nuveen
A TIAA Company

Emerging Market Debt:
Why now, why long term

November 2025

Tony Appiah, CFA
Managing Director, Client Portfolio Manager

Important information on risk

Performance data shown represents past performance and does not predict or guarantee future results. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. YOUR CAPITAL IS AT RISK.

There is no guarantee the strategy's investment objectives will be achieved. Non-U.S. investments involve risks such as currency fluctuation, political and economic instability, lack of liquidity and differing legal and accounting standards. These risks are magnified in emerging markets. Investments in debt securities issued or guaranteed by governments or governmental entities are subject to the risk that an entity may delay or refuse to pay interest or principal on its sovereign debt because of cash flow problems, insufficient foreign reserves, or political or other considerations. In this event, there may be no legal process for collecting sovereign debts that a governmental entity has not repaid. Non-diversified portfolios invest in a limited number

The paradox of emerging markets

86%	60%	2x	$4tn	380bps	4.75%
of the global population	of global GDP	average GDP growth[1] vs DM	of investment opportunities	average spread to treasuries[2]	annualized excess return vs DM[2]

But…

1 EM is heterogenous

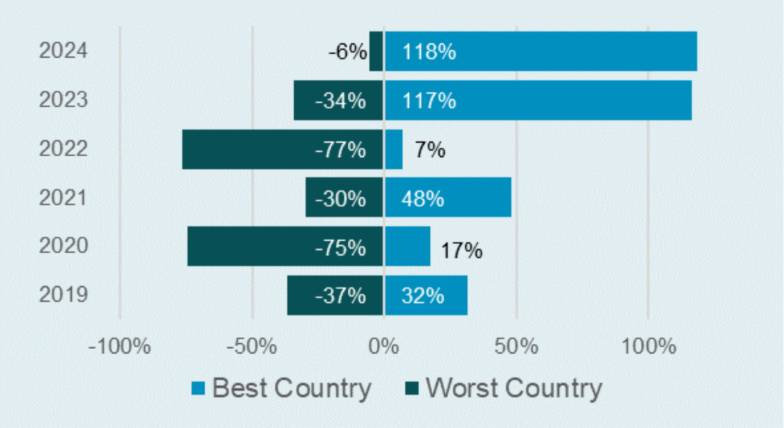
- Credit ratings range from AA – Defaulted
- Diverse Geographic distribution – APAC, LATAM, Africa, GCC, Emerging Europe
- Drivers of growth (commodity driven in some nations, others act as a source of offshore labour, tourism)

2 Numbers don't paint the full picture

- Some of the most important risks in EM cannot be captured with a model
- An ability to pay back creditors does not mean willingness to do so
- Idiosyncratic risks reign supreme

3 Dispersion of outcomes can be drastic

Best and worst performance on an annualized basis for a given country annually for the JPM EMBI-GD Sovereign Index

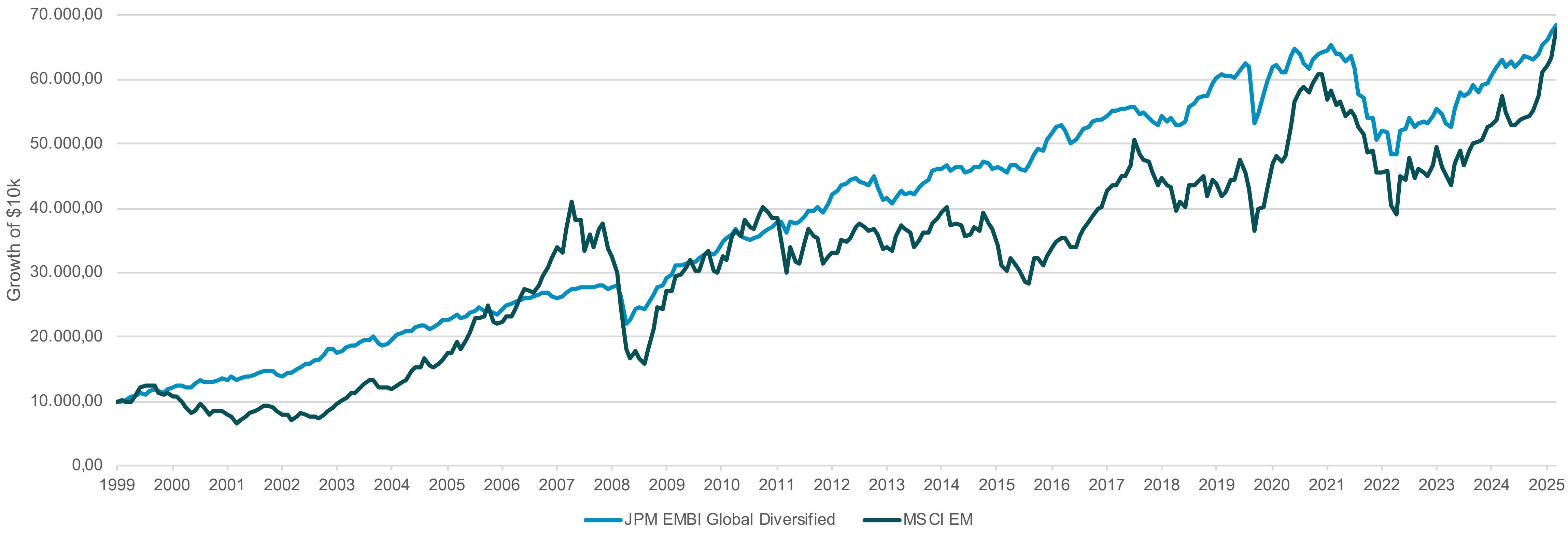


Investing through the prism of a benchmark is suboptimal

Past performance does not predict or guarantee future results. It is not possible to invest directly in an index. Source: International Monetary Fund as of 31 Oct 2024, JP Morgan as of 28 Feb 2024. [1]IMF: average annualized GDP growth in advanced and emerging economies , 1980 – 2024[2] Since inception of JPM EMBI Global Diversified Index

