

Annual Report

Tundra Sustainable Frontier Fund

515602-4803

January 1st 2021 – December 31st 2021



Management report

The Board of Directors and the CEO of Tundra Fonder AB, 556838-6303, hereby submit the Annual report for the period 2021-01-01 - 2021-12-31 for Tundra Sustainable Frontier Fund, 515602-4803.

The broader context

The fund's performance

Tundra Sustainable Frontier Fund rose by 36.55% in 2021, outperforming the benchmark index which increased with 31.22% in the same period

The fund's net assets development

Assets under management on December 31st 2021 amounted to 2 264,0 million, which represents an increase of SEK 590,5 million compared to 1 673,5 million on December 31st 2020.

The value of issued fund shares for share class A amounted to SEK 458.2 million, SEK 0.4 million for share class C, SEK 173.1 million for share class D, SEK 0 for share class E, SEK 25.1 million for share class F, and SEK 22.0 million for share class Q while the value of redeemed fund shares for share class A amounted to SEK -455.6 million, SEK -62.7 million for share class C, SEK -101.5 million for share class D, SEK -1.7 million for share class E, SEK -45.9 million for share class F, and SEK -22.2 million for share class Q.

The net issued amount hence amounted to SEK 2.7 million for share class A, SEK -62.3 million for share class C, SEK 71.6 million for share class D, SEK -1.7 million for share class E, SEK -20.8 million for share class F, and SEK -0.1 million for share class Q.

Market development

Frontier markets and smaller emerging markets had a really good year and performed significantly better than larger emerging markets during the year. However, growing demand in the world economy and logistics problems in the wake of the shutdowns during COVID-19 meant general price increases, not least in the raw materials segment. This meant that the world in the second half of the year discussed the risks of long-term higher inflation. It was somewhat surprising that the effects on the stock market did not prove more significant. Regarding COVID-19, we noted a number of mutations during the year, of which concerns about Omicron were probably the most significant. Most stock markets closed the year at near year highs.

Fund management and outlook

The fund rose by 36.55% in 2021, better than the benchmark index which rose 21.22%. It was another year where our outperformance was about good stock selection. None of the fund's largest markets performed better than the fund as a whole. The fund's largest market, Pakistan, even delivered negative returns during the year. It was thus far from an ideal year, despite the high absolute return delivered. During the year, the most positive contribution was received from Pakistan, despite the weak market development. The fund's two largest holdings in the country, the IT company Systems Ltd and the bank Meezan Bank, performed strongly despite the dull market climate. Our stock picks in Vietnam, the Philippines, Bangladesh and Indonesia also made good contributions. Compared to previous years, the Philippines and Indonesia are relatively new markets. The fact that they are now included has reduced the country risk somewhat compared with during the fund's early years. We lost relative performance vs our benchmark primarily in the markets where we lack exposure, or have very low exposure. Kazakhstan, Morocco and Romania performed strongly, and the fund has very few low or zero weight there. What we described as a risk in connection with the half-year report came true during the second half of the year, when the Omicron mutation created concern. Based on the data from the initial months, however, it seems that this mutation is in most cases somewhat milder than previous mutations. With the world's now relatively high vaccination rate, our concern for COVID-19 is above all that there is a risk of new restrictions. In 2022, the focus will probably be on the US Federal Reserve and when the first interest rate hike comes in the US. We note that Tundra's main markets are already aware of the effects of this based on rising import costs, and some countries have already implemented their first interest rate

hikes. However, this does not exclude that our countries will be affected if there is unrest in the world's largest stock market, the United States.

Objectives and investment policy

The objective of the fund is to provide financial exposure to economic development in emerging markets and frontier markets and to provide its unitholders with a maximum long-term return on their investment.

The fund takes into account aspects such as corporate governance, environmental and social issues as part of the investment process. The principles from international guidelines are applied (UN Global Compact, Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and OECD Guidelines for Multinational Enterprises). The fund does not invest in companies with an exposure exceeding five percent (defined as percent of total turnover) to sectors such as alcohol, pornography, tobacco, weapon, genetically modified crops, commercial gambling, extraction/production where the raw material mainly consist of fossil fuels or nuclear power. Companies that are involved in controversial weapons are excluded.

