

# Monthly commentary

## APRIL 2026

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April saw global risk assets flip from the initial shock and risk aversion of the Iran war to a relief at the United States' attempts to secure a (somewhat unilateral) ceasefire with Iran, leading many investors to adopt a "glass half full" attitude to their investment approach. Despite the Strait of Hormuz remaining closed to shipping traffic and the world economy still slowly grinding towards some necessary demand destruction because of the ongoing global supply shock, some positive externalities helped in the form of satisfactory first quarter 2026 equity earnings and further speculation around the benefits of artificial intelligence (AI) investments.

As a result, we finish April with fresh all-time highs in U.S. and emerging markets (EM) equities (both largely a thematic tech/AI play by now), a strong recovery from European ones, global credit spreads revisiting new year's tighter levels, and oil remaining decidedly in the \$90-\$110 range that we now see as its new normal. Rates markets look like the adult in the room, having repriced a fair bit (U.S. 10-year yields +45 basis points (bps) since 27 February, to 4.37%), on legitimate fears of supply driven inflation potentially forcing central banks into fresh hikes. That said, we somewhat dispute this view of the world and think that many of the priced rate hikes, especially in EMs may not be delivered, given the associated growth pressures lying ahead, which will ultimately result in defensive consumer and corporate behaviour, albeit with a lag.

Emerging markets debt (EMD) indices had a strong month on the back of the drop in credit spreads and the USD (DXY was down 2% over the month), while the U.S. and EM local yield components were mixed contributors in April. The EMBIG Div USD Sovereign Index rose by 2.69%, against only 1.54% for its corporate equivalent, while the GBI-EM Local Bond Index posted 2.72% performance. This put the 1/3 equal weighted EMD index at 2.32% in April, against which the Finisterre Emerging Market Debt Total Return Strategy delivered 2.66% on a gross basis (2.59% net), restoring our net year-to-date outperformance to 83 bps.

As we type, fresh hope of a new round of negotiations have sent markets soaring further in early May, although we remain somewhat dismissive of a quick resolution, and even more so about the brushing-off of any lasting global macro impact. Little value has been created in either equities or credit markets to entice fresh allocations to global risk assets, while the trigger for yield compression in rates markets may still be some time away. We remain focused on income maximization and the constant search for Alpha differentiation ideas in a new macro landscape providing fresh opportunities. We remain quite timid on market Beta, preferring to trade nimbly around liquid assets like foreign exchange (FX) and some liquid local bonds and/or credit default swap (CDS) indices.

### Market Views

Before we lay out our doubts and views about the recent market optimism, we must first state that the full blow of the U.S.-Iran war to the global economy, even if not properly acknowledged by market players in our opinion, will not be enough to take down the global economy, and will not generate a full blown market crisis. What we are calling for is more of a "valuation adjustment" led by developed markets (DM) equities and credit spreads.

We assume that some form of weak "deal" is possible between the U.S. and Iran, with the U.S. side aiming for a quick off-ramp which they will sell as a victory, but which will effectively leave Iran in control of the Strait of Hormuz. Investors will initially cheer and we would expect a strong relief rally over a few days. Yet the lack of value creation in the past two months will act as a powerful brake to further equity upside and spread tightening when investors wake-up to a few facts:

- Shipowners and their insurers may not resume normal

traffic levels so quickly and if they do this will come with extra risk premia, and therefore prices, for months to come.

- We expect oil prices to remain in a \$90-\$110 range in the foreseeable future as many countries compete to accumulate strategic reserves and production ramp up proves slower to normalize than generally assumed, as supply pressures have now infected the whole petrochemical downstream chain.
- Investors will likely be surprised at the length of time for many supply chains to normalize too, from plastics to fertilizer to aluminium... while energy input prices should remain 40-50% higher than pre-war.
- Activity data has started to show weakness in places like Asia, frontier EMs, or Europe, not much yet in the U.S., although we expect some deterioration ahead which won't be masked by AI investment expansion forever.
- Both higher supply-side inflation and lower activity readings should provide for a 2Q and 3Q earnings reality check in terms of margin and cashflow compression.
- Indeed, we expect DM corporates to struggle to pass-through all cost increases to a consumer with low excess savings and ongoing pressures on discretionary spending.

There is little that policy makers can offer as a "put" in such circumstances. Unless challenged on credibility grounds by markets, central banks will try to hold off acting for the next 2-3 months which sounds like the best path forward, to gather more data on the eventual growth/inflation trade-off. DM governments remain quite constrained in their ability to extend any significant fiscal backstop to consumers and corporates, as bond vigilantes remain around the corner, and long end yields flirt again with their 20-year highs amidst a broader DM fiscal credibility challenge.