Emerging markets hard currency debt is a $4tn+ asset class…

…and has delivered comparable performance since inception vs. EM equity with much lower volatility



Past performance does not predict or guarantee future results. It is not possible to invest directly in an index. Source: Morningstar Direct, 31 July 1999 – 30 Sep 2025. Representative indices: **EM Hard Currency:** EMBI Global Diversified Index, **EM Equities:** MSCI Emerging Markets Index GR.

Five factors supporting the case for Emerging Markets Debt

1. EM debt offers a compelling yield advantage

2. Relative value remains attractive

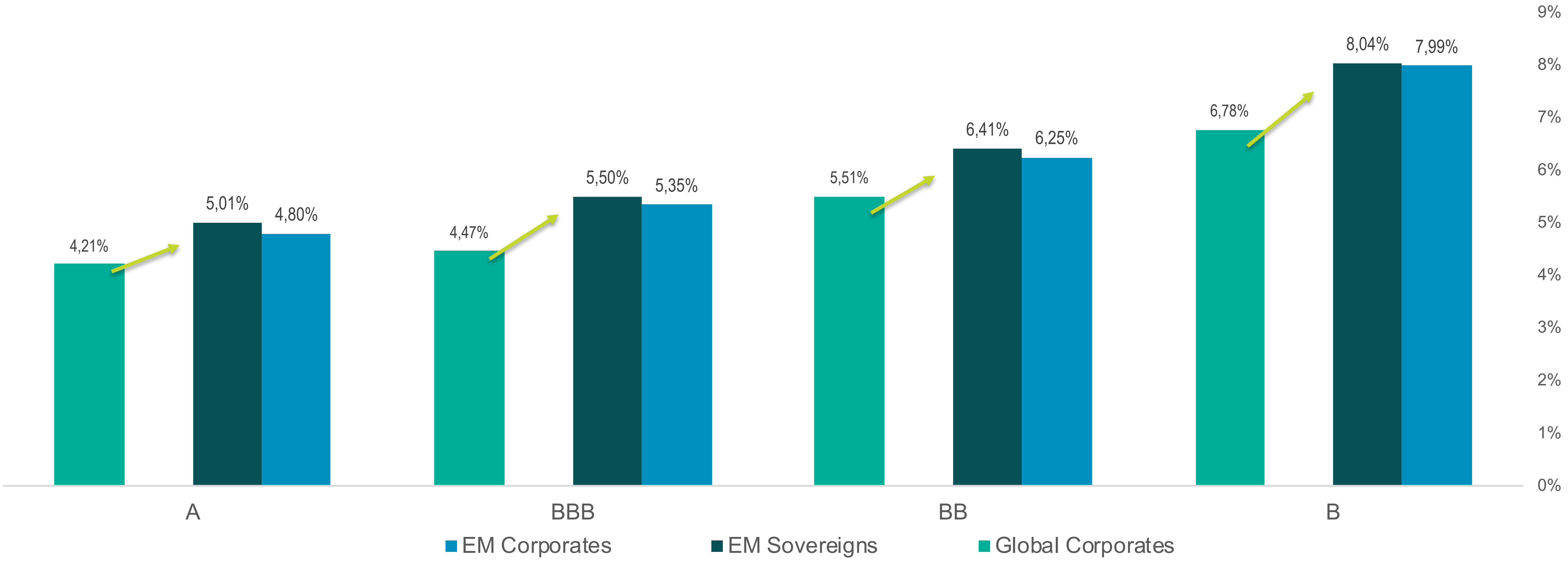
3. Solid fundamentals

4. Questions about U.S. exceptionalism

