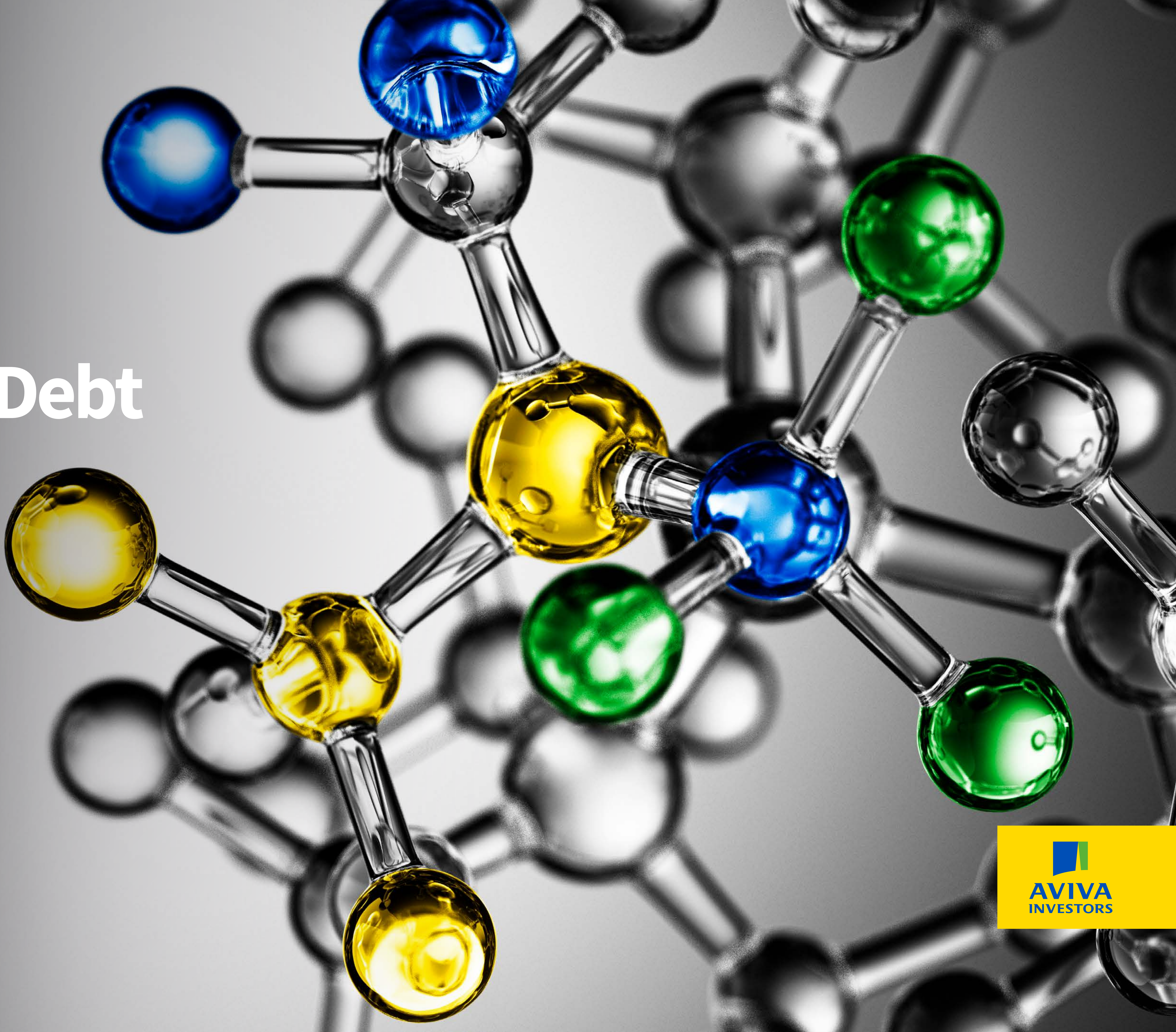
RANGE IN BRIEF

Aviva Investors Emerging Market Debt

Seeking attractive, sustainable returns from some of the world's most dynamic economies

It takes Aviva Investors



Too big to ignore

Emerging markets represent nearly 60 per cent of global GDP, yet emerging market debt (EMD) makes up 26 per cent of global fixed-income assets. Despite consistently delivering strong risk-adjusted returns, many investors remain structurally underinvested in the asset class.