Hence some global demand destruction is needed and has already started. Impact is greater for those countries and regions suffering both a price and a supply shock: weaker frontier EM importers in Asia and Africa, South East Asia (ex-China), with "island states" like Philippines and Indonesia, India, and Thailand being the most affected inflation-wise. Europe could be next if the blockade lasts into June. Between 5% to 10% of global energy supply has been curtailed and the shock is now moving down the petrochemical supply chain as stocks of various commodities are being quickly depleted.

However, one should not assume U.S. consumers and corporates to be immune since, although they experience mostly a price shock, given the absence of any tax or subsidy mechanism on energy products compared to Europe, the price impact tends to be faster and quicker there. Some U.S. CEOs from restaurant, fitness, and hotel chains are already reporting changing consumer behaviours toward, s restrictive discretionary spending on travel, hospitality etc.. (source Bloomberg May 8, 2026).

Yet the fact that 1Q DM earnings calls did not show much negativity yet is understandable, since corporate managers would not pre-empt their own policymakers, most of which, whether central bankers or finance ministers, are barely starting to adjust their own forecasts upon returning from International Monetary Fund (IMF) meetings in DC in mid-April. We predict that activity data will start to show the real impact of the supply restrictions into June, and that investors will only fully wake up to the situation from mid-June to mid-July in the run-up to 2Q earnings publications.

Two caveats though, which may dampen potential U.S. equity index downside: We acknowledge the hyperconcentration on both the S&P and EM equity indices around the AI/tech sector, which continues

## Portfolio statistics

Strategy AUM USD mn (month-end) 7,300

Current yield<sup>\*1</sup> 6.54%

YTW<sup>\*1</sup> 7.73%

YTM<sup>\*1</sup> 7.93%

Duration (cash adjusted) 3.48

Rating BB

Cash & equivalents 11.51%

Net EM exposure 57.46%

Gross EM exposure 143.08%

Long 100.27%

Short -42.81%

| Active EM exposures  | Net    | Gross  |
|----------------------|--------|--------|
| Hard Currency Bonds  | 59.2%  | 59.2%  |
| Local Currency Bonds | 27.2%  | 27.2%  |
| EM FX Total          | -5.6%  | 20.69% |
| CDS                  | -29.7% | 29.66% |
| IRS                  | 3.24%  | 3.24%  |

| Cash / hedge exposures | Net   | Gross |
|------------------------|-------|-------|
| DM Rates               | -     | -     |
| DM FX Total            | -     | -     |
| US Treasury Notes      | -     | -     |
| US T-bills             | -     | -     |
| Free Cash              | 11.5% | 11.5% |

| Top 5 sovereign / quasi exposures | NAV         |
|-----------------------------------|-------------|
| PETROLEOS DE VENEZUELA SA         | 1.86        |
| CHILE (REPUBLIC OF)               | 1.73        |
| UKRAINE REPUBLIC OF (GOVERNMENT)  | 1.69        |
| PETROLEOS MEXICANOS               | 1.41        |
| GHANA (REPUBLIC OF)               | 1.29        |
| <b>Total top 5</b>                | <b>7.98</b> |

| Top 5 corporate exposures     | NAV         |
|-------------------------------|-------------|
| SAAVI ENERGIA LUXEMBOURG SARL | 0.95        |
| IVANHOE MINES LTD             | 0.92        |
| VEON HOLDINGS BV              | 0.90        |
| ALDAR PROPERTIES PJSC         | 0.89        |
| CZECHOSLOVAK GROUP AS         | 0.87        |
| <b>Total top 5</b>            | <b>4.52</b> |

Source: Principal Finisterre. As of 30 April 2026. Information shown above is from the representative portfolio of the Finisterre Emerging Markets Debt Total Return Strategy. NAV is defined as the sum of absolute market value adjusted for derivatives and hedges.

\*1 Yields and yield related characteristics shown are only one component of performance or expected performance and are not and should not be viewed as a statement of the current or future performance of the strategy. See the gross and net performance of the strategy.

to excite cash-rich retail investors' appetite. We also see behavioural aspects at play, including the die-hard "buy-the-dip" attitude. But we see this belief as relatively short sighted and a poor reassurance for other global risk assets. If AI hopes are the only thing holding risk appetite up, then the U.S. economy is indeed even more K-shaped than perceived in 2025, given mounting pressures from the commodity shock on the traditional economy. For this reason, the S&P 500 should have less clout as a global risk bellwether, as it now meaningfully underrepresents the true state of the real economy.

The jury also remains out as to whether the AI current value creation is linked to faster (and increasingly costly, for users) adoption or mostly about the activity optics of high levels of infrastructure investments in energy supply and data centres. If the former then it should somewhat act as a wage growth moderator and dampener of job growth, and in the best of cases as a productivity booster, which makes temporary inflation more bearable from a fed standpoint. If more of the latter, then we should be more sober about current U.S. economy strength, as this sort of construction activity boost will soon plateau, although should be seen as today's investment in future productivity growth.