5. Improving investor sentiment

1. EM debt offers a compelling yield advantage compared to similarly-rated global credit

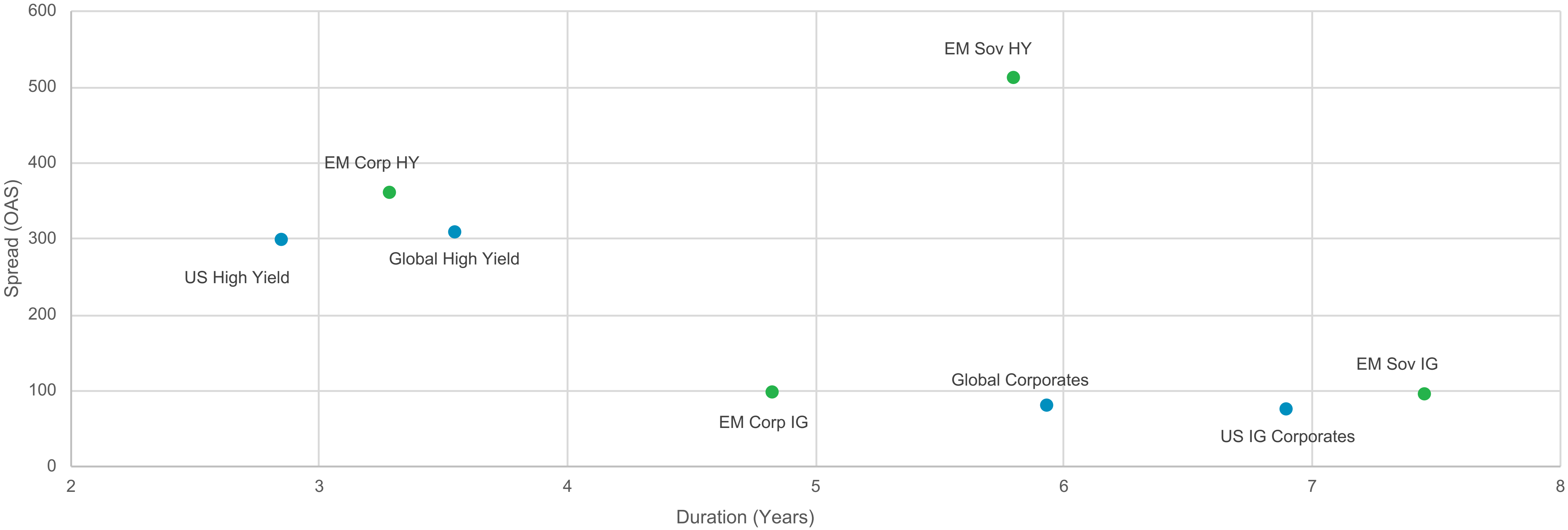
Yield premium for EM relative to global counterparts



Source: JPMorgan; Bloomberg as of 30 Sep 2025 **Representative Indices:** EM Corporates: JPM CEMBI Broad Diversified, EM Sovereigns; JPM EMBI Global Diversified, Global Corporates: Bloomberg Global Corporate Index, ICE BofA Global High Yield Index

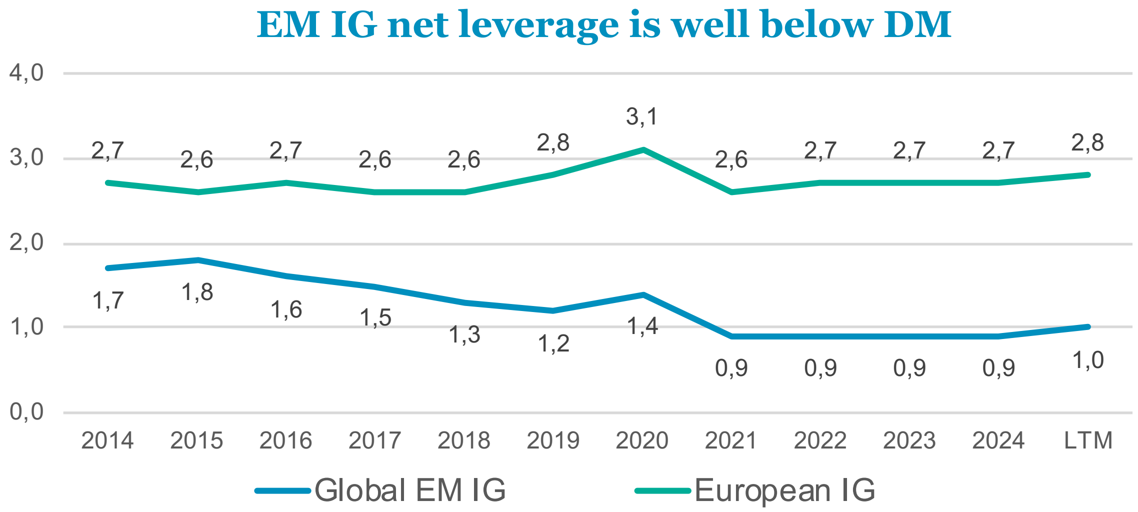
2. Spreads still offer value to global fixed income, especially in HY

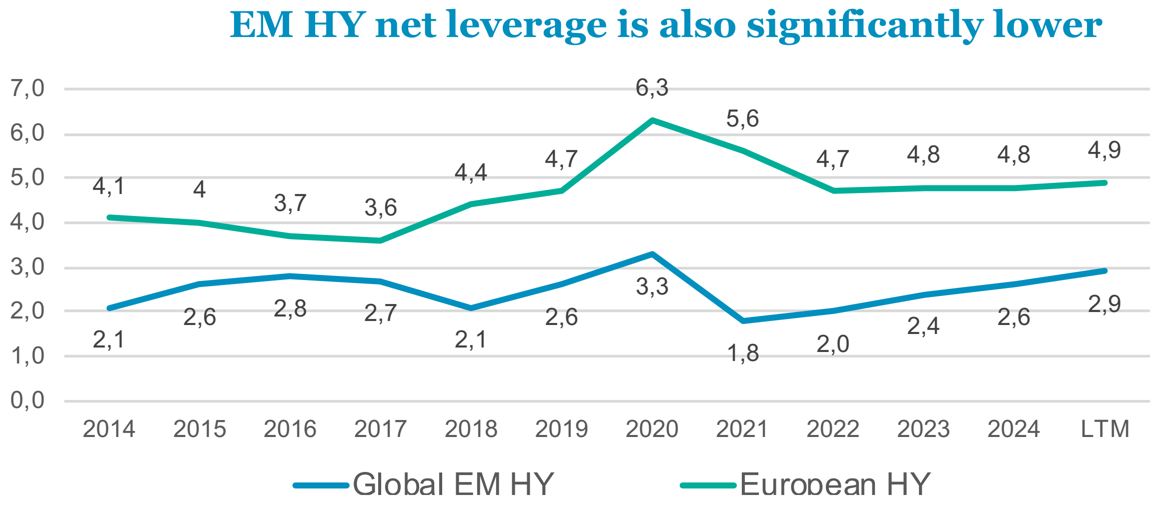
EMD spreads and duration versus US and Global peers



