BRAMSHILL INVESTMENTS

PORTFOLIO MANAGER PERSPECTIVES | NOVEMBER 6, 2026

From the Desk of Bramshill Investments:

Market Implications of the 2026 Midterm Elections

Following the midterm elections, Bramshill's portfolio managers share their views on what the results could mean for growth, inflation, interest rates, and credit across fixed income, securitized products, and emerging markets.

FIXED INCOME / CREDIT



Derek Pines
Sr. Managing Director & Portfolio Manager



Art DeGaetano
CIO & Founder

- **Blue Wave Could Mark a Shift Toward Slower Growth:** Democratic control of Congress, combined with significant gubernatorial victories, raises the prospect of greater regulatory oversight, fiscal gridlock, and reduced investment spending. While markets initially rallied Wednesday, Thursday's sharp equity selloff suggests investors are increasingly focused on the potential negative implications for economic growth.
- **Data Center Moratoriums Threaten a Major Engine of Economic Growth:** The widespread approval of local restrictions on data center construction, coupled with Democratic gubernatorial victories in key development states, creates meaningful downside risk to AI infrastructure spending. Estimates suggest a substantial portion of planned data center capacity could face delays or additional regulatory hurdles, particularly in 2028 and beyond. Given the enormous investment in construction, electrical equipment, power generation, semiconductors, and related infrastructure, a slowdown could have an outsized impact on economic growth.
- **Slower CapEx Could Reduce Inflationary Pressures:** The AI infrastructure boom has been a significant source of incremental demand for electricity, labor, construction materials, and capital equipment. A moderation in this spending could alleviate capacity constraints and reduce upward pressure on prices, particularly electricity costs. This represents a potentially important disinflationary development beyond the direct impact of lower oil prices.
- **Treasury Yields Could Benefit From Multiple Tailwinds:** Slower economic growth, lower inflation expectations, and reduced capital investment could all support lower Treasury yields. Additionally, a slowdown in hyperscaler CapEx could reduce the need for large-scale corporate debt issuance, easing the supply pressures that have weighed on the broader fixed-income market.
- **Credit Spreads Could Widen Even as Treasury Yields Decline:** While slower growth and reduced issuance could benefit Treasury yields, the implications for corporate credit are less favorable. Weaker earnings expectations, reduced investment spending, falling equity valuations, and increased risk aversion could drive credit spreads wider.

- **Overall Market Softness Could Be a Precursor to a Broader Economic Slowdown:** Thursday's sharp selloff in equities, particularly technology and AI-related companies, could be an early indication that investors are beginning to question the sustainability of one of the economy's largest growth drivers. The combination of weakening risk assets, lower Treasury yields, and potentially wider credit spreads would be consistent with a transition from an inflation-driven market toward one increasingly concerned about economic growth.

SECURITIZED PRODUCTS



Paul van Lingen
Sr. Managing Director & Head of Securitized Products

- **A Divided Government Could Speed an Iran Resolution and Lower Mortgage Rates:** A split executive versus legislative branch in the U.S. should help shorten the timeline to find a resolution for the current conflict with Iran. Congress's lack of support for further aggression in the region should, over time, lead to lower oil and energy prices, which are the main components that led to the increase in inflation in 2026, which in turn was a large part of what led to the sell-off in U.S. Treasuries in 2026 as well. As inflationary concerns recede, we would expect U.S. Treasuries to rally off their cyclical lows, which would help lower mortgage rates and strengthen the U.S. housing market. Our Securitized Products Strategy at Bramshill would benefit greatly from lower mortgage rates because they would lead to faster prepayments, which would cause our significant exposure to discount (positively convex) RMBS securities to appreciate.
- **Data Center Securitizations Are Likely to Taper Off:** As a result of the midterm elections, we anticipate data center–related securitizations, which have grown tremendously the past few years, to taper off, as many Democrats are opposed to further buildouts and intend on slowing current progress down. Bramshill does not have any direct investments in such securities, and this further solidifies that the likelihood that we will be investing in data center–related securitizations in the near term is doubtful. We will continue to avoid these assets as they don't have a meaningful track record that we can evaluate to measure any inherent risks, and the new potential political climate only makes it worse.
- **Voter Discontent Could Bring Cost-of-Living Relief for Subprime Borrowers:** Democrats winning the majority of Congress and governorships sends a clear message that there are many unhappy consumers within the bottom leg of the K-shaped economy who are demanding change in political leadership with their votes. We anticipate the Democratic Party will look to satiate its base to build on this momentum into the next U.S. Presidential election. In some instances, we expect further entitlements to be introduced at both a federal and state level to alleviate the cost-of-living concerns that are top of mind among U.S. consumers. When and/or if such measures do pass, we would expect a potential improvement in the current poor performance of sectors related to subprime borrowers, such as subprime auto loans.