For all the reasons above (legacy growth effect of the Iran War, AI productivity boost, and job dampening effect, or soon to plateau AI investment momentum), we feel that the Federal Reserve (Fed) will be quickly capped to the upside in terms of rate hike risks. Global government yields seem to have adjusted enough in many cases, across the U.S., European Union (EU), and EMs, and the few hikes that will take place should be seen, not as a start of a cycle but more often as mere "reinsurance" hikes (e.g. European Central Bank). However, for duration to start acting as a performance tailwind, we will need to wait for a few weeks of data before investors see the balance between inflation and growth risks shift more decisively towards the latter. We think that this shift could occur sometime in June.

In Romania, the political crisis that had been building through April crystallised on 5 May, when 281 MPs voted to oust Prime Minister Ilie Bolojan in a no-confidence motion, Social Democratic Party (PSD) and the far-right Alliance for the Union of Romanians (AUR) joining forces to bring down a government they had helped install less than a year earlier. Based on our conversations with market participants, this was ultimately about personal animosity rather than policy — PSD wanted Bolojan gone, not a new coalition configuration — and the National Liberal Party's (PNL) refusal to nominate an alternative PM turned the standoff into a game of chicken that both sides lost. Bolojan continues as caretaker with limited powers for up to 45 days while President Nicușor Dan attempts to rebuild a pro-EU coalition, most likely under a different PNL figure such as Interior Minister Cătălin Predoiu or Finance Minister Alexandru Nazare. The central bank allowed RON to depreciate to keep politicians on their toes, but we would not chase the currency weaker. If anything, barring unlikely extreme scenarios, we think value has been created in both EXD and local bonds.

In Hungary, Peter Magyar's Tisza Party won April's Hungary's parliamentary election by a landslide — 138 seats out of 199 on 53.6% of the vote — ending Viktor Orbán's 16-year grip on power and securing a constitutional supermajority. While it is not clear how many of the frozen EU funds Hungary will be able

to receive in the near-term, the medium-term policy trajectory will be influenced by Tisza's ambition for Hungary to join the euro area. We think that the Eurozone (EMU) narrative lends asymmetric upside to HUF and supports the belly and long end of HGBs over the front end. The currency will have to be part of Hungary's disinflation strategy within the European Exchange Rate Mechanism (ERM2), and the fiscal stance will have to be tightened. Both of these would support local currency bond positions.

In Colombia. The latest polls cast some serious doubt on whether Colombia will have the "change election" which the market was preparing for going into 2026. A first-round Ivan Cepeda win on 31 May remains arithmetically difficult, with four polls placing him below 40% and only one at 44%, suggesting a ceiling around the Gustavo Petro loyal base of 28–32%. In a second round, Paloma is the stronger opposition candidate — better second-round arithmetic, Álvaro Uribe Vélez implicit backing, and a broader coalition of centre and centre-right voters. However, the election remains a coin toss, given how resilient Cepeda has been in the opinion polls. For markets, the outcome is binary and asymmetric in our view on FX and credit: we have hedged our COP exposure at good levels, and initiated a long 5-year CDS position.

Ukrainian bonds recovered strongly in April on the news that its €90 billion loan from the EU, crucial financing assurances for Ukraine's new IMF programme, had finally been approved. This followed Hungary lifting its veto on the loan after their election and after the restoration of oil flows through the Druzhba pipeline. There was also greater hope that parliamentary approval of important tax reforms would lead to an IMF disbursement after the approval of the first programme review next month. Meanwhile, renewed diplomatic activity reignited hopes for a ceasefire as news broke that Ukraine's chief negotiator Rustem Umerov will travel to the U.S. to meet Steve Witkoff in May. Ukraine's military also seems to deal severe blows to Russia's energy infrastructure through drone strikes deep into Russia, while on the field, Russia's progression seems to have halted, with 120 km2 of territory being regained by Ukraine in April.

#### Portfolio performance analysis and commentary

For the month of April, the Finisterre Emerging Markets Debt Total Return Strategy gained 2.66% on a gross basis (2.59 % net) outperforming the JPM equal weight index which returned 2.32%. The largest gains on the month were driven by some idiosyncratic stories. The EU friendly election outcome supported our Hungary local exposures in bonds, swaps, and outright FX contributing 50 bps of positive performance. Our position in Venezuela hard currency bonds also performed strongly supported by continued positive political developments and the higher oil prices as bonds have almost doubled in price on the year. The remaining gains were well spread over our local rates, FX and credit positions as the market experienced a strong bounce post the ceasefire announcement during the first week of the month. The main detractors on the month were our hedges in Itraxx Xover and CDX high yield and as well in some of our short FX positions.