Source: JPMorgan; Bloomberg as of 30th Sep 2025

3. Solid fundamentals: EM debt dynamics are meaningfully stronger than developed markets

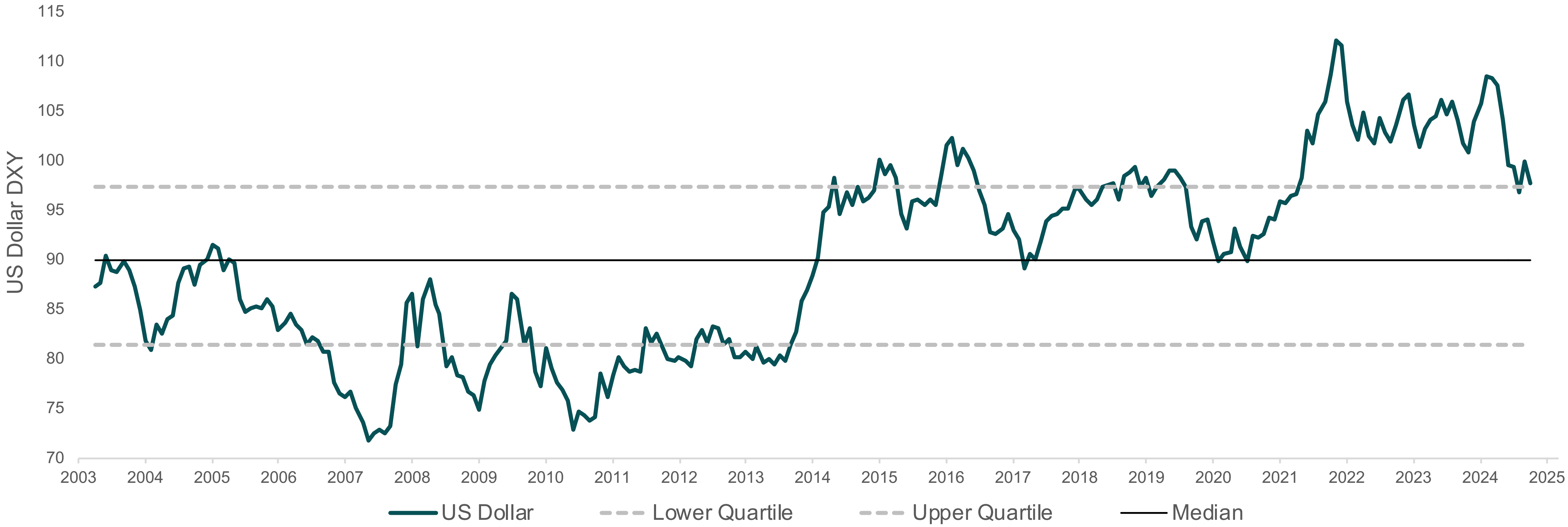




Sources: Top: IMF April 2025 Bottom: JPM. Bloomberg Finance L.P CapitalIQ. Excludes 100% quasis, financials, real estate, and defaulted companies. 2022 and onward exclude Russian corporates. As of 31 Jul 2025.
Net leverage is defined as Net Debt/EBITDA

4. Questions about U.S. exceptionalism could shift interest towards non-US assets

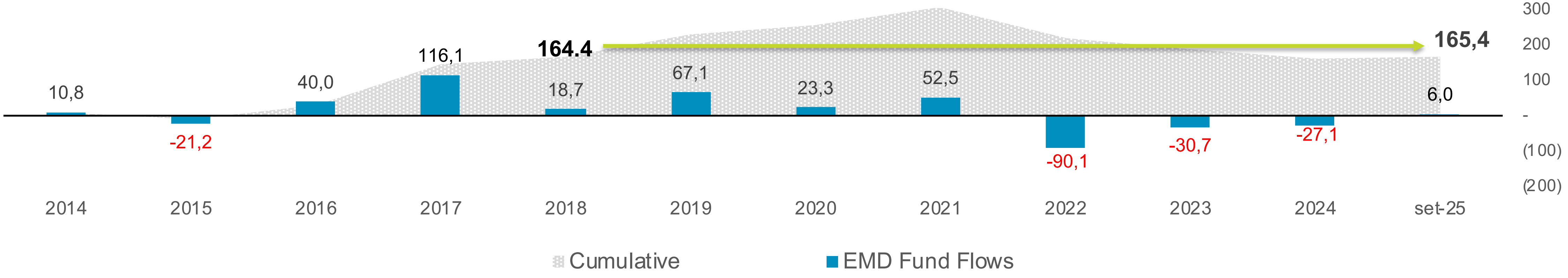
U.S. dollar has weakened recently though remains in the top quartile of strength over the past twenty years



