Value is > 10%

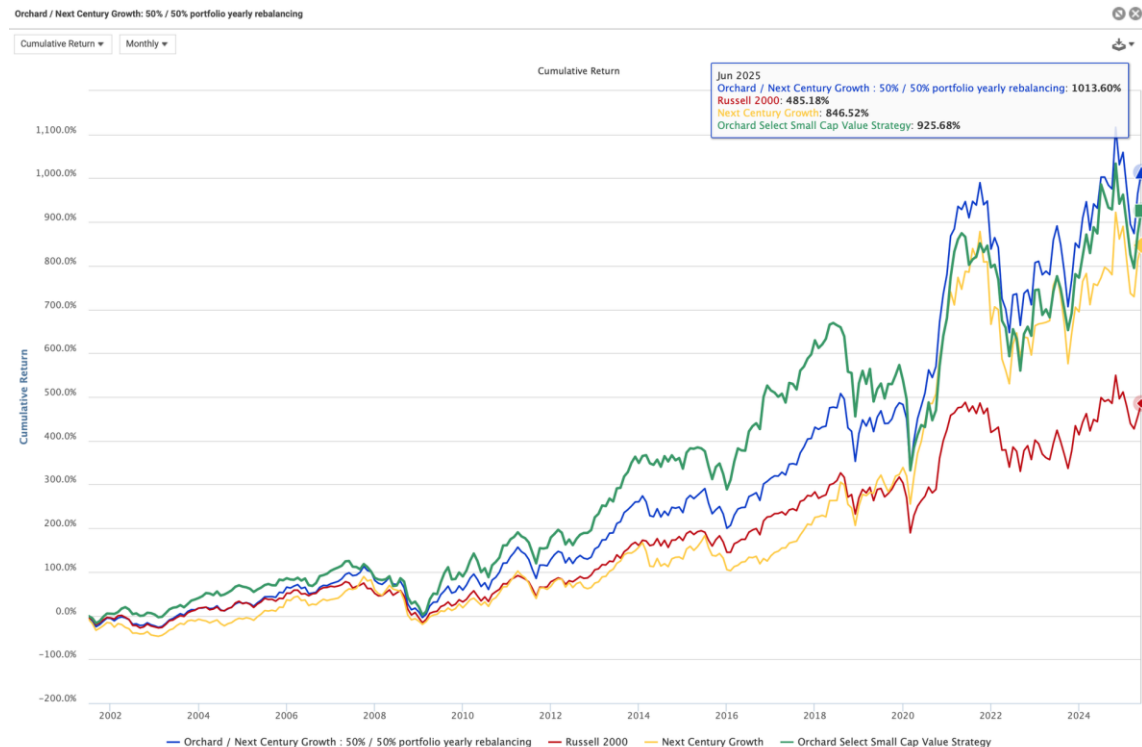


US Small Caps Growth+Value and yearly rebalance

- Growth and Value managers outperform more than the average Core manager + more options to choose from
- Combining dedicated growth and value managers makes sense
- Annual rebalancing helps capture style rotations

Data shown is from:

- US Small Cap Growth : NCG
- US Small Cap Value : Orchard
- 50% Orchard / 50% NCG portfolio
- Annual rebalancing vs no rebalancing



Result: Annual rebalancing adds approximately 60 bps per year on an annualized basis





Emerging Markets Debt

By

Eric Fine

Lead PM VanEck Emerging Markets Debt Strategy

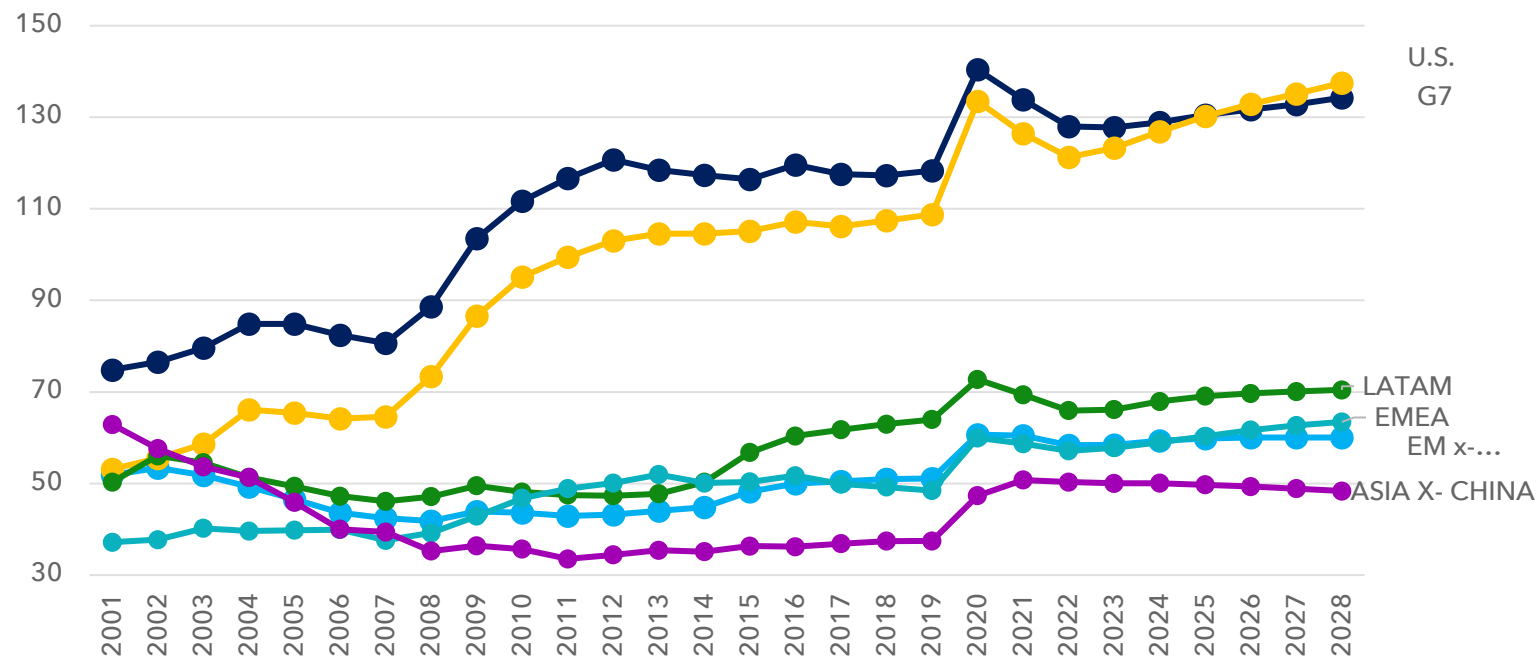


The Fundamental Case for EM Bonds

EMs Have Low Debt (and DMs Have High and Persistent Debt)

