



GRAMERCY EMERGING MARKETS DEBT FUND

MONTHLY COMMENTARY

September was all about the Federal Reserve (the Fed) finally embarking on a rate cutting cycle with a dovish 50 basis points (bps) cut. Policy rates were reduced to 4.75-5.0%, and the dot plot signaled a year-end rate of 4.25-4.50%, implying another 50 bps of rate cuts between the November and December meetings. The larger cut came amid a dovish shift to the Fed's inflation and unemployment projections compared to June. This was qualified by the 2025 Personal Consumption Expenditures (PCE) inflation that was lowered two-tenths to 2.1% and the unemployment forecast that was raised two-tenths to 4.4%. The balance of risks for the committee has objectively shifted from inflation to unemployment; however, Chair Powell spent much of his press conference reassuring markets that while the job market should be watched closely, it remains relatively balanced, and the U.S. economy remains squarely in the soft-landing scenario. Reaction to the Federal Open Market Committee (FOMC) was positive and capped a quarter of strong returns for risk assets, including emerging market debt. The 10-year U.S. Treasury rallied 30bps post through the Fed meeting to reach a low of 3.62% but then gave back some gains to end the month of September at 3.78% (12bps tighter on the month).

In terms of return streams, Emerging Markets (EM) local currency sovereigns, driven by low beta currencies, benefitted the most from the macroeconomic backdrop and outperformed other emerging market debt sub-asset classes with a total return of 3.39% for the GBI-EM Global Diversified Index during the month of September. EM hard currency sovereigns, as represented by the EMBI Global Diversified index, and EM hard currency corporates, as represented by the CEMBI Broad Diversified Index, also posted solid returns of 1.85% and 1.23%, respectively, during the month. From a year-to-date perspective, EM fixed income returns are now squarely in high single digit territory, despite continued outflows from the asset class and a relatively volatile year.

During the month of September, performance was impacted by our under allocation to EM local currency sovereigns, particularly to lower beta names, such as Malaysia, Thailand and Indonesia, where valuations are very tight but currencies continued to benefit from easing monetary policy in the U.S. This factor was partially offset by the Fund's positioning in higher beta local currency assets such as South Africa and Brazil, as well as by our exposure to hard currency corporates, particularly financials in the U.A.E. and Turkey. Our overweight exposure to Uzbekistan and to idiosyncratic stories such as VEON¹, a global telecommunications company that became index eligible following the sale of all Russian operations, also contributed to performance in September.

Past performance is no guarantee of future results. Index performance is not indicative of fund performance. For current standardized performance of the Fund, please see the [Fact Sheet](#), the Fund's [website](#), or call 800-207-7108.

¹ As of 9/30/24, VEON Holding BV represents 0.69% of the Gramercy Emerging Markets Debt Fund.

IMPORTANT DISCLOSURES

Before investing you should carefully consider the Fund's investment objectives, risks, charges and expenses. This and other information about the Fund is in the prospectus and summary prospectus, a copy of which may be obtained by calling 800-207-7108 or by visiting the Fund's website at www.libertystreetfunds.com. Please read the Fund's prospectus or summary prospectus carefully before investing.