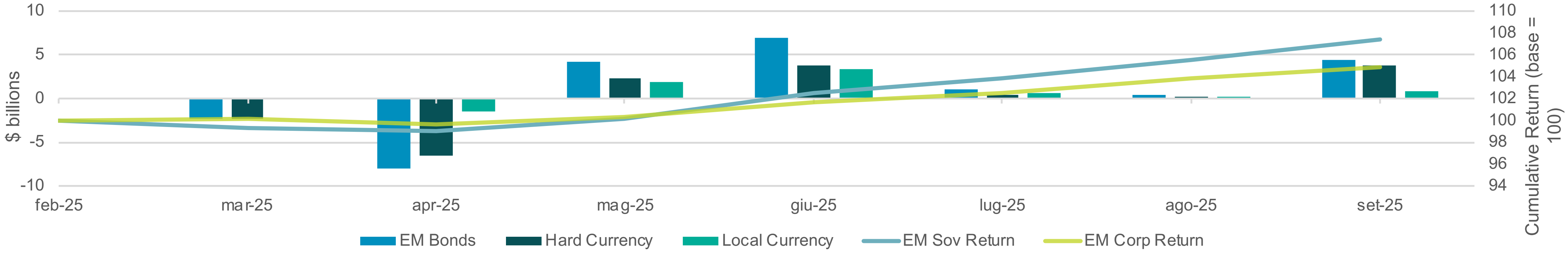
Source: Bloomberg as of 30 Sep 2025

5. Improving sentiment and risk-on positioning benefits EM performance

EMD annual retail fund flows ($ billions)



Flows have returned to the asset class post-liberation day



Source: JPM, EPFR as of 30th September 2025

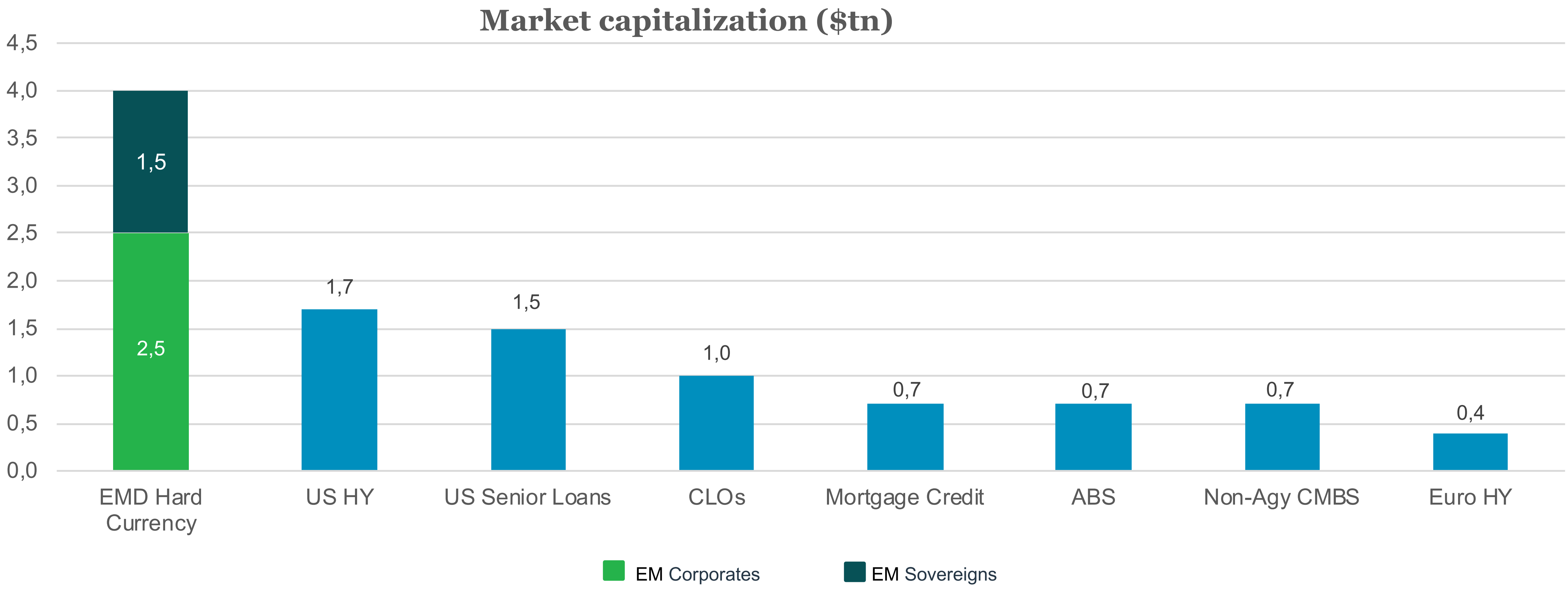
Why EMD merits a strategic portfolio allocation