- EM debt levels remain below DM, and Asian debt levels are lowest within EM
- This relative lack of “fiscal dominance” in EM has very specific and supportive implications
- Adjusted for central bank reserves in USD, many EMs are net creditors in USD

General Government Gross Debt, % GDP



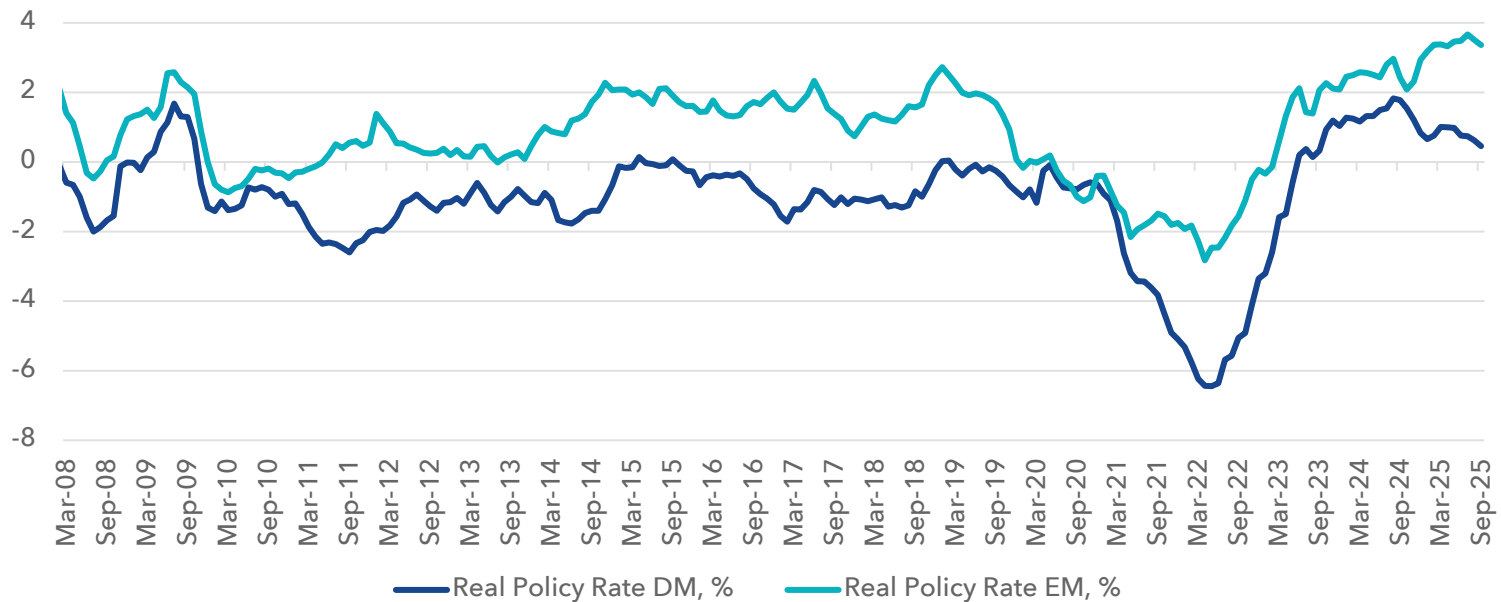
Source: VanEck Research; International Monetary Fund; Bloomberg LP. Data as of June 2025. Not intended as a prediction of future results. For illustrative purposes only. Past performance is no guarantee of future results

The Fundamental Case for EM Bonds

Independent Central Banks

- Low debt allows EM central banks to be truly independent and inflation-focused (no “fiscal dominance” here)
- EM can “absorb” inflation pressures more than DM
- Real policy rates in EM have been much higher for decades; DM policy rates have been lower and further boosted with QE

Real Policy Rates in EM and DM (adjusted by trailing CPI, %)



Source: VanEck Research; Bloomberg LP. Data as of September 2025. Past performance is not indicative of future results.