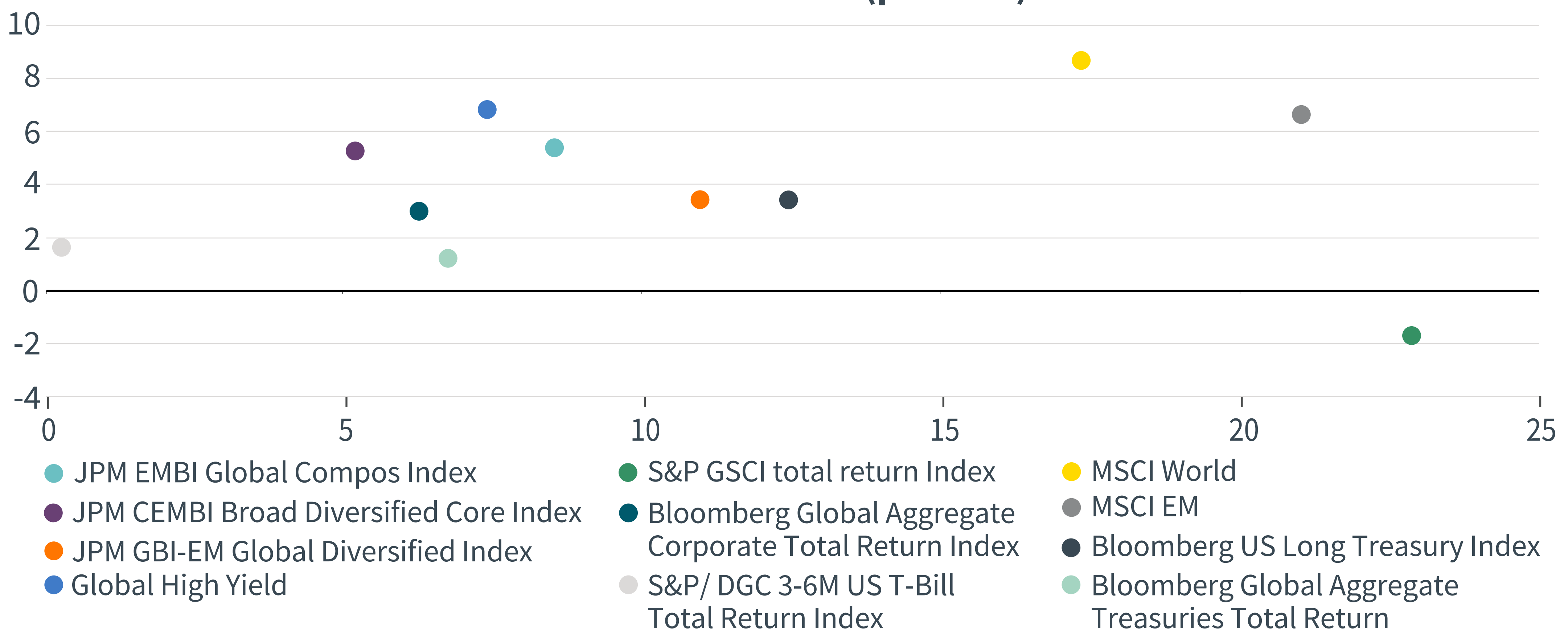
Higher yields

Emerging-market bonds currently offer a higher yield relative to bonds of similar quality issued by developed markets. These yield differentials make an allocation to emerging-market bonds a compelling proposition for investors looking to build a well-diversified portfolio.

Historically strong risk-adjusted returns

Since 2004, emerging market hard-currency sovereign and corporate bonds have delivered strong risk-adjusted returns relative to their developed market counterparts.

Risk versus Return (per cent)*



Past performance is not a reliable indicator of future returns.

* Historical returns and standard deviations for the period from December 2004 to December 2023. All returns and standard deviations are annualised. Source: Bloomberg, as at 31 December 2024.

The case for emerging-market debt

Emerging-market debt can offer investors a compelling investment case based on:

Strong fundamentals

Compared to developed markets, many emerging-market economies have higher growth rates, lower debt-to-GDP ratios and improving standards of governance.

Emerging economies have become more resilient to external shocks given increased sovereign balance sheet strength and benefit from positive demographic trends, creating a wealth of investment opportunities.

Portfolio diversification

As a global asset class, EMD offers portfolio diversification across regions, countries, sovereign and corporate issuers in both hard and local currencies.

Each of these segments has unique risk profiles and return drivers, meaning EMD has the potential to provide stable diversified returns for your portfolio.

Growing asset class

EMD as an asset class has evolved considerably in recent years. The universe of countries has widened and credit quality has improved.

The asset class is worth approximately $33 trillion[1] and continues to see growth in issuance, creating a more diverse and liquid asset class spanning over 72 countries[2].