An investment in the Fund is subject to risk, including the possible loss of principal amount invested and including, but not limited to, the following risks, which are more fully described in the prospectus: **Market Risk:** the market price of a security may decline, sometimes rapidly or unpredictably, due to general market conditions that are not specifically related to a particular issuer, company, or asset class. **Fixed income/interest rate:** generally, fixed income securities decrease in value if interest rates rise, and increase in value if interest rates fall. **Foreign Investment:** the prices of foreign securities may be more volatile than the prices of securities of U.S. issuers because of economic and social conditions abroad, political developments, changes in the regulatory environments of foreign countries, and changes in U.S. laws regarding such countries. **Emerging Markets:** many of the risks with respect to foreign investments are more pronounced for investments in issuers in developing or emerging market countries. Emerging market countries tend to have more government exchange controls, more volatile interest and currency exchange rates, less market regulation, and less developed and less stable economic, political and legal systems than those of more developed countries. **High Yield ("Junk") bond:** involve greater risk of default, downgrade, or price declines, can be more volatile and less liquid than investment-grade securities. **Credit:** if an issuer or guarantor of a debt security held by the Fund or a counterparty to a financial contract with the Fund defaults or is downgraded or is perceived to be less creditworthy, the value of the Fund's portfolio will typically decline. **Convertible Securities:** are subject to market and interest rate risk and credit risk. **Contingent Convertible Securities:** subject to the risk of a triggering event occurring which may result in the issuer converting the security to an equity interest, cancelling interest payments, or writing down the principal value of such securities, and are inherently risky because of the difficulty of predicting triggering events. **Foreign Sovereign Debt:** Foreign governments rely on taxes and other revenue sources to pay interest and principal on their debt obligations. The payment of principal and interest on these obligations may be adversely affected by a variety of factors. **Currency Risk:** the values of investments in securities denominated in foreign currencies increase or decrease as the rates of exchange between those currencies and the U.S. dollar change. Currency conversion costs and currency fluctuations could erase investment gains or add to investment losses. **Prepayment or Call Risk:** if interest rates fall, an issuer may exercise the right to prepay their securities, and the Fund will not benefit from the rise in market price that normally accompanies a decline in interest rates. The Fund may also lose any premium it paid on the security. **ESG Criteria:** the Fund's consideration of ESG criteria in making its investment decisions may affect the Fund's exposure to risks associated with certain issuers; the criteria can result in excluding securities of certain issuers; there are significant differences in interpretations of what it means for a company to have positive or negative ESG characteristics. **Inflation:** risk that as inflation increases, the real value of the Fund's assets can decline. This risk is greater for fixed-income instruments with longer maturities. **Derivatives:** Using derivatives exposes the Fund to additional or heightened risks, including leverage risk, liquidity risk, valuation risk, market risk, counterparty risk, and credit risk. **Liquidity:** the Fund may not be able to sell some or all of the investments that it holds due to a lack of demand in the marketplace or it may only be able to sell those investments at a loss. Liquid investments may become illiquid or less liquid after purchase by the Fund, illiquid investments may be harder to value, especially in changing markets. **Valuation:** the sales price the Fund could receive for any particular portfolio investment may differ from the Fund's valuation of the investment, particularly for securities that trade in thin or volatile markets or that are valued by the Adviser using a fair value methodology. This may affect purchase price or redemption proceeds for investors who purchase or redeem Fund shares on days when the Fund is pricing or holding fair-valued securities. The value of foreign securities, certain fixed income securities, and currencies may be materially affected by events after the close of the market on which they are valued but before the Fund determines its net asset value. **Portfolio Turnover Risk:** active and frequent trading of the Fund's portfolio securities may lead to higher transaction costs and could negatively affect the Fund's performance. **No Operating History:** The Fund is recently organized and has no operating history. As a result, prospective investors have no track record or history on which to base their investment decisions. **Management and Strategy Risk:** the evaluation and selection of the Fund's investments depend on the judgment of the Fund's Sub-Adviser, which may prove to be incorrect. **Recent Market Event:** periods of market volatility may occur in response to market events and other economic, political, and global macro factors, and could adversely affect the value and liquidity of the Fund's investments.

The **JPM Emerging Market Bond Index Global Diversified (EMBI Global Diversified)** is a uniquely weighted USD-denominated emerging markets sovereign index. It has a diversified allocation scheme which allows a more even distribution of weights among the countries in the index. The **JPM Corporate Emerging Market Bond Index (CEMBI) Broad Diversified** is a comprehensive USD-denominated corporate emerging markets bond index, with broad issuer coverage (including small and short-dated bonds) and a diversified weighting scheme. The **JPMGBI-EM Global Diversified** version is a comprehensive global emerging markets index of local government bond debt offering a diversified weighting scheme and broad country coverage. **One cannot invest directly in an index.**

Basis Point is one hundredth of 1 percentage point. **Dot Plot** is The Federal Reserve's projections for interest rates that are published each quarter. **Beta** is a measure of a stock's volatility in relation to the overall market. **Personal Consumption Expenditures (PCE)** is a measure of the spending on goods and services by people of the United States. According to the Bureau of Economic Analysis (BEA), a U.S. government agency. **Interest Rate** is the proportion of a loan that is charged as interest to the borrower, typically expressed as an annual percentage of the loan outstanding.

The views expressed in this material reflect those of the Fund's Sub-Advisor as of the date this is written and may not reflect its views on the date this material is first published or anytime thereafter. These views are intended to assist in understanding the Fund's investment methodology and do not constitute investment advice. This material may contain discussions about investments that may or may not be held by the Fund. All current and future holdings are subject to risk and to change.

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