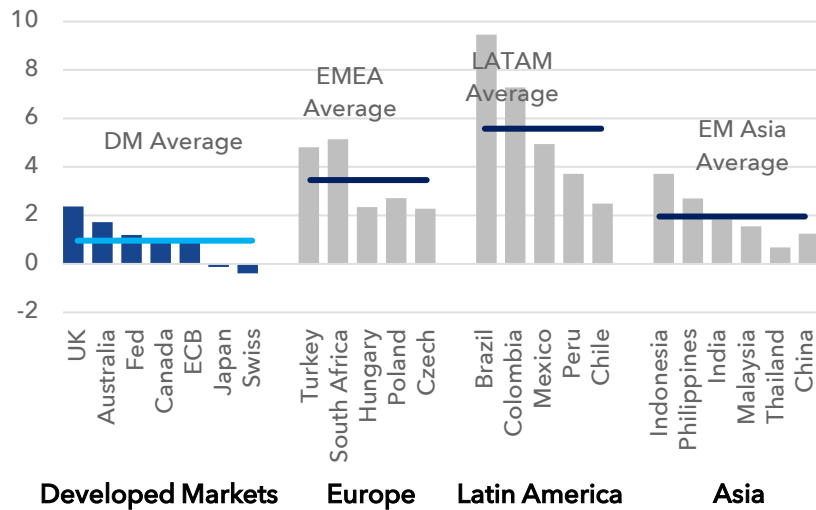


The Fundamental Case for EM Bonds

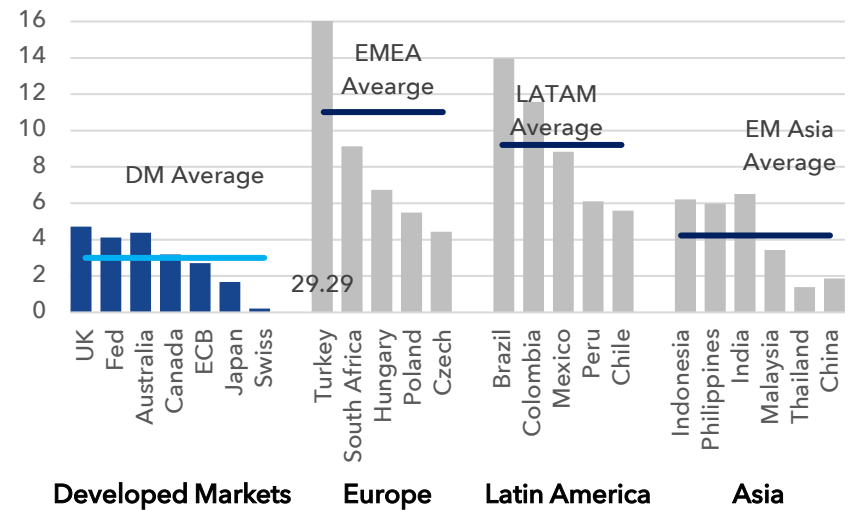
EM Market Rates High in Real and Nominal Terms

- EM curves have steepness - real policy rates are high, but so are real market rates
- Most EM central banks have maintained high real rates, awaiting Fed cutting

10Y Real Market Rates in EM and DM (%)



10Y Nominal Market Rates in EM and DM (%)



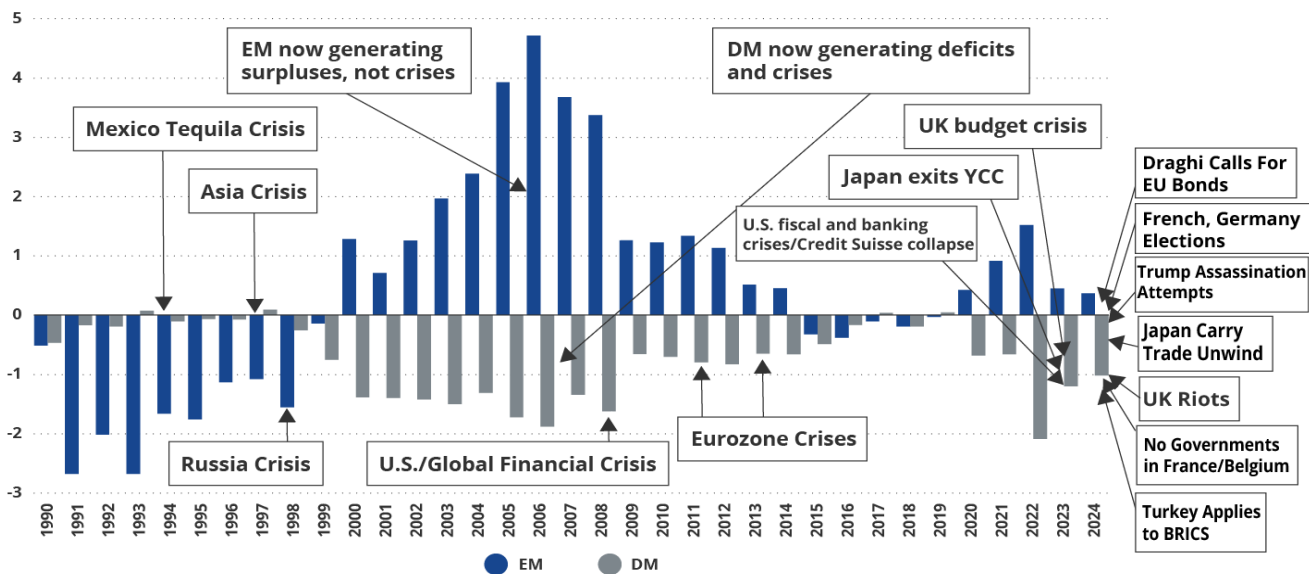
Source: VanEck Research; Bloomberg LP. Data as of October 2025. Past performance is not indicative of future results.

The Fundamental Case for EM Bonds

Crises Take Place Outside of EM

- Fiscal dominance occurs when debts and deficits are so high that monetary policy loses traction
- This condition has led DM countries to decrease their focus on inflation control and has yielded crises in DM in recent years
- This dynamic always destabilizes politics, society and de-anchors inflation expectations
- EM benefits from using orthodox economic policies, which have yielded lower inflation and few crises, and which are politically supported

EM and DM Current Account Balances, % GDP



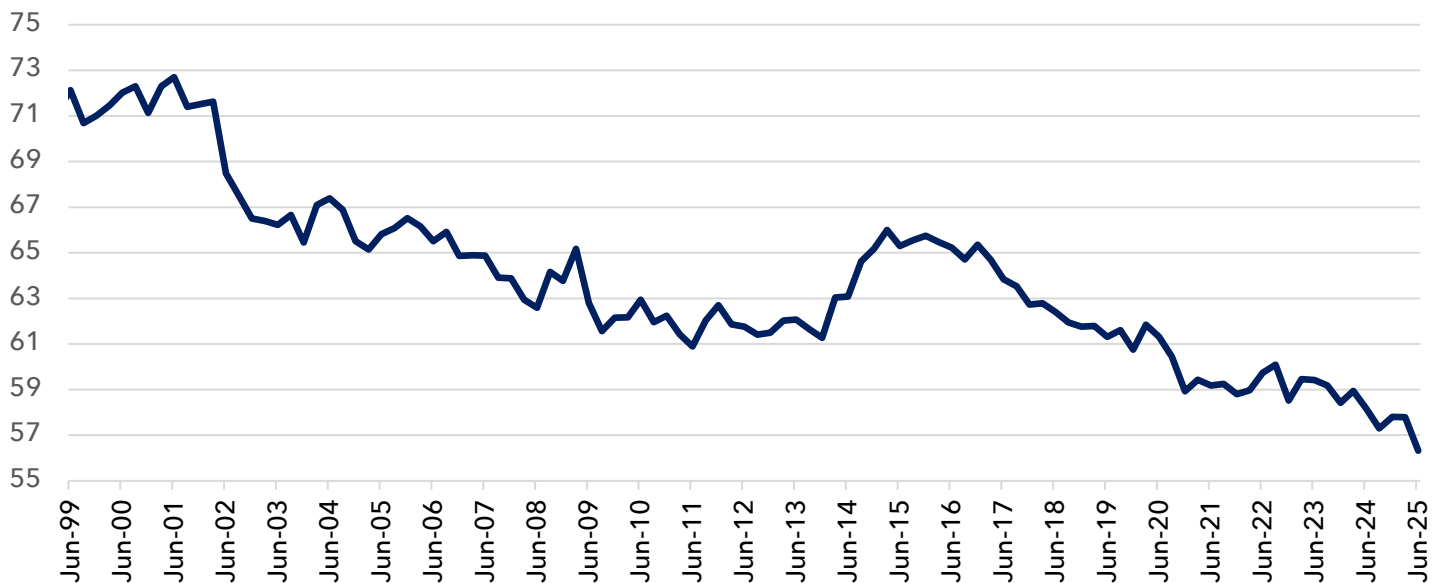
Source: International Monetary Fund (IMF); Bloomberg LP. Data as of June 2025. Past performance is not indicative of future results.