The fund's objective is to invest in companies who have a positive impact on societies in the markets where they operate.

The fund is managed by an investment committee but with Tundra Fonder's Chief Investment Officer, Mattias Martinsson, as the lead portfolio manager.

Risks in the fund at year end

There is a risk of increasing restrictions globally, which could negatively affect the fund's markets. We also see a risk of generally higher interest rates globally in 2022, which could negatively affect the fund's markets. Most of our countries' currencies are relatively strongly correlated with the US dollar. A weakening of the US dollar may thus have a negative effect on returns. The lower liquidity in our markets can in a negative scenario mean greater declines given difficulties to sell during periods of unrest.

Derivatives

According to the fund rules, the fund has the right to invest in derivative instruments in order to make the management more efficient. The fund had no exposure to derivatives during 2021. To calculate the total exposure, the fund applies the so-called commitment approach on derivative instruments.

Financial overview

Main portfolio

	AUM, SEK	NAV	No. of issued fund shares	Dividend	Total fund return, %	Benchmark return %	Active risk 24 m, %
2021-12-31	2 264 007 429	-	8 275 530,91	-	-	-	-
2020-12-31	1 673 497 789	-	8 345 881,78	-	-	-	-
2019-12-31	1 306 761 367	-	7 123 118,81	-	-	-	-
2018-12-31	1 552 755 853	-	8 993 095,34	-	-	-	-
2017-12-31	1 087 438 063	-	5 769 450,10	-	-	-	-
2016-12-31	439 046 053	-	2 641 116,78	-	-	-	-
2015-12-31	345 307 931	-	2 379 389,86	-	-	-	-
2014-12-31	916 615 995	-	6 032 099,74	-	-	-	-
2013-12-31	253 860 513	-	2 154 423,88	-	-	-	-

Share class A, SEK

	AUM, SEK	NAV	No. of issued fund shares	Dividend	Total fund return, %	Benchmark return, %	Active risk 24 m, %
2021-12-31	-	282,25	7 009 453,82	-	36,55	31,22	7,50
2020-12-31	-	206,70	7 006 235,97	-	12,43	-7,01	9,85
2019-12-31	-	183,84	6 055 521,90	-	6,42	12,95	11,72
2018-12-31	-	172,75	8 205 814,31	-	-8,43	-16,85	8,28
2017-12-31	-	188,65	5 080 492,27	-	13,50	24,98	8,28
2016-12-31	-	166,21	2 439 445,94	-	14,55	10,61	8,67
2015-12-31	-	145,10	2 178 908,18	-	-4,51	-6,83	8,21
2014-12-31	-	151,96	5 964 830,02	-	28,95	17,33	-
2013-12-31	-	117,84	2 113 195,82	-	17,84 1)	10,95 1)	-

Benchmark index: MSCI Frontier Markets xGCC Net Total Return Index (SEK) 2013-04-02 - 2017-11-05, MSCI Frontier Markets xGCC IMI Net Total Return Index (SEK) 2017-11-06 - 2019-04-30. Thereafter MSCI Frontier Markets xGCC Net Total Return Index (SEK).

1) Refers to the period 2013-04-02 - 2013-12-31

Share class C, EUR

	AUM, SEK	NAV	No. of issued fund shares	Dividend	Total fund return, %	Benchmark return, %	Active risk 24 m, %
2021-12-31	-	27,38	195 770,62	-	33,56	28,79	7,97
2020-12-31	-	20,50	478 411,37	-	17,41	-2,78	10,31
2019-12-31	-	17,46	226 227,25	-	2,52	9,19	11,86
2018-12-31	-	17,03	254 462,12	-	-11,49	-19,42	8,87
2017-12-31	-	19,24	186 633,35	-	10,57	20,96	8,17
2016-12-31	-	17,40	188 378,80	-	9,71	5,92	8,67
2015-12-31	-	15,86	187 189,64	-	-1,49	-4,20	8,24
2014-12-31	-	16,10	67 269,72	-	21,33	10,23	-
2013-12-31	-	13,27	41 228,06	-	5,40 2)	2,06 2)	-