EMERGING MARKET DEBT



Arif Joshi, CFA
Sr. Managing Director & Head of Emerging Markets

- **The Senate Outcome Neuters Progressive Influence, Which Is Market Positive:** The fact that Democrats are going to end with 56 Senate seats (after securing Mississippi and Alaska later today) means that both Fetterman (PA) and the progressives' power is neutered to drive the Democratic agenda. This is market positive, as it makes the Democratic leadership and direction on policy much more centric versus market fears of democratic socialists having “veto” power over Democratic leadership.

- **Texas and Georgia Data Center Moratoriums Could Limit CapEx Growth:** Democrats winning governorships, state legislature, and land commissioner positions in Texas and Georgia means that data center buildouts are going to face moratoriums in 2027 in the largest two new data center buildout states. This likely means that at the next earnings seasons (February and May 2027), you are likely going to see limits on CapEx growth out of the data center companies along with hyperscalers. It remains to be seen how equities react to that event, but the long end of the bond market will react favorably as future expectations of supply are reduced.
- **A Budget Compromise Is Unlikely to Be Meaningful:** With gridlock on the legislative side, the next test is passing the budget in about a month. The compromise that I am hearing is a restoral of healthcare benefits (that were slated to be cut for 2027) in exchange for funding defense spending. While more spending is not good, the magnitude of this package is 0.27% of GDP, so I don't think it's particularly meaningful.
- **A Weaker Dollar Would Be Positive for International and EM Assets:** As a general statement, when Democrats do well, the initial market reaction is to reduce forward estimates of U.S. GDP growth. Everything else being equal, when U.S. growth expectations go lower, so does the dollar, i.e., Democrats winning is positive for international and EM stocks and currencies through the U.S. dollar component.
- **Clearing the Midterms Leaves Iran as the Remaining Hurdle for Risk Markets:** Judging from how markets are trading, it's becoming apparent that the U.S. midterms and the Iran war are the two hurdles that the market needs to clear before sending equities higher. It's not that the market wants a particular outcome; rather, the market just needs these events to be in the rear-view. We have now cleared the midterms, and what's left is Iran. There are two ways Iran can be "cleared." One is a peace deal, and two is a relatively quick bombing of the nuclear sites followed by a proclamation of victory by POTUS. If and when we get either outcome, I suspect equities and other risk markets take off.

  One major implication from this is that oil prices will fall precipitously if this risk is cleared. J.P. Morgan had a nice piece today showing that global oil markets have moved from significant deficits over the summer to surpluses in both September and October. That is both because of increased flow through Hormuz and, more surprisingly, because demand never came back to pre-war levels in China and parts of the U.S. and Europe. To the extent that the Iran hurdle is in the rear-view, oil prices likely drop below "fundamental fair value" – this has large positive implications for both equities and bonds and, obviously, Fed policy. The losers are oil stocks and EM oil-exporting countries.

  We are not going to front-run this in our EM portfolios, because this war has lasted much longer than we originally thought. But at the first sign of Iran being cleared, we will swap out of oil exporters into importers on the expectation of both rate and currency rallies in Asia and Europe (which we have little exposure to currently). Also note that because the U.S. has become an oil exporter over the last five years, the U.S. dollar now has a positive correlation to oil prices, meaning when oil falls, so does the dollar.

Important Information
The views and opinions expressed herein are those of the Bramshill Investments portfolio managers as of November 6, 2026, and are subject to change without notice. This material is provided for informational purposes only and should not be taken as investment advice or as a recommendation to buy or sell any security or to adopt any investment strategy.

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About the Portfolio Managers



Art DeGaetano – CIO & Founder

Mr. DeGaetano is the Chief Investment Officer and Founder of Bramshill Investments. Prior to founding Bramshill, in 2012, Mr. DeGaetano was a Senior Portfolio Manager at GLG Partners LP where he not only managed the predecessor to the Bramshill Income Performance Strategy, but also managed a levered US credit portfolio for the GLG Market Neutral Fund. Combined Mr. DeGaetano had approximately $375 million in assets under management for GLG Partners LP. Prior to joining GLG Partners in 2007, Mr. DeGaetano was a Managing Director and Head of US Credit Trading at RBS Greenwich Capital from 2005 through 2006. He traded and oversaw the credit trading desk, comprised of 14 traders across corporate bonds, credit default swaps and index products from investment grade to high yield averaging a $4 billion gross position. Prior to RBS Greenwich Capital, he traded credit for 12 years for Bear Stearns. He was a Senior Managing Director and the Head Trader on the high yield trading desk from 2000 through 2004. He managed a group of 4 traders along with trading his own positions during this period overseeing a gross position of approximately $1 billion. His expertise has been in high beta sectors such as telecom, financials, and special situations. Prior to trading high yield, he was a Managing Director on the investment grade trading desk at Bear Stearns from 1992 through 1999. Mr. DeGaetano has a B.A. from Colgate University.