Geopolitics A Tailwind

- DMs need financing from the surplus-producing EMs, but are threatening sanctions on their lenders
- Most EM sovereign debt is in their own currencies
- EM countries that are net USD creditors and commodity exporters benefit from a tumultuous environment
- Local bonds have been benefited as central banks opt for higher-yielding reserve assets, in addition to gold
- China's US treasury reserves are still nowhere near their lows

USD Share in Total Allocated International Reserves, %

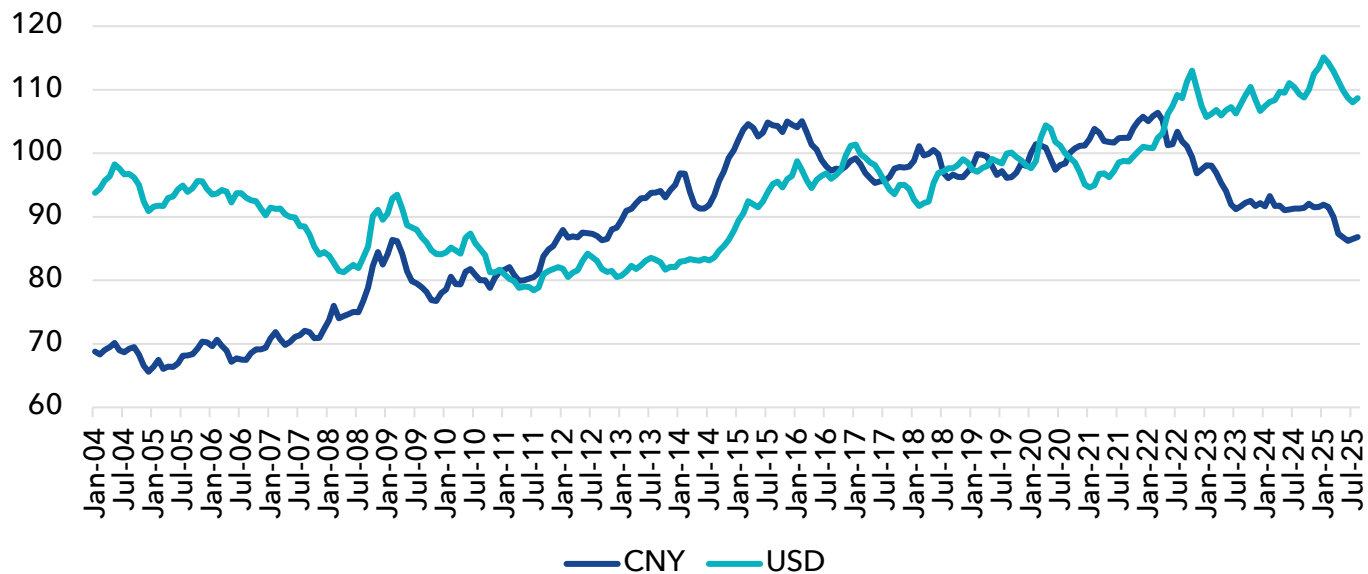


Source: International Monetary Fund (IMF); Bloomberg LP. Data as of June 2025. Past performance is not indicative of future results.

CNY: Undervalued, USD: Overvalued

- China's low inflation relative to the US has been in-train for a long time
- The BIS REER has CNY undervalued (by around 30%) and USD overvalued
- RMB/CNY stability is consistent with internationalization of RMB

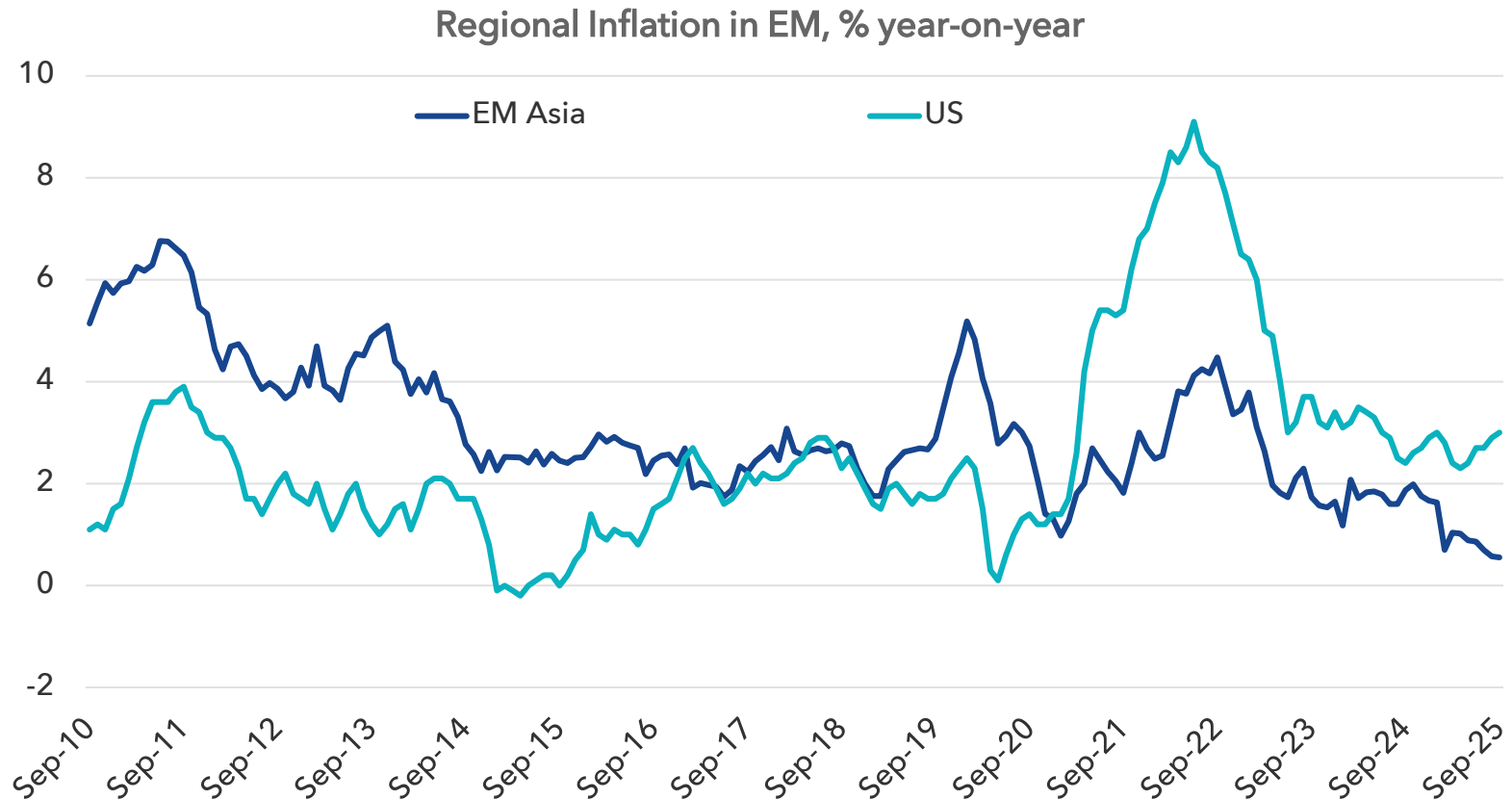
CNY and USD - Real Effective Exchange Rates