Benchmark index: MSCI Frontier Markets xGCC Net Total Return Index (EUR) 2013-04-02 - 2017-11-05, MSCI Frontier Markets xGCC IMI Net Total Return Index (EUR) 2017-11-06 - 2019-04-30. Thereafter MSCI Frontier Markets xGCC Net Total Return Index (EUR).

2) Refers to the period 2013-06-12 - 2013-12-31

Share class D, USD

	AUM, SEK	NAV	No. of issued fund shares	Dividend	Total fund return, %	Benchmark return, %	Active risk 24 m, %
2021-12-31	-	30,11	405 364,47	-	24,77	18,72	12,19
2020-12-31	-	24,23	111 751,10	-	27,86	6,56	13,48
2019-12-31	-	18,95	402 791,51	-	0,32	6,78	11,78
2018-12-31	-	18,89	155 710,25	-	-15,29	-22,97	8,27
2017-12-31	-	22,30	199 940,70	-	25,85	38,00	9,29
2016-12-31	-	17,72	6 902,26	-	6,24	2,52	-
2015-12-31	-	16,68	6 902,26	-	-11,79 3)	-13,61 3)	-

Benchmark index: MSCI Frontier Markets xGCC Net Total Return Index (USD) 2013-04-02 - 2017-11-05, MSCI Frontier Markets xGCC IMI Net Total Return Index (USD) 2017-11-06 - 2019-04-30. Thereafter MSCI Frontier Markets xGCC Net Total Return Index (USD).

3) Refers to the period 2015-04-10 - 2015-12-31

Share class E, NOK

	AUM, SEK	NAV	No. of issued fund shares	Dividend	Total fund return, %	Benchmark return, %	Active risk 24 m, %
2021-12-31	-	275,05	0,64	-	27,73	22,02	12,19
2020-12-31	-	215,34	7 556,13	-	24,99	3,93	9,82
2019-12-31	-	172,28	367 434,32	-	2,23	8,50	11,63
2018-12-31	-	168,52	298 750,37	-	-10,74	-17,99	-
2017-12-31	-	188,80	254 101,95	-	20,47 4)	29,65 4)	-

Benchmark index: MSCI Frontier Markets xGCC Net Total Return Index (NOK) 2013-04-02 - 2017-11-05, MSCI Frontier Markets xGCC IMI Net Total Return Index (NOK) 2017-11-06 - 2019-04-30. Thereafter MSCI Frontier Markets xGCC Net Total Return Index (NOK).

4) Refers to the period 2017-01-05 - 2017-12-31

Share class F, EUR

	AUM, SEK	NAV	No. of issued fund shares	Dividend	Total fund return, %	Benchmark return, %	Active risk 24 m, %
2021-12-31	-	27,35	16 297,97	-	33,48	28,79	7,98
2020-12-31	-	20,49	98 932,72	-	17,62	-2,78	10,31
2019-12-31	-	17,42	71 143,83	-	2,53	9,19	12,37
2018-12-31	-	16,99	78 358,29	-	-11,69	-19,42	7,85
2017-12-31	-	19,24	48 281,83	-	10,57	20,96	8,17
2016-12-31	-	17,40	6 389,78	-	9,71	5,92	-
2015-12-31	-	15,86	6 389,78	-	1,34 5)	2,88 5)	-

Benchmark index: MSCI Frontier Markets xGCC Net Total Return Index (EUR) 2013-04-02 - 2017-11-05, MSCI Frontier Markets xGCC IMI Net Total Return Index (EUR) 2017-11-06 - 2019-04-30. Thereafter MSCI Frontier Markets xGCC Net Total Return Index (EUR).