1. Larger than other mainstay asset classes

2. Stronger risk-adjusted performance

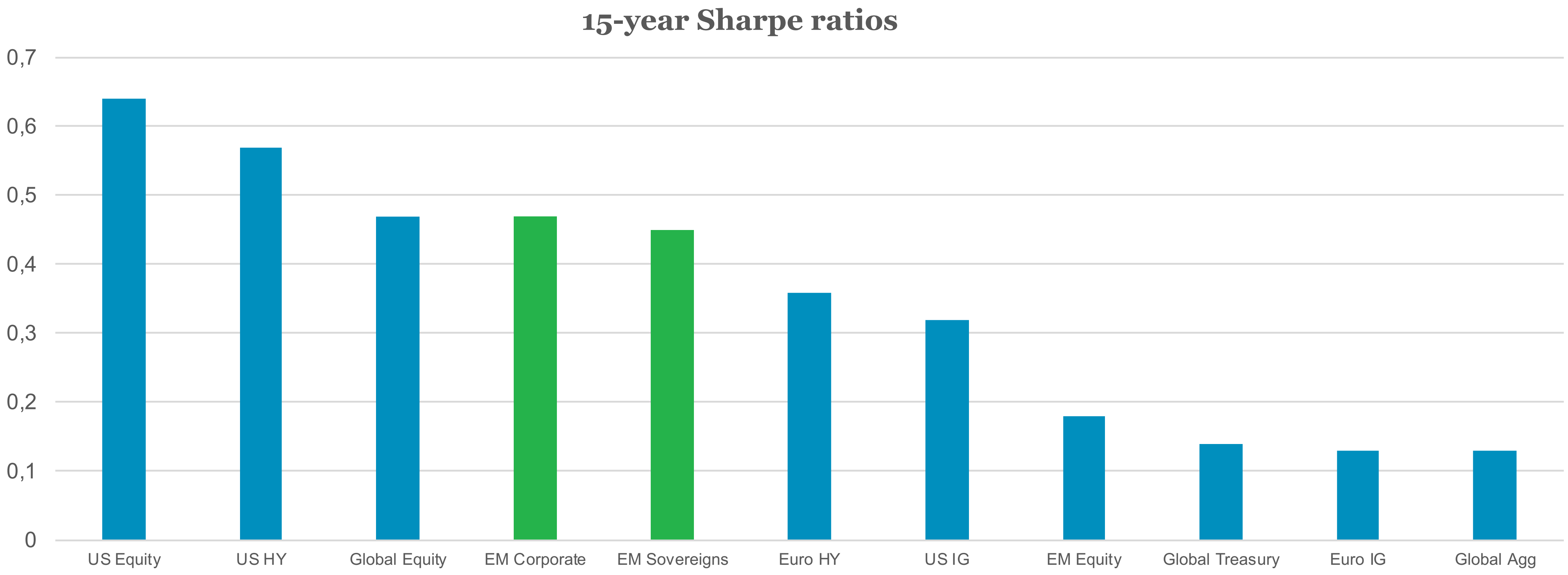
3. Provides diversification benefits due to lower correlation with other asset classes

Emerging markets hard currency debt is a significant portion of the higher-yielding fixed income universe



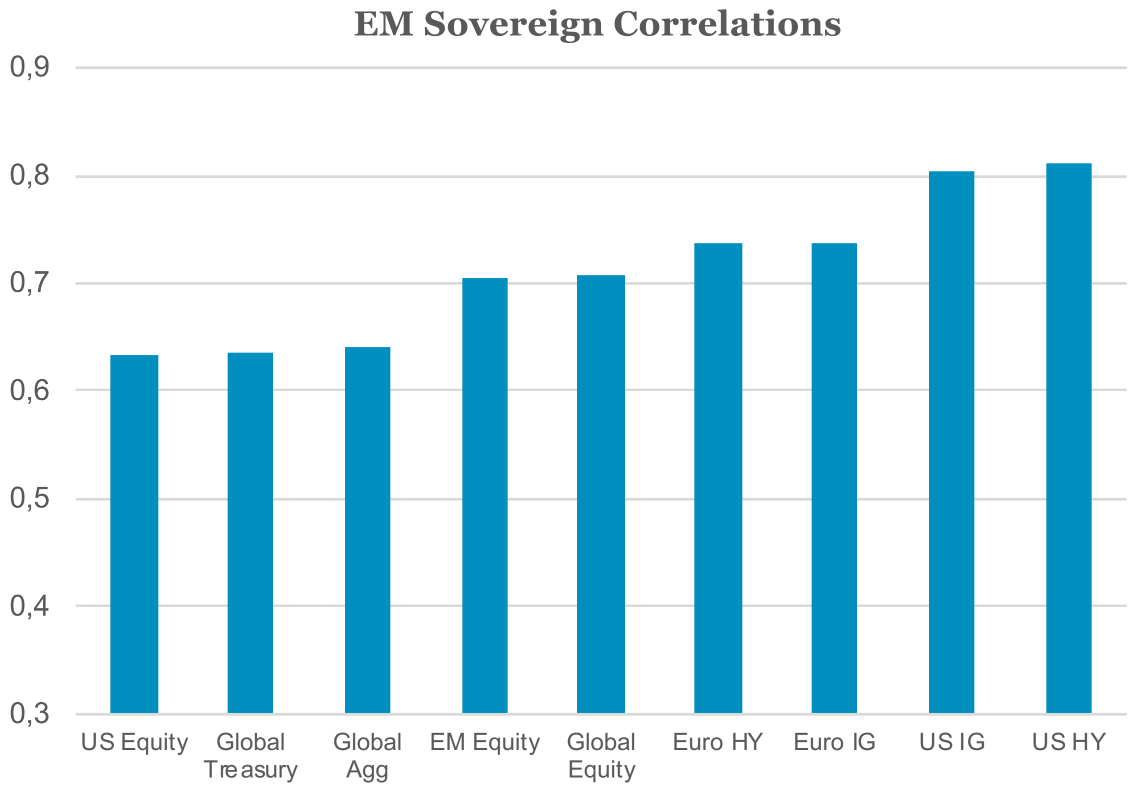
Source: JPMorgan, BoFA as of 30 September 2025