Our portfolio positioning continues to be modestly defensive. We continue to run a duration position approximately 2 years shorter than the benchmark but did modestly add some local duration in HUF swaps, Mexican linkers and CZGBs where we believe there has been significant value created and so look to gradually

fade the move. We reduced FX VAR on the month, hedging up exposures to ZAR, MXN, and EGP as well as hedging our CEE positions to be mostly versus EUR. In credit, we continue to focus on Alpha and income opportunities while trying to limit exposure to Beta where we believe there is limited value remaining in credit spreads. Although off the highs, there is still significant market and headline volatility, into which we remain prudent in our risk taking.

#### Market outlook and portfolio strategy

Since late April, we have again dialed down our risk levels, running a portfolio duration of 3.4-3.6 years versus 5.3 years for the index, moderate FX exposure again at around 15-18% for now, and a portfolio Beta to the index which moved back down from 1.0 in late April to 0.65 as we type. We continue to expect some reckoning of the energy supply shock in terms of global activity, including the U.S. We do not see anything other than a weak "deal" for the Trump administration, which will leave the Middle East in an unstable equilibrium. We expect this acknowledgement to filter through progressively as data start to show some stress across the European, but also U.S. economy in a few weeks. Yet we feel that global risk assets still benefit from supportive technicals and abundant liquidity, which will act as a backstop, once valuations in DM equities and credit adjust to more reasonable levels.

We continue to run portfolios focused on income maximization at the short end of most curves (USD EM credit and local bonds), together with a constant search for Alpha and discrimination, which finds a particular expression across cross country FX positions these days. We are warming up to restoring duration levels across EM, EU, and U.S. in that order, as we feel that enough hiking risk is now priced. However, for now, we retain the yield component only, as the trigger significantly for lower yields is still some weeks away.

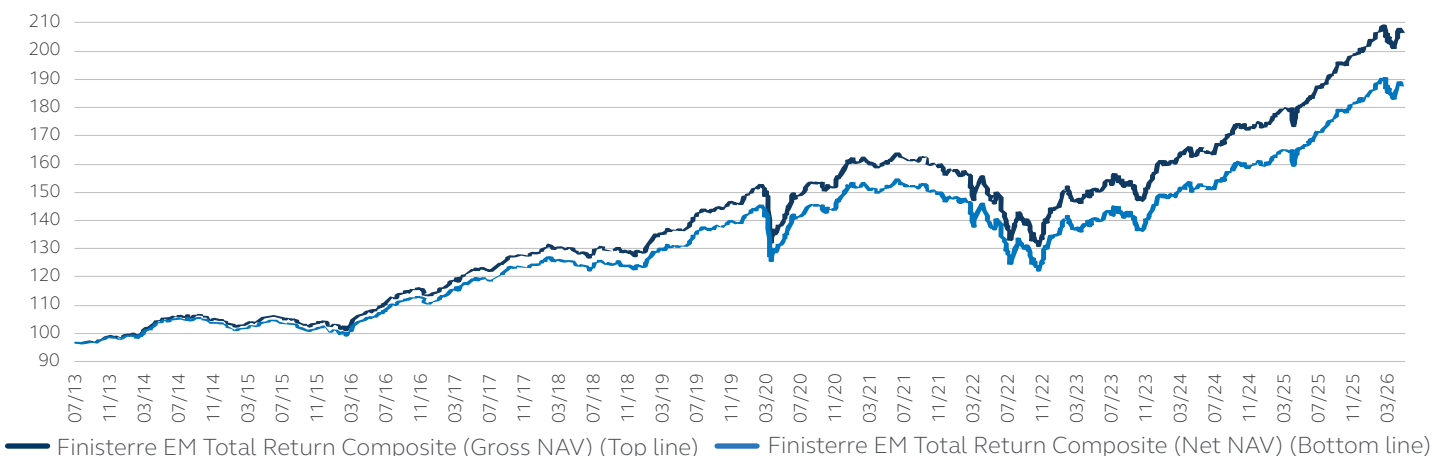
EM credit remains optically expensive, but fundamental risks are now clearer across EMs which allows investors to discriminate with a potential for Alpha generation from differentiation. This faster adjustment of views and expectations, sorting out the potential winners and losers from the Iran war has been made easier by the speed of impact across EMs, with some countries already in demand destruction mode and others clearly benefitting on the terms of trade front.

The case for EMD also remains facilitated by the persistence of higher real yields and a pattern of stable to weaker USD (or rather, a weak potential for the USD to rally, even during past period of peak uncertainty during the Iran War). Adding to this the sharp repricing of EM rates markets, now likely overpricing the risk of rate hikes in many places, a continuation of well absorbed primary issuance, a virtual absence of portfolio outflows since late February (admittedly from a still low overall level of allocation in most global portfolios, while demand for diversification remains strong) and we can't help preferring EMD as a choice allocation among global fixed income. That is despite the necessary reckoning that we see ahead for overpriced DM asset classes.

We therefore expect that any sporadic episode of profit taking, spread widening, EMFX weakening should be quickly bought by yield and diversification hungry global investors.