5) Refers to the period 2015-10-16 - 2015-12-31

Share class Q, NOK

	AUM, SEK	NAV	No. of issued fund shares	Dividend	Total fund return, %	Benchmark return, %*	Active risk 24 m, % *
2021-12-31	-	172,77	648 643,39	-	29,14	22,02	-
2020-12-31	-	133,78	642 994,50	-	33,78 6)	16,53 6)	-

Benchmark index: MSCI Frontier Markets xGCC Net Total Return (NOK)

* Active risk is stated as the standard deviation for the variations in the difference in return between the fund and its benchmark index. The information is based on monthly data and refers to the last 24 months.

6) Refers to the period 2020-03-17 - 2020-12-31

Key performance indicators

Share class	A SEK	C EUR	D USD	E NOK	F EUR	Q NOK
Inception date	2013-04-02	2013-06-12	2015-04-10	2017-01-05	2015-10-16	2020-03-17

Risk & return

Standard deviation % ¹⁾	22,33	24,31	26,10	19,21	24,31	*
Standard deviation, benchmark, % ²⁾	21,13	23,08	23,93	17,20	23,08	*
Average annual return last two years, %	23,91	25,23	26,05	26,35	25,30	*
Average annual return last five years, %	11,17	9,49	11,19	11,94	9,47	*

Costs

Management fee, %	2,50	2,50	2,50	2,50	2,50	1,25
Performance fee, %	-	-	-	-	-	-
Transaction costs, SEK	3 838 116	160 204	99 956	901	35 215	221 537
Transaction costs, %	0,27	0,27	0,27	0,26	0,28	0,27
Research costs, SEK	615 922	23 252	16 660	103	5 051	35 950
Research costs, %	0,04	0,04	0,03	0,05	0,04	0,04
Ongoing charges, %	2,54	2,55	2,54	2,55	2,55	1,29
Subscription and redemption fees, %	none	none	none	none	none	none

Management fee

Single investment of SEK 10 000	298,34	290,76	276,71	278,35	145,51	145,51
Monthly investments of SEK 100 / month	18,17	17,89	17,31	17,28	17,89	9,14

Turnover

2021

Turnover	0,36
Trading with group companies	none

Benchmark index: MSCI Frontier Markets xGCC Net Total Return Index

* The share class was introduced 2020-03-17 and therefore lacks sufficient history

1) Standard deviation is defined as the standard deviation of the fund's return including any dividends. The calculation is based on monthly data during the past 24 months.

2) Standard deviation is defined as the standard deviation of the benchmark's total return. The calculation is based on monthly data during the past 24 months.

Income statement

<i>In SEK</i>	<i>Note</i>	<i>2021-01-01- 2021-12-31</i>	<i>2020-01-01- 2020-12-31</i>
Income and change in value			
Change in value, transferable securities		635 516 579	216 276 695
Interest		13 604	84 568
Dividends		46 145 170	43 888 782
FX gains and losses, net		2 492 132	-10 030 113
Other income		153 139	14
Total		684 320 624	250 219 946
Costs			
Management fees			
Fees to the management company		-47 875 233	-29 784 966
Interest		-59 732	-73 997
Other costs	2	-35 301 761	-22 196 094
Total		-83 236 726	-52 055 057
Net result		601 083 898	198 164 889

Balance sheet

<i>In SEK</i>	<i>Note</i>	<i>2021-12-31</i>	<i>2020-12-31</i>
Assets			
Transferable securities		2 182 767 401	1 622 079 072
Total	1	2 182 767 401	1 622 079 072
Bank accounts		128 983 913	73 749 991
Pre-paid expenses and accrued income	3	10 390 880	3 522 747
Other assets	4	-	60 574 819
Total		2 322 142 194	1 759 926 629
Liabilities			
Accrued expenses and prepaid income	5	38 881 129	19 880 478
Other liabilities	6	19 253 636	66 548 362
Total		58 134 765	86 428 840
Total net assets	1,7	2 264 007 429	1 673 497 789

Memorandum items

none

none

Accounting principles and valuation of financial instruments

Amounts stated are in number of SEK if nothing else stated.