Paul van Lingen – Sr. Managing Director & Head of Securitized Products

Mr. van Lingen is a Senior Managing Director and Head of Securitized Products at Bramshill Investments. He is a member of the firm's investment committee. Prior to joining Bramshill Investments in 2017, Mr. van Lingen was a Managing Director, Principal, and Portfolio Manager at Rimrock Capital Management, a west coast Hedge Fund. He served as Head of All Securitized Products managing approximately $4 billion dollars in capital. Prior to that Mr. van Lingen was a Managing Director at RBS Greenwich Capital where he managed day to day trading activities overseeing several employees as well as worked with private and government agencies to help restore residential securitization markets. He served as Head of Non-Agency MBS Trading managing approximately $4 billion dollars in capital. Prior to RBS Greenwich, Mr. van Lingen was a Senior Managing Director at Bear Stearns where he oversaw one of the largest trading and issuance platforms overseeing many employees. He served as Head of Agency and Non-Agency ARM Trading managing over twenty billion dollars of capital. Prior to Bear Stearns, Mr. van Lingen served in various roles in managing, consulting, modeling and technology for all aspects of the securitization business at Bankers Trust, Bank of New York, and PriceWaterhouseCoopers. Mr. van Lingen has a B.S. from New York University, Stern School of Business.



Derek Pines – Sr. Managing Director & Portfolio Manager

Mr. Pines is a Senior Managing Director and Portfolio Manager at Bramshill Investments where he co-manages their flagship Income Performance Strategy with Bramshill's CIO. Prior to joining Bramshill Investments in 2012, Mr. Pines spent over a decade as a Portfolio Manager and Proprietary Trader leading a multi-asset class strategy which specialized in quantitative modeling techniques and utilized fundamental research to determine relative value. The bulk of that time was with Assent (Sungard Financial) and Chimera Securities. He also spent a year with Accenture in their Core Trading Services Group. He has over 25 years of buy side investment experience across multiple fixed income asset classes and exchange traded securities within both long-only and long-short investment vehicles. Mr. Pines has been involved in charitable organizations such as NextStep, The Hoya Diamond Club, and Party with Purpose where he spent several years on the board. He holds a Masters Graduate Certificate in Algorithmic Trading from Stevens University. Mr. Pines graduated cum laude with a B.S. in finance from Georgetown University.



Arif Joshi, CFA – Sr. Managing Director & Head of Emerging Markets

Arif T. Joshi, CFA is the lead portfolio manager for Bramshill's Emerging Market strategies. Prior to joining Bramshill Investments, he was the co-founder and co-head of emerging market debt at Lazard Asset Management. During his 15 years at Lazard, he grew the EMD platform to $18bn of AUM, across both long-only and total return strategies. Arif served as a portfolio manager for both USD and local currency strategies and was also responsible for top-down macroeconomic views for the EMD platform. Prior to Lazard, Arif was a portfolio manager and analyst at HSBC Asset Management from 2005-2010. At HSBC, Arif managed $7bn of AUM in both sovereign and corporate emerging market debt. Arif started his investment career in 2003 as a sovereign and corporate analyst at the Atlantic Advisors, a boutique emerging market asset manager that was subsequently sold to HSBC. Arif has an MBA from Columbia Business School and a Bachelor of Science in Economics from the Wharton School at the University of Pennsylvania. He is also a CFA Charterholder.

Biography Disclosure

Regarding the bio for Art DeGaetano, The AUMs and gross positions included reflect GLG, RBS Greenwich Capital, and Bear Stearns & Co. Inc.'s performance during periods which Art had substantial investment responsibilities for the referenced strategies; however, investment decision making was shared, and results may also reflect the contributions of other portfolio managers, analysts, risk professionals, traders, and firm resources at the prior firm. The strategies that Art was responsible for at prior firms referenced herein are substantially similar to the strategies Art manages at Bramshill. However, there can be no assurance that Art will achieve similar results at Bramshill. Regarding the bio for Arif Joshi, the AUMs reflect Lazard and HSBC's performance during periods which Arif had substantial investment responsibilities for the referenced strategies; however, investment decision making was shared, and results may also reflect the contributions of other portfolio managers, analysts, risk professionals, traders, and firm resources at the prior firm. The strategies that Arif was responsible for at prior firms referenced herein are substantially similar to the strategies Arif will be managing at Bramshill. However, there can be no assurance that Arif will achieve similar results at Bramshill. Regarding the bio for Paul van Lingen, The AUMs and gross positions included reflect Rimrock Capital Management, RBS Greenwich Capital, and Bear Stearns's performance during periods which Paul had substantial investment responsibilities for the referenced strategies; however, investment decision making was shared, and results may also reflect the contributions of other portfolio managers, analysts, risk professionals, traders, and firm resources at the prior firm. The strategies that Paul was responsible for at prior firms referenced herein are substantially similar to the strategies Paul manages at Bramshill. However, there can be no assurance that Paul will achieve similar results at Bramshill.