## Growth of \$100

### Composite performance (cumulative since inception)



Source: Principal Finisterre. As of 30 April 2026.

Finisterre EM Total Return Composite inception date 31 May 2013.

Past performance does not guarantee future return.

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|  | Returns (%) |      | Annualised returns (%) |        |        |         |      | Volatility (%) |        |        |         |      | Sharpe ratio |        |        |      |         |
|--|-------------|------|------------------------|--------|--------|---------|------|----------------|--------|--------|---------|------|--------------|--------|--------|------|---------|
|  | MTD         | YTD  | 1-year                 | 3-year | 5-year | 10-year | ITD  | 1-year         | 3-year | 5-year | 10-year | ITD  | 1-year       | 3-year | 5-year | IDT  | 10-year |
| <b>Finisterre EMTR Composite (gross)</b> | 2.66        | 2.17 | 14.32                  | 11.04  | 5.16   | 6.69    | 5.76 | 3.14           | 3.91   | 4.80   | 4.38    | 4.05 | 4.27         | 2.68   | 1.05   | 1.38 | 1.48    |
| <b>Finisterre EMTR Composite (net)</b>   | 2.59        | 1.89 | 13.38                  | 10.21  | 4.40   | 5.91    | 4.99 | 3.14           | 3.91   | 4.80   | 4.38    | 4.05 | 4.00         | 2.48   | 0.90   | 1.20 | 1.31    |
| <b>EMBI Global Diversified</b>           | 2.69        | 1.40 | 13.61                  | 10.21  | 2.57   | 3.85    | 3.98 | 3.19           | 4.45   | 5.70   | 6.08    | 5.85 | 4.00         | 2.18   | 0.44   | 0.67 | 0.62    |
| <b>CEMBI Broad Diversified</b>           | 1.54        | 1.33 | 8.04                   | 7.82   | 2.79   | 4.33    | 4.21 | 1.32           | 2.10   | 2.80   | 3.04    | 2.98 | 5.86         | 3.59   | 0.98   | 1.38 | 1.40    |
| <b>GBI-EM Global Diversified</b>         | 2.72        | 0.41 | 11.20                  | 7.48   | 2.16   | 2.59    | 0.80 | 5.27           | 6.24   | 7.34   | 8.30    | 8.64 | 2.02         | 1.16   | 0.29   | 0.09 | 0.31    |
| <b>JPM EM Equal Weight Total Return</b>  | 2.32        | 1.06 | 10.96                  | 8.54   | 2.55   | 3.64    | 3.05 | 2.94           | 3.81   | 4.77   | 5.26    | 5.26 | 3.54         | 2.15   | 0.53   | 0.57 | 0.68    |

### Gross returns (%)

|             | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | YTD   |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>2013</b> |       |       |       |       |       | -3.37 | 0.10  | 0.19  | 0.68  | 1.73  | -0.47 | 0.76  | -0.47 |
| <b>2014</b> | -0.75 | 2.37  | 1.95  | 1.55  | 0.72  | 0.53  | 0.18  | 0.18  | -0.53 | -0.62 | -0.36 | -1.34 | 3.86  |
| <b>2015</b> | -0.54 | 0.64  | 0.45  | 1.53  | 0.36  | -0.53 | -0.36 | -0.89 | -1.80 | 1.28  | 0.63  | -1.08 | -0.36 |
| <b>2016</b> | -0.64 | 0.92  | 2.81  | 1.59  | 0.52  | 1.99  | 1.61  | 1.76  | 0.74  | 0.49  | -2.09 | 1.07  | 11.21 |
| <b>2017</b> | 1.63  | 2.10  | 1.33  | 1.47  | 0.38  | -0.32 | 1.45  | 1.73  | 0.88  | 0.21  | 0.44  | 0.57  | 12.51 |
| <b>2018</b> | 1.93  | -0.85 | -0.27 | -0.58 | -0.46 | -0.44 | 2.12  | -1.08 | 0.75  | -1.52 | -0.03 | 0.36  | -0.14 |
| <b>2019</b> | 4.24  | 0.99  | 0.34  | 0.55  | 0.39  | 2.87  | 1.85  | -0.37 | 0.75  | 1.28  | -0.33 | 2.51  | 16.04 |
| <b>2020</b> | 0.94  | -1.50 | -8.54 | 1.85  | 5.14  | 2.20  | 2.59  | 0.29  | -1.64 | 0.50  | 3.63  | 3.09  | 8.15  |
| <b>2021</b> | -0.58 | -0.23 | -0.97 | 1.02  | 1.32  | -0.10 | -0.63 | 0.74  | -1.61 | -0.42 | -2.16 | 1.44  | -2.24 |
| <b>2022</b> | -0.94 | -3.18 | 2.16  | -3.72 | 0.57  | -7.83 | 0.53  | 0.48  | -4.68 | 0.25  | 6.83  | 1.36  | -8.60 |
| <b>2023</b> | 3.91  | -2.09 | 1.19  | 1.25  | -0.05 | 2.34  | 1.28  | -1.54 | -2.35 | -1.42 | 5.21  | 3.56  | 11.52 |
| <b>2024</b> | -0.32 | 0.86  | 2.04  | -1.28 | 0.84  | -0.38 | 2.00  | 1.99  | 2.42  | -1.35 | 1.05  | -0.51 | 7.46  |
| <b>2025</b> | 2.08  | 1.51  | -0.62 | 1.18  | 0.94  | 2.51  | 0.80  | 2.08  | 1.58  | 1.53  | 0.90  | 0.97  | 16.57 |
| <b>2026</b> | 2.50  | 0.97  | -3.84 | 2.66  |       |       |       |       |       |       |       |       | 2.17  |

