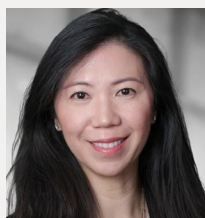


# Emerging Markets Equities: EME Shines in 2025



**FRANK CARROLL**  
PORTFOLIO MANAGER,  
EMERGING MARKETS  
EQUITIES



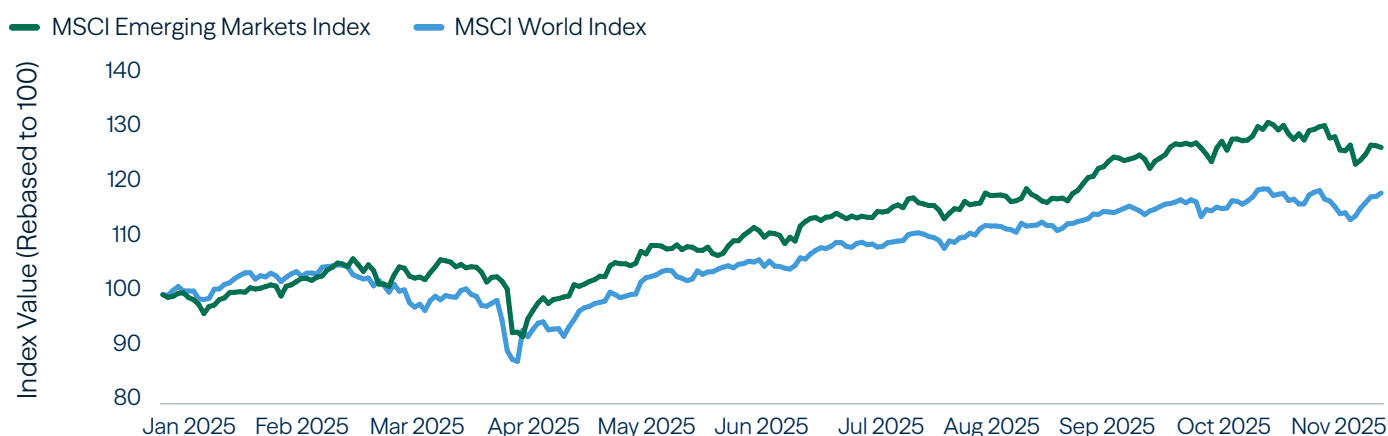
**JANET WANG**  
CO-PORTFOLIO MANAGER,  
EMERGING MARKETS  
EQUITIES

Emerging markets (EM) equities rose during the third quarter and outperformed those in developed markets by a wide margin. This marked the third consecutive quarter of EM outperformance, a trend not seen since 2017.<sup>1</sup> **(See Figure 1.)** Key positive themes for the emerging markets include:

- **Commodities strength:** EM commodity producers continue to benefit from high demand for precious and industrial metals. Gold prices reached a record level earlier this year, amid macroeconomic uncertainty. Meanwhile, supply discipline among copper and aluminum producers has supported a constructive pricing environment.
- **A weaker U.S. dollar:** The dollar weakened by nearly 10% over the first three quarters of 2025, driving renewed investor interest in EM equities and benefiting EM issuers with outstanding USD-denominated corporate bonds.<sup>2</sup>
- **Financial resilience:** We've noted the improving balance sheets and disciplined capital allocation of EM companies. Management teams have remained prudent regarding capital expenditure while simultaneously enhancing shareholder returns through dividends and buybacks.

China was the best-performing large market in the third quarter, buoyed by renewed optimism around U.S.-China trade relations, supportive policy measures and continued AI enthusiasm. China has remained committed to transitioning its economy away from property dependence and toward more sustainable growth drivers such as innovation, consumption, and capital-market reform. This includes a focus on share buybacks, improved dividend policies, and better corporate governance. However, Chinese equities remain discounted, trading at roughly 12.7x forward earnings and 1.7x book value.<sup>3</sup> At the end of September, the EM equities index was trading at 1.9x book value and 14.0x consensus forward estimated earnings, both of which are lower than those in the U.S. and all developed market equities.<sup>4</sup> Fundamental bottom-up selection will remain critical, and they'll likely be volatility along the way, but we believe we're still in the early stages of a long-term emerging markets rally.

**Figure 1:** Emerging Markets Equities Have Performed Well in 2025



Source: MSCI, as of November 28, 2025.

## Endnotes

1. JP Morgan.
2. DXY Index.
3. MSCI China Index, as of November 30, 2025.
4. Bloomberg.

## Important Disclosures

All investing involves risk. The value of an investment will fluctuate over time, and an investor may gain or lose money, or the entire investment.

### **Past performance is no guarantee of future results.**

Asset-backed securities are subject to greater levels of credit risk, call risk and liquidity risks, which may cause their values to decline. Asset-backed securities are complex investments and they are not suitable for all investors.

Brookfield Private Wealth LLC is registered as a broker-dealer with the U.S. Securities and Exchange Commission (SEC) and is a member of FINRA and the Securities Investor Protection Corporation (SIPC). Brookfield Private Wealth LLC is a wholly owned subsidiary of Brookfield.

Statements made reflect the views and opinions of Oaktree. The information contained herein is for educational and informational purposes only and does not constitute, and should not be construed as, an offer to sell, or a solicitation of an offer to buy, any securities or related financial instruments. This commentary discusses broad market, industry or sector trends, or other general economic or market conditions, and it is being provided on a confidential basis.

## Forward-Looking Statements

Information herein contains, includes or is based on forward-looking statements within the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended, and Canadian securities laws. Forward-looking statements include all statements, other than statements of historical fact, that address future activities, events or developments, including, without limitation, business or investment strategy or measures to implement strategy, competitive strengths, goals, expansion and growth of our business, plans, prospects and references to our future success. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” and other similar words are intended to identify these forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results or outcomes. Consequently, no forward-looking statement can be guaranteed. Our actual results or outcomes may vary materially. Given these uncertainties, you should not place undue reliance on these forward-looking statements. This communication is not intended to provide an overview of the terms applicable to any products sponsored by Brookfield Corporation and its affiliates (together, “Brookfield”). Information and views are subject to change without notice. Some of the information provided herein has been prepared based on Brookfield’s internal research, and certain information is based on various assumptions made by Brookfield, any of which may prove to be incorrect. Brookfield may not have verified (and disclaims any obligation to verify) the accuracy or completeness of any information included herein, including information that has been provided by third parties, and you cannot rely on Brookfield as having verified any of the information. The information provided herein reflects Brookfield’s perspectives and beliefs as of the date of this commentary.


© 2026 Brookfield

ID B875041

## Contact Us

 [privatewealth.brookfield.com](https://privatewealth.brookfield.com)

 [privatewealth@brookfield.com](mailto:privatewealth@brookfield.com)

 +1 855-777-8001

 Follow us on LinkedIn