Alpha opportunities

Despite their significant size, we believe emerging debt markets are less efficient than their developed equivalents.

Alpha opportunities are created by the breadth and diversity of an under-researched and under-reported universe, creating opportunities across countries, issuers, yield curves and currencies.

1. Source: IIF, BIS for asset class size, December 2023; 2. Source: JP Morgan, December 2023.

Benefits of our approach

Our approach to managing emerging-market debt strategies is focused on delivering uncorrelated alpha, enhanced capital preservation and consistent outperformance throughout market cycles.

Unbiased, balanced approach

We believe attractive investment opportunities exist across the investable universe, not only within the higher-yielding parts of the market. Our approach considers the full opportunity set without predetermined risk biases.

Deep understanding of EM risk

Emerging-market debt can exhibit high periods of heightened volatility and risk. Traditional risk metrics often fail to capture idiosyncratic risks in the universe. We believe a deep understanding of emerging market-specific risks is crucial to delivering superior client outcomes.

Focus on portfolio construction

Portfolio construction plays a vital role in delivering consistent superior outcomes for clients. Our portfolio construction process targets diversified sources of alpha with a constant focus on liquidity, supporting our goal of delivering strong risk-adjusted returns.

Portfolio construction process focussed on maximising risk-adjusted returns

Focussing on the most attractive opportunities irrespective of credit rating

Combined with a deep understanding of EM specific risk factors

Seeks consistent outperformance through market cycles

Source: Aviva Investors, 31 December 2024.

Why Aviva Investors for Emerging Market Hard Currency Debt?

We believe that emerging debt markets are less efficient than developed markets, and alpha opportunities are created by the breadth and diversity of an under-researched and under-reported universe.

Investor Outcomes

We aim to deliver the following investor outcomes given our unbiased, targeted approach to seeking opportunities in emerging market debt:

1 Uncorrelated alpha

Alpha generation that is uncorrelated to high yield vs investment grade spread differentials.

2 Smoother path of returns

Enhanced capital preservation results in a smoother path of returns compared to peers and the benchmark.

3 Consistent outperformance

The focus on risk-adjusted return results in a process that can generate positive excess returns throughout the market cycle.

Targets and outcomes are not guaranteed and may not be achieved. The value of an investment may go down as well as up and the investor may not get back the original amount invested.

Source: Aviva Investors. For illustrative purposes only.

EMD solutions that respond to investor needs

We have a long-standing experience of investing in emerging-market debt, having launched the EM Bond strategy in 2000.

We have since continued to build our expertise and product range in this area and subsequently launched the EM Local Currency Bond strategy in 2006 and the EM Corporate Bond strategy in 2012.
In recent years, we have managed several bespoke segregated mandates, tailored to specific client requirements.

We understand investor objectives and challenges in allocating to EMD and create solutions that respond to these needs.

As at 31 December 2024, we manage $7.8 billion across a range of pooled and bespoke strategies:

- Hard Currency Sovereigns: **$3.3bn**
- Hard Currency Corporates: **$0.5bn**
- Local Currency Sovereigns: **$0.9bn**
- EMD solutions: **$3.1bn**

Source: Aviva Investors, as at 31 December 2024.

Pooled strategies

Hard currency

EM Hard Currency Bond strategy

- Uncorrelated alpha generation
- Enhanced capital preservation

EM Corporate Bond strategy

- Pure asset class exposure
- Benchmark agnostic country exposure

Local currency

EM Local Currency Bond strategy

- Separation of duration and currency decisions
- Proprietary scorecard process

Solutions

Total Return solutions

- Blended strategy with hard currency focus
- Explicit volatility and solvency targets
- Bespoke ESG requirements

Bespoke Benchmark solutions

- Higher credit quality bias
- Investment objectives that evolve with client requirements

Buy and Maintain solutions

- Low turnover
- Higher quality bias focused on the most resilient issuers

Aviva Investors EMD strategy range

Offering clients a full range of EMD investment solutions

	Hard currency			Local currency
Strategy	**Global EM sovereigns**	**Global EM corporates**	**Total return**	**Global EM sovereigns**
Inception	June 2000	Nov 2012	Nov 2016	Nov 2006
Universe	Pure sovereigns	Pure corporates	Sovereigns and corporates	Pure sovereigns
Benchmark	JPM EMBI Global	JPM CEMBI BD	50% JESG EMBI G Div / 50% JESG CEMBI B Div	JPM GBI-EM GD
Volatility	8-10%	7-9%	4-8%	10-15%
Duration	4-9 years	3-7 years	4-8 years	3-7 years
Holdings	110-160	80-120	70-90	70-100
Credit rating	BBB-	BBB-	BBB-	BBB

Source: Aviva Investors as at 31 December 2024.