### Net returns (%)

|             | Jan   | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | YTD   |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>2013</b> |       |       |       |       |       | -3.44 | 0.03  | 0.12  | 0.61  | 1.66  | -0.54 | 0.69  | -0.94 |
| <b>2014</b> | -0.82 | 2.30  | 1.88  | 1.48  | 0.65  | 0.47  | 0.11  | 0.12  | -0.58 | -0.68 | -0.41 | -1.40 | 3.10  |
| <b>2015</b> | -0.60 | 0.58  | 0.40  | 1.48  | 0.30  | -0.59 | -0.41 | -0.95 | -1.86 | 1.23  | 0.58  | -1.14 | -1.05 |
| <b>2016</b> | -0.70 | 0.86  | 2.75  | 1.53  | 0.46  | 1.93  | 1.55  | 1.70  | 0.68  | 0.43  | -2.15 | 1.01  | 10.43 |
| <b>2017</b> | 1.57  | 2.05  | 1.27  | 1.42  | 0.32  | -0.37 | 1.39  | 1.67  | 0.82  | 0.15  | 0.38  | 0.51  | 11.73 |
| <b>2018</b> | 1.86  | -0.90 | -0.33 | -0.64 | -0.53 | -0.50 | 2.06  | -1.15 | 0.69  | -1.59 | -0.10 | 0.30  | -0.90 |
| <b>2019</b> | 4.18  | 0.93  | 0.27  | 0.49  | 0.33  | 2.81  | 1.79  | -0.43 | 0.69  | 1.21  | -0.39 | 2.45  | 15.20 |
| <b>2020</b> | 0.88  | -1.56 | -8.60 | 1.79  | 5.08  | 2.13  | 2.52  | 0.23  | -1.70 | 0.44  | 3.56  | 3.02  | 7.34  |
| <b>2021</b> | -0.64 | -0.29 | -1.04 | 0.96  | 1.26  | -0.16 | -0.69 | 0.68  | -1.67 | -0.48 | -2.22 | 1.38  | -2.94 |
| <b>2022</b> | -1.00 | -3.23 | 2.10  | -3.77 | 0.51  | -7.89 | 0.47  | 0.42  | -4.74 | 0.20  | 6.76  | 1.31  | -9.23 |
| <b>2023</b> | 3.85  | -2.14 | 1.13  | 1.20  | -0.11 | 2.29  | 1.22  | -1.60 | -2.40 | -1.48 | 5.16  | 3.50  | 10.79 |
| <b>2024</b> | -0.38 | 0.80  | 1.99  | -1.34 | 0.78  | -0.43 | 1.94  | 1.93  | 2.36  | -1.42 | 0.98  | -0.58 | 6.70  |
| <b>2025</b> | 2.01  | 1.44  | -0.69 | 1.11  | 0.87  | 2.44  | 0.73  | 2.01  | 1.51  | 1.46  | 0.83  | 0.90  | 15.61 |
| <b>2026</b> | 2.43  | 0.90  | -3.91 | 2.59  |       |       |       |       |       |       |       |       | 1.89  |

### 12-month net rolling return (%)

|            | May 2021-Apr 2022 | May 2022-Apr 2023 | May 2023-Apr 2024 | May 2024-Apr 2025 | May 2025-Apr 2026 |
|------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Net</b> | -7.70             | 0.30              | 7.63              | 9.76              | 13.38             |

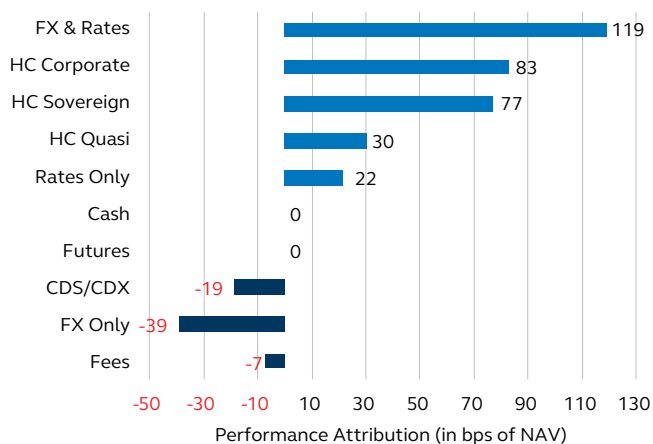
Source: Principal Finisterre. As of 30 April 2026.