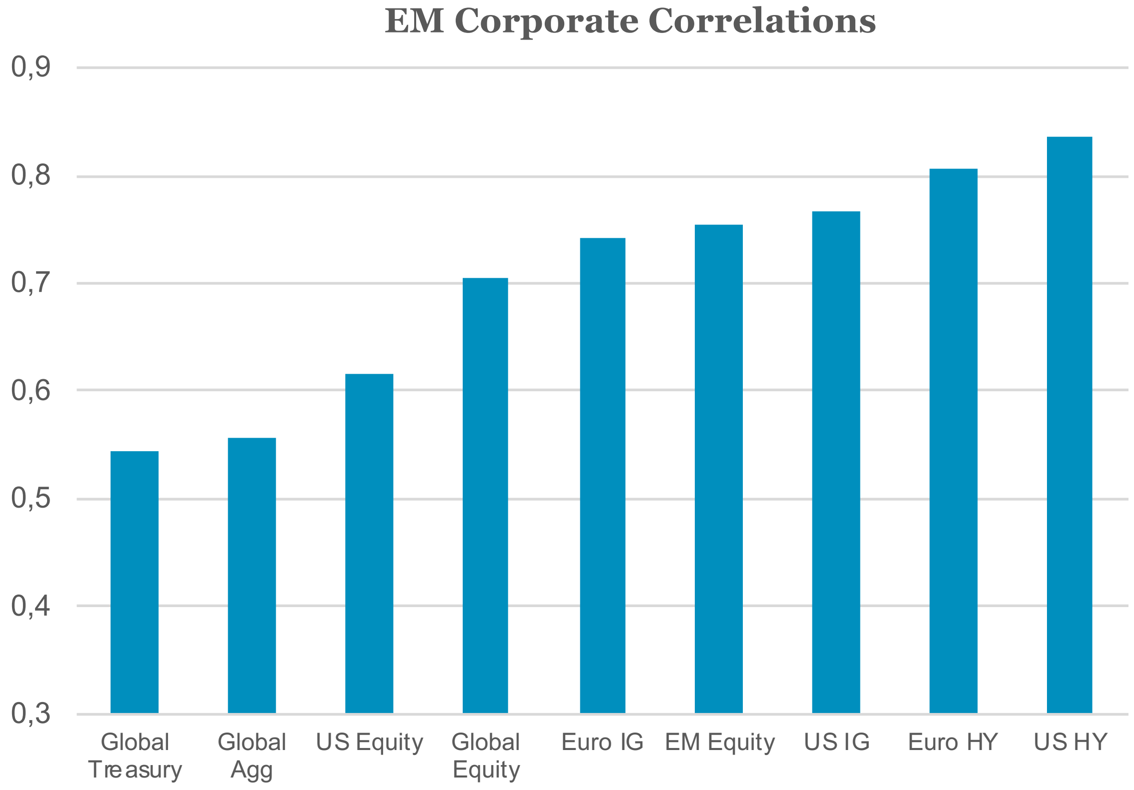
EM hard currency debt has consistently delivered stronger risk-adjusted performance relative to the broad investment landscape



Performance data shown represents past performance and does not predict or guarantee future results. Representative indexes for returns: Euro IG Corporates: Bloomberg Euro Aggregate Corporates Index; **US IG:** Bloomberg Corporate $250mm min Index; **Euro high yield corporates**: Bloomberg Pan-Euro High Yield 2% Issuer Cap Index; **US High Yield Corporates**: Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index; **Global Aggregate:** Bloomberg Global Aggregate (USD Hedged); **Global Treasuries:** Bloomberg Global Aggregate Treasuries; **EM Sovs:** JPM EMBI Global Diversified; **Global Equity:** MSCI ACWI; **EM Equity:** MSCI EM Index; **US Equity:** S&P 500

Emerging markets debt provides diversification benefits vs. other asset classes





Performance data shown represents past performance and does not predict or guarantee future results. Correlations shown over 15-year period beginning 8/31/2010.

Representative indexes for returns: Euro IG Corporates: Bloomberg Euro Aggregate Corporates Index; **US IG:** Bloomberg Corporate Index; **Euro high yield corporates**: Bloomberg Pan-Euro High Yield Index; **US High Yield Corporates**: Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index; **Global Aggregate:** Bloomberg Global Aggregate (USD Hedged); **Global Treasuries:** Bloomberg Global Aggregate Treasuries; **EM Sovs:** JPM EMBI Global Diversified; **EM Corps:** JPM CEMBI Diversified.