Source: VanEck Research; International Monetary Fund; Bloomberg LP. Data as of August 2025. Not intended as a prediction of future results. For illustrative purposes only. Past performance is no guarantee of future results.



EM Orthodoxy = Low Inflation, DM Heterodoxy = Stagflation



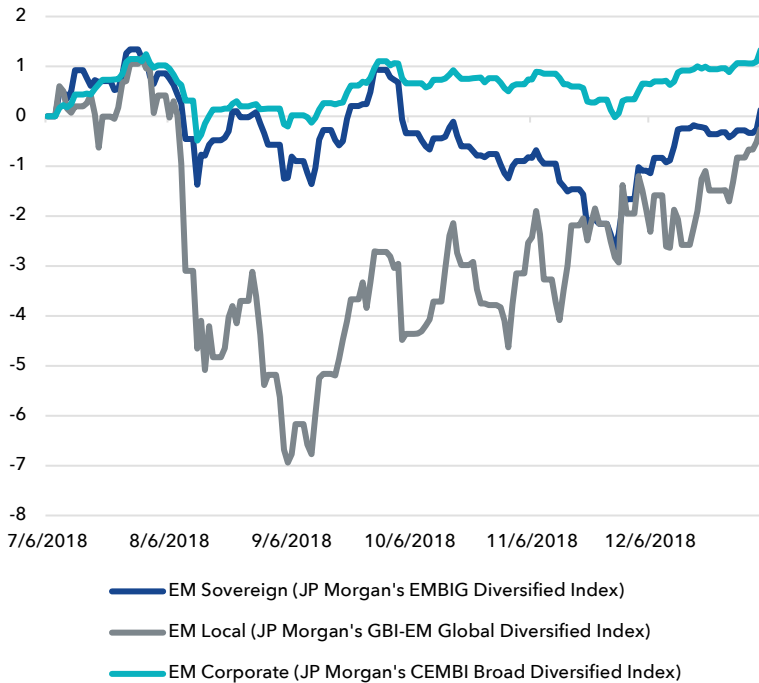
Source: VanEck Research; Bloomberg LP. Data as of September 2025. Not intended as a prediction of future results. For illustrative purposes only. Past performance is no guarantee of future results.



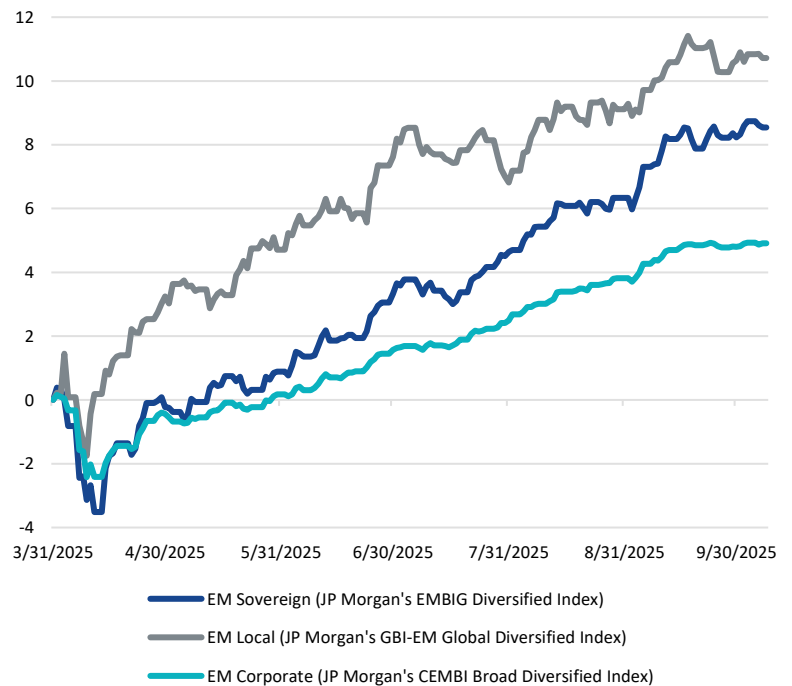
EMFX Rallied Under Trump 2 Tariffs

- Under Trump 2, All EM bonds rallied, especially local currency, despite consensus view that tariffs were negative for EM
- Markets seem to have no explanation other than “USD down”

EM Fixed Income in Early Stages of Trade War 1.0 (2018)



EM Fixed Income in Early Stages of Trade War 2.0 (2025)