Finisterre EM Total Return composite inception date: 31 May 2013.

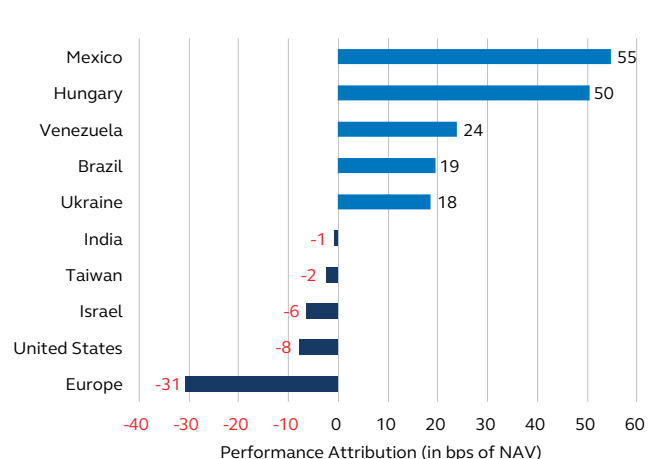
Past performance is not indicative of future performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Net of fee performance was calculated using actual management fees, accrued daily YTD figures are compounded monthly. Additional information on calculation of composite performance data is available on request. Actual investment advisory fees charged to clients may vary. Portfolio performance, characteristics and volatility may differ from the benchmark shown.

## Monthly composite attribution

### Performance attribution by sector (bps)

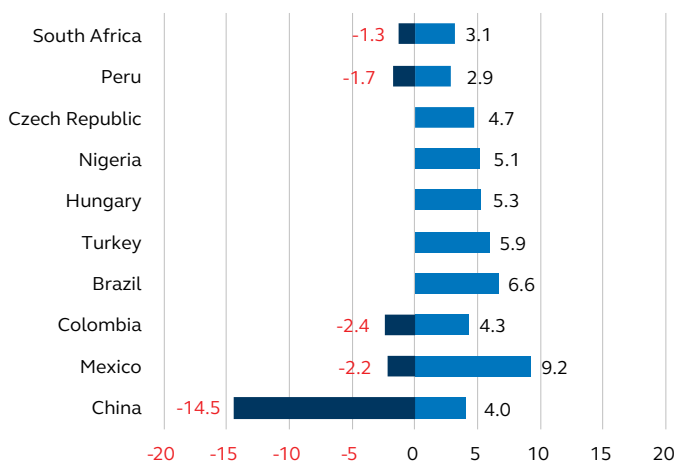


### By country (top 5 contributors and detractors, bps)

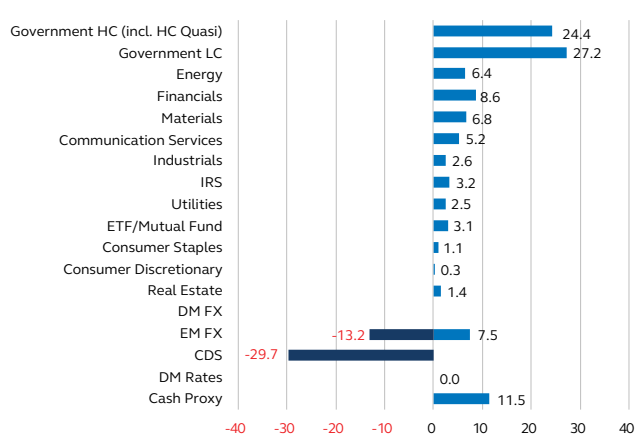


## Month-end representative portfolio exposures

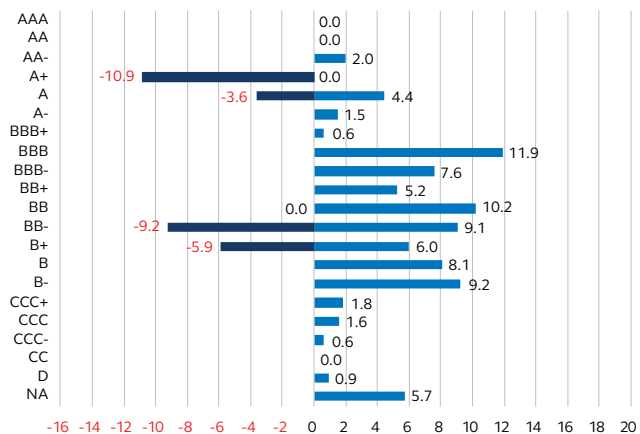
### Top 10 country gross exposure (% NAV)



