



GRAMERCY EMERGING MARKETS DEBT FUND

MONTHLY COMMENTARY

In September, the Federal Reserve delivered a 25 basis points (bps) rate cut—its first since the 2024 U.S. election year—marking a key inflection point in the ongoing policy recalibration and the most consequential macro development of the month. The decision was widely expected but highlighted growing divergence within the Federal Open Market Committee (FOMC), particularly between Chair Powell and Governor Stephen Miran. Their contrasting views on the neutral rate and the appropriate pace of easing introduced new uncertainty into the Fed's forward guidance, even as markets interpreted the move as a continuation of the soft-landing narrative. Notably, the Federal Reserve (the Fed) appeared to shift its focus toward the softening labor market as a primary consideration in policy decisions, reflecting concerns about employment conditions alongside inflation dynamics. U.S. Treasury yields drifted lower early in the month before stabilizing, with the 10-year finishing near 4.15%, while the U.S. dollar retraced mid-month weakness and gold surged to record highs above \$3,800 amid continued demand for inflation hedges. Global macro data remained mixed: U.S. consumption was robust, but consumer sentiment softened; the European Central Bank (ECB) held rates steady and signaled the end of its easing cycle; and China maintained a cautious policy stance amid signs of fragile stabilization. Geopolitical risks remained elevated, including renewed Middle East tensions, political turnover in Japan and France, and a growing divergence in global trade policy. Despite these crosscurrents, markets remained broadly constructive, anchored by expectations for further policy accommodation and contained inflation risks.

Emerging market (EM) fixed income delivered strong performance across all major sub-sectors in September. EM hard currency sovereign bonds, as measured by the EMBI Global Diversified Index, led the asset class with a return of 1.78%, bringing year-to-date gains closer to 11%. Both investment grade and high yield segments contributed meaningfully, returning 1.86% and 1.70%, respectively. EM local currency sovereign bonds, represented by the GBI-EM Global Diversified Index, also posted solid returns of 1.40% for the month, pushing year-to-date performance to 15.7%. EM hard currency corporate bonds generated more modest gains, with the CEMBI Broad Diversified Index rising 0.95%. Performance was led by the investment grade segment with a return of 1.07% versus 0.79% for high yield. Spreads tightened across the board, with 14bps of tightening at the sovereign and corporate level. Within sovereigns, high yield drove the bulk of the compression—tightening 16bps compared to 8bps for investment grade—while spread tightening in corporates was relatively uniform across rating buckets.

Fund performance in September was supported by three key drivers. First, the Fund's overweight to duration—implemented through longer-dated investment grade credit—added value as markets responded favorably to the Fed's rate cut and strong demand for high-quality assets. Second, local currency sovereign bond selection was a significant contributor, with notable outperformance in Brazil and South Africa. Third, the Fund's exposure to BB-rated sovereign and corporate credit benefited from a constructive risk environment, both in terms of allocation and security selection. On the downside, our underweight in select local currency sovereign bonds—particularly Mexico—modestly detracted from returns. Additionally, our underweight in lower-beta credit in Peru also had a slight negative impact on relative performance.

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.

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 Gramercy Emerging Markets Debt Fund is subject to risk, including the possible loss of principal amount invested and including, but not limited to, the following risks: **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. **Limited Operating History:** The Fund was organized on April 1, 2024, and has a limited operating history. As a result, prospective investors have a limited 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 **GBI-EM Global Diversified Index** is a widely used benchmark for emerging market local currency government bonds. It tracks a broad range of countries, excluding those with explicit capital controls, and is designed to be investable for international investors.

Basis Point is one hundredth of 1 percentage point. **Beta** is a measure of an asset's or portfolio's volatility in relation to the overall market.

One cannot invest directly in an index.

Bond ratings are grades given to bonds that indicate their credit quality as determined by private independent rating services such as Standard & Poor's, Moody's and Fitch. These firms evaluate a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion. Ratings are expressed as letters ranging from 'AAA', which is the highest grade, to 'D', which is the lowest grade.

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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