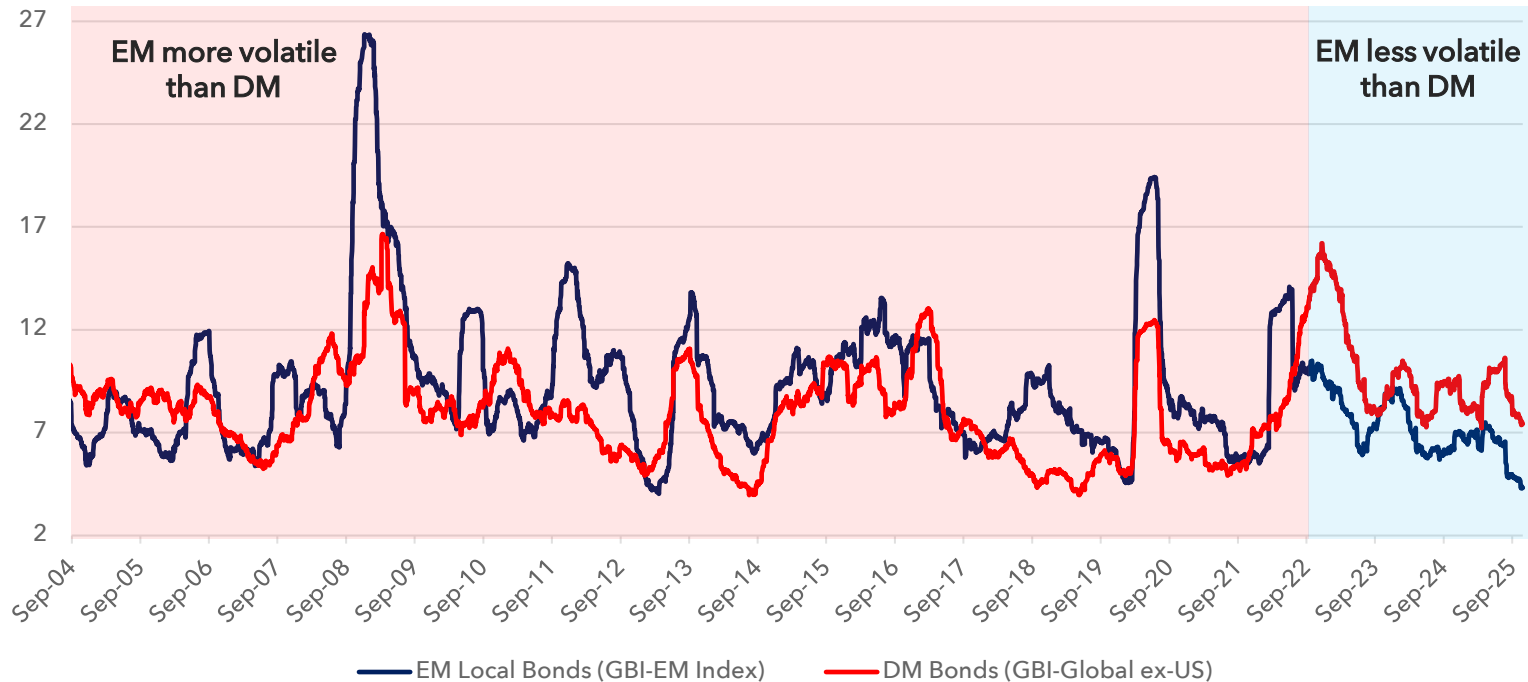


Source: VanEck Research; Bloomberg LP. Data as of October 2025. Not intended as a prediction of future results. For illustrative purposes only. Past performance is no guarantee of future results.

EMFX Rallied Under Trump 2 Tariffs

- EM Bonds are now in a lower volatility regime than DM bonds

EM Local Bonds vs DM Sovereigns - 90-day Total Return Volatility (%)