Key risks

The value and income from the strategy's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the Strategy will achieve its objective and you may get back less than you originally invested.

The strategy invests in emerging markets; these markets may be volatile and carry higher risk than developed markets.

Bond values are affected by changes in interest rates and the bond issuer's creditworthiness. Bonds that offer the potential for a higher income typically have a greater risk of default.

Investments can be made in derivatives, which can be complex and highly volatile. Derivatives may not perform as expected, meaning significant losses may be incurred. Derivatives are instruments that can be complex and highly volatile, have some degree of unpredictability (especially in unusual market conditions), and can create losses significantly greater than the cost of the derivative itself.

Certain assets held in the strategies could, by nature, be hard to value or to sell at a desired time or at a price considered to be fair (especially in large quantities), and as a result their prices could be very volatile.

The level of sustainability risk may fluctuate depending on which investment opportunities the Investment Manager identifies. This means that the Strategy is exposed to Sustainability Risk which may impact the value of investments over the long term.

AVIVA INVESTORS

Contact us

Benelux
+31 61 022 6302
oskar.geldof@avivainvestors.com

Germany, Austria and Nordics
+49 69 25 78 26 109
crmeurope@avivainvestors.com

Italy
+41 764228819
rmilan@capitalstrategies.com

Portugal
+351 963 389 743
pcosta@capitalstrategies.com

Singapore
ClientServiceAsia@avivainvestors.com

Spain
+34 610 95 29 80
crubio@capitalstrategies.com

Switzerland
+41 44 215 90 14
rula.ipsaryaris@avivainvestors.com

United Kingdom
+44 207 809 6000
uk.clientservices@avivainvestors.com

www.avivainvestors.com

Important information

THIS IS A MARKETING COMMUNICATION

Except where stated as otherwise, the source of all information is Aviva Investors Global Services Limited (AIGSL). Unless stated otherwise any views and opinions are those of Aviva Investors. They should not be viewed as indicating any guarantee of return from an investment managed by Aviva Investors nor as advice of any nature. Information contained herein has been obtained from sources believed to be reliable but, has not been independently verified by Aviva Investors and is not guaranteed to be accurate. Past performance is not a guide to the future. The value of an investment and any income from it may go down as well as up and the investor may not get back the original amount invested. Nothing in this material, including any references to specific securities, assets classes and financial markets is intended to or should be construed as advice or recommendations of any nature. Some data shown are hypothetical or projected and may not come to pass as stated due to changes in market conditions and are not guarantees of future outcomes. This material is not a recommendation to sell or purchase any investment.

The information contained herein is for general guidance only. It is the responsibility of any person or persons in possession of this information to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. The information contained herein does not constitute an offer or solicitation to any person in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it would be unlawful to make such offer or solicitation.

In Europe this document is issued by Aviva Investors Luxembourg S.A. Registered Office: 2 rue du Fort Bourbon, 1st Floor, 1249 Luxembourg. Supervised by Commission de Surveillance du Secteur Financier. An Aviva company. In the UK Issued by Aviva Investors Global Services Limited. Registered in England No. 1151805. Registered Office: 80 Fenchurch Street, London EC3M 4AE. Authorised and regulated by the Financial Conduct Authority. Firm Reference No. 119178. In Switzerland, this document is issued by Aviva Investors Schweiz GmbH.

In Singapore, this material is being circulated by way of an arrangement with Aviva Investors Asia Pte. Limited (AIAPL) for distribution to institutional investors only. Please note that AIAPL does not provide any independent research or analysis in the substance or preparation of this material. Recipients of this material are to contact AIAPL in respect of any matters arising from, or in connection with, this material. AIAPL, a company incorporated under the laws of Singapore with registration number 200813519W, holds a valid Capital Markets Services Licence to carry out fund management activities issued under the Securities and Futures Act 2001 and is an Exempt Financial Adviser for the purposes of the Financial Advisers Act 2001. Registered Office: 138 Market Street, #05-01 CapitaGreen, Singapore 048946. This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

The name “Aviva Investors” as used in this material refers to the global organisation of affiliated asset management businesses operating under the Aviva Investors name. Each Aviva investors’ affiliate is a subsidiary of Aviva plc, a publicly- traded multi-national financial services company headquartered in the United Kingdom.

397651 – 31/01/2026