Appendix

Nuveen’s country cohort lens is a unique way to frame and draw comparisons across the investable universe

Inputs[1]

- Governance
- Politics
- Legal system
- Taxation
- FDI & capital flows
- Fundamentals
- Focus on dispersion & differentiation

Outputs

Country “cohort” classification

Steady

- Sound economic framework
- Strong buffers in place
- Manageable financing needs

Reformer

- Improving outlook
- Addressing key structural reforms
- Potential for improved GDP and investment climate

Laggard

- Deteriorating or uncertain outlook
- In need of structural reform
- Concerns regarding policy coherence

Frontier

- Up-and-coming markets
- Good potential growth stories
- Lower correlation

Crisis-laden

- Significant event risk
- Political, economic, structural instability
- Prognosis remains poor/highly uncertain

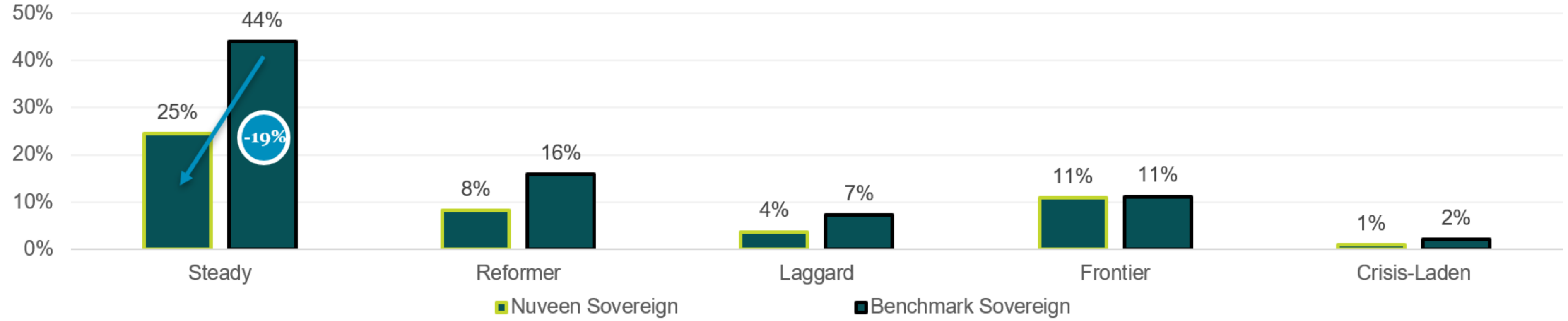
Implications

- Portfolio framing
- Insights regarding the state of a country
- Fluid and everchanging
- Used alongside technicals, valuation and security selection to help determine portfolio positioning

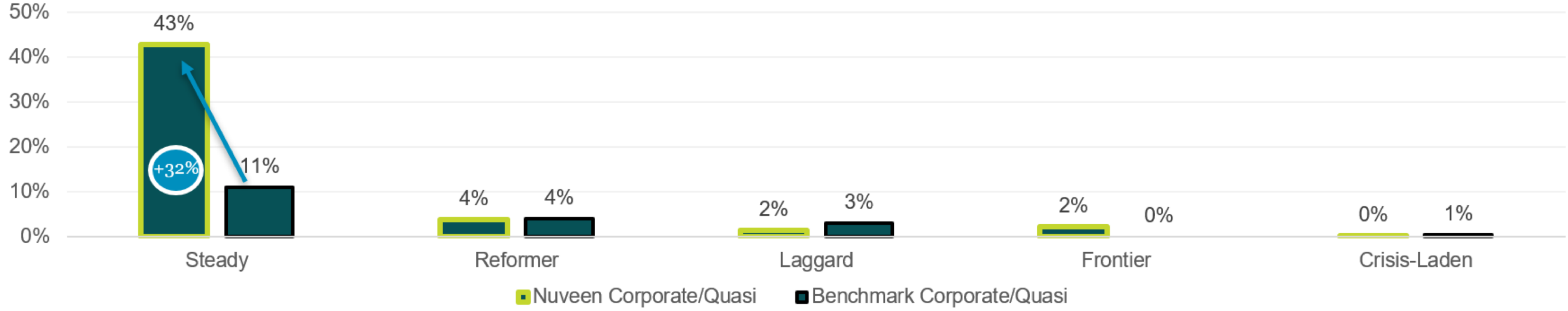
1 Sample of factors considered, not an exhaustive list

Reallocating of “Steady” risk to issuers that benefit from a stable operating environment but offer yield & diversification advantages

Sovereign Cohort Distribution



Corporate/Quasi Cohort Distribution



Source: Nuveen sample portfolio as of 30 Jun 2025.Sovereign exposure includes allocations to local currency denominated securities.

Disclosures

These materials are provided solely for use in private meetings and are intended for informational and discussion purposes only. These materials are only for use by the intended party and may only be circulated only to persons whom they may lawfully be distributed. Persons who do not fall within such descriptions may not act upon the information contained in these materials. Any entity responsible for forwarding this material to other parties takes responsibility for ensuring compliance with local laws, and in particular any applicable financial promotion rules.

The information presented in these materials is believed to be materially correct as at the date hereof, but no representation or warranty (express or implied) is made as to the accuracy or completeness of any of this information. Data was taken from sources deemed reliable, but cannot guarantee its accuracy. The statements contained herein reflect opinions as of the date written and are subject to change without further notice. Nothing set out in t