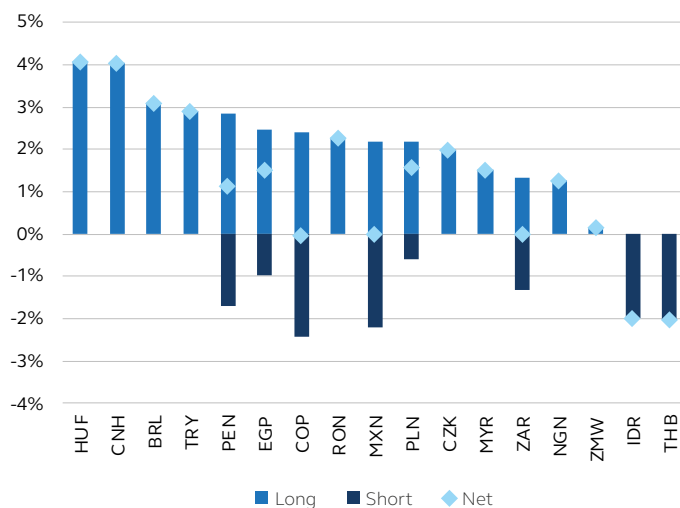
### Sector allocation (% NAV)



### Credit allocation (% NAV)



### Local currency exposure (% NAV)



Source: Principal Finisterre. Data as of 30 April 2026. Monthly attribution is shown based upon gross performance.

## Investment objective

The Finisterre Emerging Markets Debt Total Return Strategy is an active, unconstrained, adaptive, long-biased, benchmark-agnostic multi-EMD fixed income strategy. The strategy seeks to earn a high yield utilizing an unconstrained, holistic approach to the entire EM fixed income universe and associated derivative instruments.

## Investment team

**DAMIEN BUCHET, CFA** - Chief Investment Officer, Principal Finisterre

**CHRISTOPHER WATSON, CFA** - Senior Portfolio Manager, Principal Finisterre

## About Principal Finisterre

Our vision remains today what it was at our launch: to remain an investment manager with an unrelenting focus on active investing in Emerging Market Debt.

We are a solutions-driven organization and aim to deliver the investment knowledge and experience that our clients need, combined with striving to consistently provide competitive investment performance and outstanding service.

**JP Morgan EM Equal Weight Index:** An equal-weighted blend of CEMBI Broad Diversified, EMBI Global Diversified, and GBI-EM Global Diversified, gross of withholdings taxes, rebalanced monthly.

**CEMBI Broad Diversified:** Corporate Emerging Markets Bond Index – Broad Diversified is a market capitalization weighted index consisting of USD denominated emerging market corporate bonds with a broad distribution of country weights.

**EMBI Global Diversified:** Emerging Markets Bond Index – Global Diversified is liquid U.S. dollar emerging markets debt benchmark that tracks total returns for actively traded external debt instruments in emerging markets.

**GBI-EM Global Diversified:** Government Bond Index-Emerging Markets Global Diversified is a comprehensive Emerging Markets debt index that tracks local currency bonds issued by Emerging Market governments that do not have explicit capital controls.

**MOVE Index:** The Move Index is a measure of price volatility in government bonds

Indices are unmanaged and do not take into account fees, expenses and transaction costs are not available for direct investment.

Composite Performance results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented net of foreign withholding taxes on dividends, interest income, and capital gains. Gross performance shown does not reflect the deduction of investment management fees and certain transaction costs, which will reduce portfolio performance. Net performance results reflect a reduction for investment advisory fees based on the firm's applicable asset management fee schedule. Additional information on calculation of composite performance data is available on request. Actual investment advisory fees charged to clients may vary.

Each portfolio included in the composite is managed according to its own individual investment restrictions and limitations and therefore their characteristics may vary from those of the Representative Portfolio shown.

## Risk Considerations

Investing involves risk, including possible loss of principal. Past Performance does not guarantee future return. All financial investments involve an element of risk. Therefore, the value of the investment and the income from it will vary and the initial investment amount cannot be guaranteed. Fixed-income investment options are subject to interest rate risk, and their value will decline as interest rates rise. Derivatives are volatile and carry a high degree of risk, including liquidity risk. Leverage can magnify losses as well as gains. Investment in foreign currency can result in losses and values may fluctuate based on foreign exchange rates, exchange restrictions, or other actions of governments or central banks. Currency hedging may reduce but will not remove risk. Hedging will incur more transaction costs and fees which will affect overall return. International and global investing involves greater risks such as currency fluctuations, political/social instability, and differing accounting standards. Risk is magnified in emerging markets, which may lack established legal, political, business, or social structures to support securities markets. Emerging market debt may be subject to heightened default and liquidity risk.

## Important Information

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