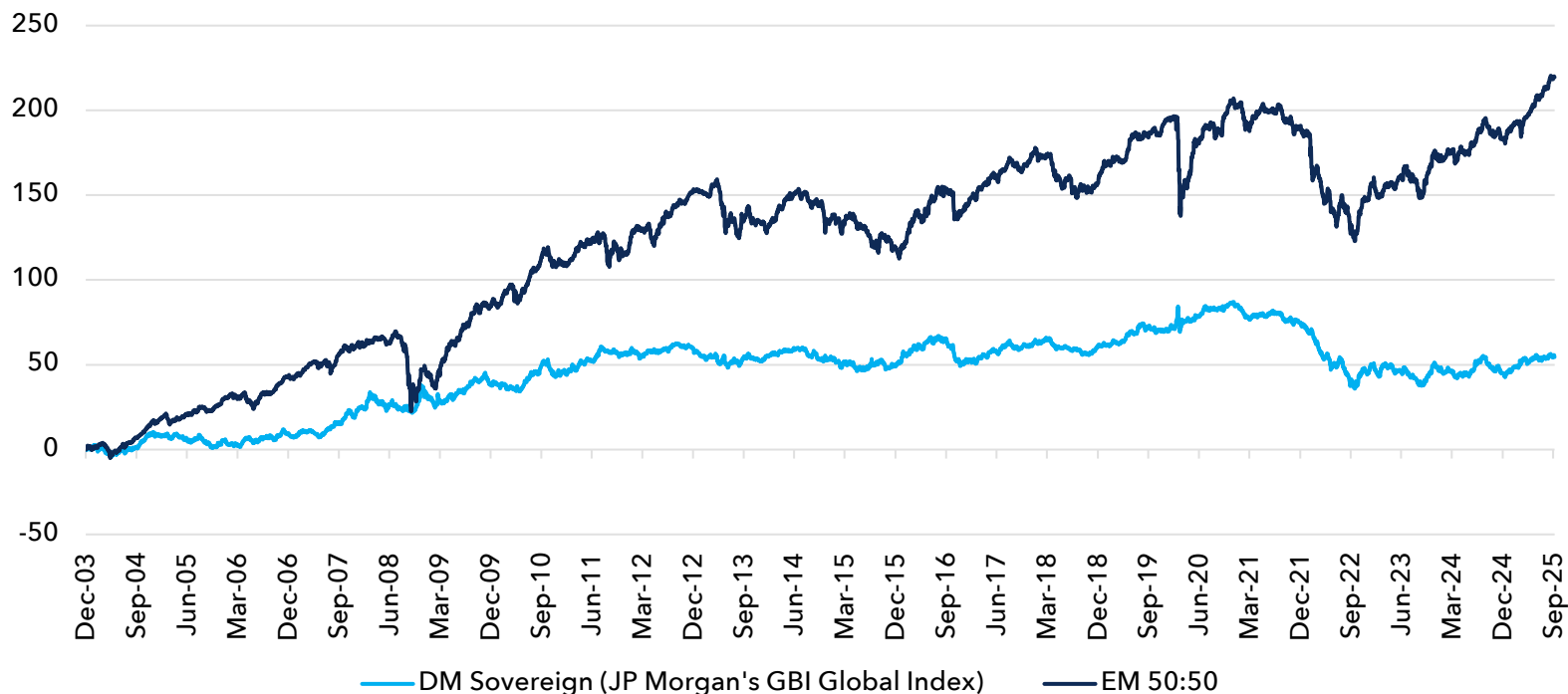


Source: VanEck Research; Bloomberg LP. Data as of October 2025. Not intended as a prediction of future results. For illustrative purposes only. Past performance is no guarantee of future results.

EM Bonds Outperform

- Performance shows that EM sovereign bonds outperformed DM sovereign bonds
- Volatility-adjusted measures also show EM bonds warranting far larger allocations to fixed income and 60/40 portfolios

Bonds Performance EM Sovereign vs. DM Sovereign (total return, %)



Source: VanEck Research, Bloomberg LP. Data as of October 2025. Past performance is not indicative of future results.

The Past Implies Much Higher Weight to EM Bonds

- Efficient frontier shows that EMBIG HY and CEMBI HY can provide an equal or even more attractive risk-return opportunity than US HY
- USHY is typically the “substitute” asset class that global fixed income allocators use, instead of allocations to EMD
- Even as US HY appears no longer supported by the Fed
- For desired volatility of, let’s say 7.5 the optimal weight among the various fixed income options is - 32% in EMBIG HY, with the rest being US HY and US treasuries
- Outcomes are consistent for EUR- and AUD-based P&Ls

USD-based global fixed income portfolio's efficient frontier and implied weights (CEMBI details, EMBIG details)

Data set - monthly, 2003-2025

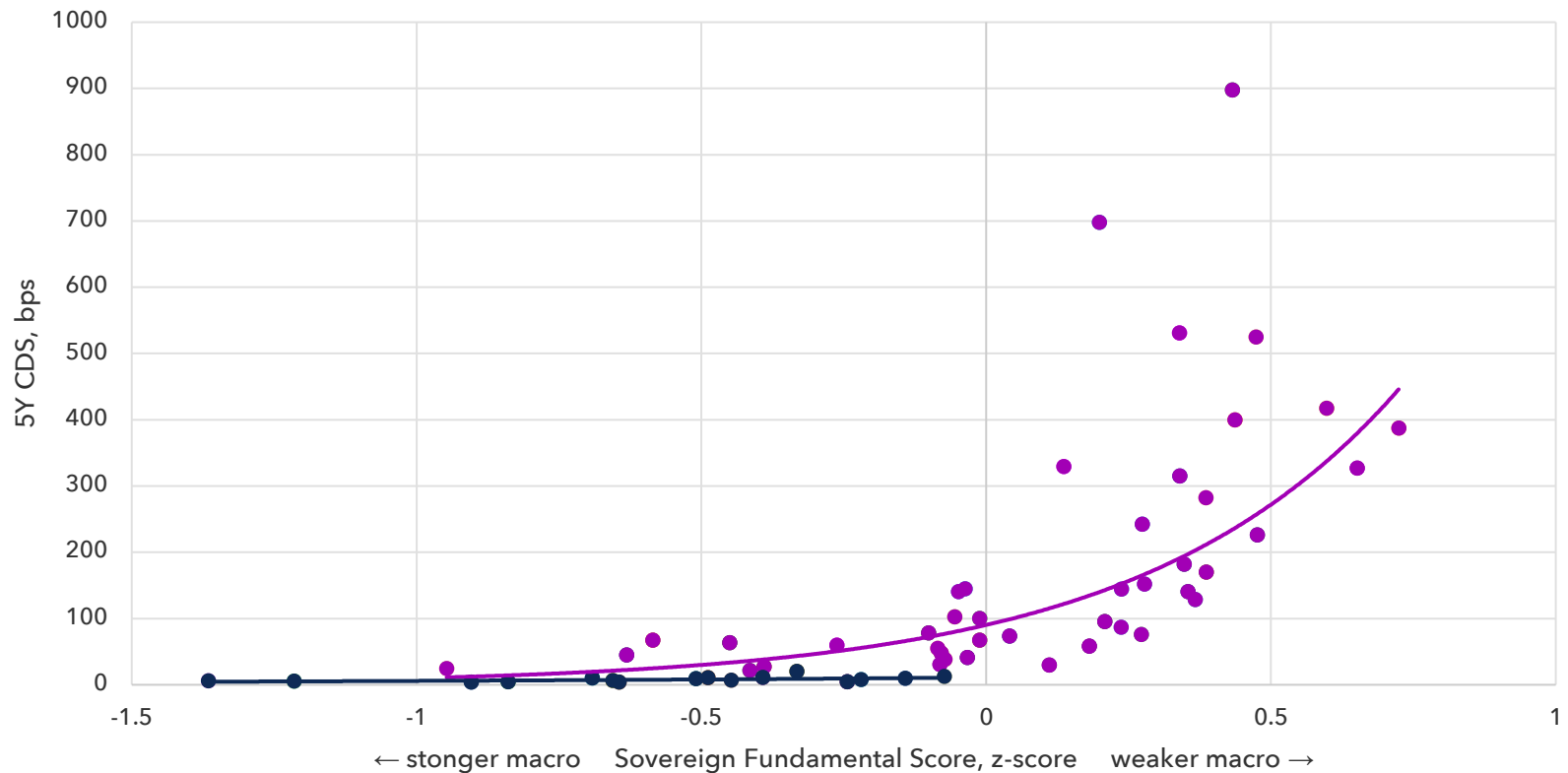
	← LOW RISK													→ HIGH RISK	
Portfolio st dev	4.54	5.00	5.50	6.00	6.50	7.07	7.50	8.00	8.50	9.00	9.50	10.00	11.00	11.23	
GBI-EM	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
EMBIG HY	0%	0%	7%	14%	20%	27%	32%	37%	43%	48%	53%	58%	87%	100%	
CEMBI HY+	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Global Aggregate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Global Treasury	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Global government related	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Global corporates	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Global securitized	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
US Aggregate	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
US HY	26%	37%	38%	37%	37%	36%	36%	36%	36%	36%	35%	35%	13%	0%	
Euro Agg	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
US Treasury	74%	63%	55%	49%	43%	36%	32%	27%	21%	16%	11%	7%	0%	0%	
CEMBI IG+	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
EMBIG IG	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
EM FI (GBI-EM, EMBIG, CEMBI)	0%	0%	7%	14%	20%	27%	32%	37%	43%	48%	53%	58%	87%	100%	

Source: VanEck Research; Bloomberg LP. Data as of December 2024.



EMs Pay More, Fundamentally-Adjusted

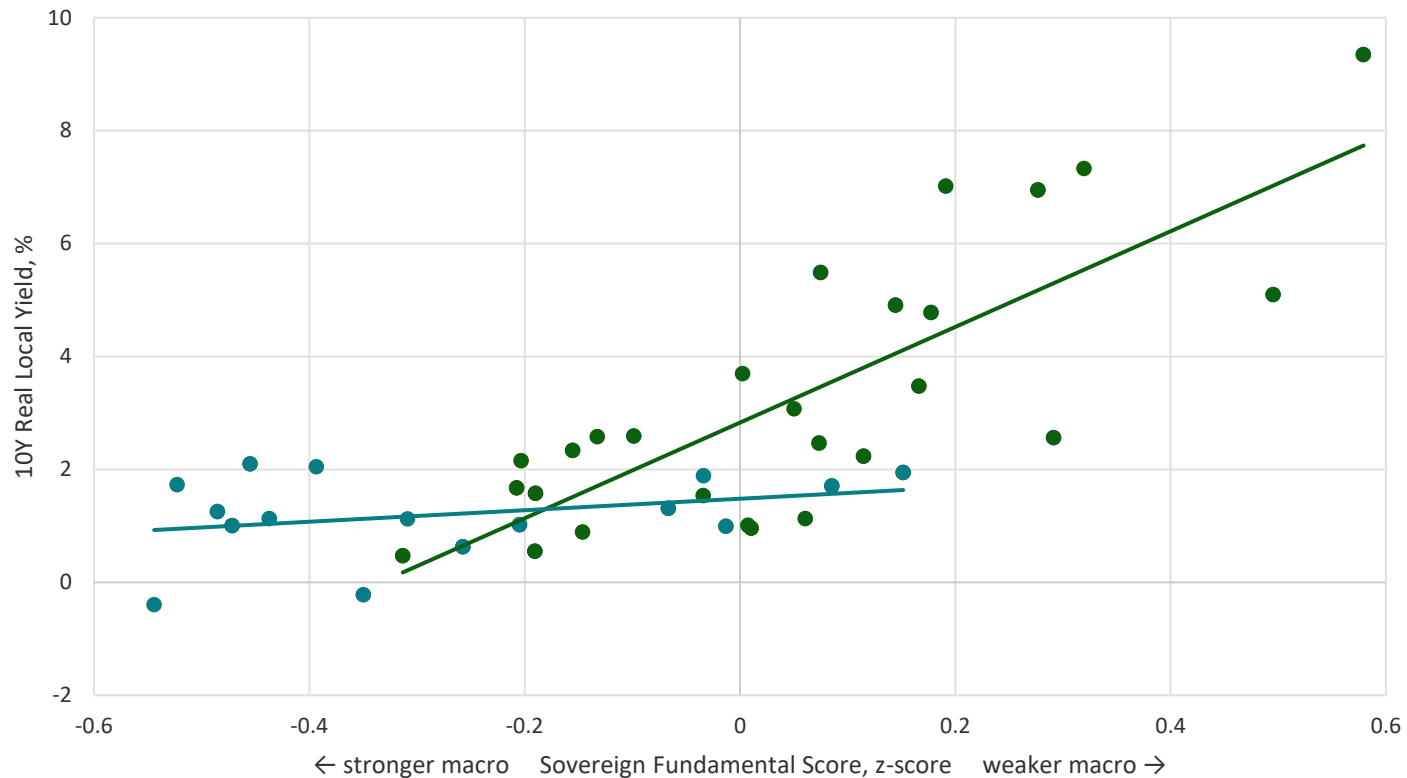
- EMs pay higher yields (spreads) in USD than DM, adjusted for fundamentals



Source: VanEck Research; International Monetary Fund; Bloomberg LP. Data as of September 2025. Not intended as a prediction of future results. For illustrative purposes only. Past performance is no guarantee of future results.

EMs Pay More, Fundamentally-Adjusted

- EMs pay more than DM in local currency, adjusted for fundamentals



Source: VanEck Research; International Monetary Fund; Bloomberg LP. Data as of September 2025. Not intended as a prediction of future results. For illustrative purposes only. Past performance is no guarantee of future results.



Announcement Winner of the 2025 Champagne competition





Winners per Country

Austria & Switzerland:	Mr. Helmut Zauner, Austria
Denmark:	Mr. Tue Fangel Poulsen
Finland:	Ms. Paivi Riutta Nykvist
Sweden:	Mr. Jonas Hakansson, Sweden
Benelux:	Mr. David van der Zande, The Netherlands



Overall Winner

**Mr. Francois Grinda
OCIRP, France**



6. Kick-off of the Champagne Competition 2026

Want the chance to win the bottle of Champagne in the 2026 competition, enter your predictions via this link:

[Champagne Competition 2026](#)

See Chat section

Upcoming Webinars

21 Jan at 15.00 CET, [VanEck Emerging Markets Debt Fund Update](#)

27 Jan at 16.30 CET, [DSM US Large Cap & Global Growth Fund Update](#)

29 Jan at 15.00 CET, [SiM US High Yield Opportunities Fund Update](#)

4 Feb at 15.00 CET, [Letko Brosseau Global Emerging Markets Equities Fund Update](#)

4 Mar at 15.00 CET, [Marsham IG/HY European Transitional Bond Update](#)

<https://candoris.nl/agenda>





Thank you for attending the Candoris Outlook Event

To learn more about the strategies featured in this webinar, please visit www.candoris.nl or reach out to your local sales contact






Appendix



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