Accounting principles

The fund applies the Mutual Funds Act, 2004:46 and the Financial Supervisory Authority's regulation of mutual funds (FFFS 2013:9) and applies the Swedish Investment Fund Association's guidelines.

Valuation principles

The financial instruments are valued at market value according to the following order.

1. Financial instruments traded on an active market will be valued on the closing price at closing day. If this is a bank holiday, the most recent trading day prior to the bank holiday will be used.
2. If the financial instrument is not traded on an active market, the market value is derived from information from similar transactions that have taken place under market conditions
3. Unless method 1 or 2 can be used, or are misleading, the market value is determined by a well-established valuation model.

Key performance indicators

The fund follows the Swedish Investment Fund Association's guidelines on key performance indicators.

Note on unlisted holdings

Since the Funds may invest in securities that are restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid, there is the possibility of a differential between the last available market prices for one or more of those securities and the latest indications of market values for those securities. The Funds have procedures, approved by the Board of Directors of the Company, to determine the fair value of individual securities and other assets for which market prices are not readily available (such as certain restricted or unlisted securities and private placements) or which may not be reliably priced. Some methods for valuing these securities may include: fundamental analysis (discounted cash flow etc), sum-of-the-parts and market prices derived from similar transactions. The application of fair value pricing procedures represents a good faith determination based upon specifically applied procedures. There can be no assurance that the Funds could obtain the fair value assigned to a security if they were able to sell the security at approximately the time at which the Funds determine its NAV. There is also a probability that the fair value assigned to these securities significantly underestimates the actual value of these securities.

In accordance with the UCITS regulation, the Fund may invest up to 10% in unlisted securities if these are to be listed within 12 months. Historically, a limited number of such investments have been carried out on behalf of the fund. Since 2018 however, no additional investments are made in unlisted securities. If unlisted securities are not listed within 12 months, the Fund should divest the securities in a way beneficial to the unitholders. Due to the nature of unlisted holdings, the process of selling those securities may be prolonged for a significant time.

Tundra Sustainable Frontier Fund held one position, Daewoo Express, as of December 31st 2021 whose listings/divestments has been delayed beyond the 12-month stipulated time period due to reasons outside the funds' control. The portfolio weight of this holding constituted 0.08% of the fund's net assets. Negotiations for divestment are ongoing but there are risks of significant further delays until the assets are either sold or listed. The Fund Company has gradually reduced the assigned valuation of the holding as repeated delays indicated the chances of a successful listing or divestment has gradually decreased. It should in particular be highlighted

that there are several layers of uncertainties. Even an agreed transaction between two parties could mean the realized value might not be possible to repatriate since Central bank approval of repatriation is needed and it is not certain that such approval is given. This risk has during 2018 increased significantly given significant strains on Pakistan's foreign currency reserves experienced during 2018.

In addition, it is further not unusual to see a transaction being contested within the Pakistani court system, sometimes due to legitimate concerns by a third party whose rights might be affected, sometimes as a form of blackmail. The structure of the Pakistani court system is such that even a perfectly legitimate transaction, through stay orders, can be delayed for several years and ultimately fail as a result of third party intervention. Such delays can meanwhile impact the financial viability of the company for example through non-availability of credits etc, which might eventually mean assumptions of financial forecasts are incorrect. These layers of uncertainty mean that absolute certainty of what value will be realized can only be achieved once funds are repatriated. Should the transaction be successful or should the company become listed it could however result in a positive one-time effect on the NAV of the fund. All factors taken into consideration, including best efforts of assuring an as correct valuation at all times, it is possible that the unit price of the fund at some point during the next 12 months may experience a one-time impact where the downside could be maximal the assigned valuation and the upside could be potentially even higher. We thus caution investors to take this into consideration before buying or selling fund units. As soon as the transaction is concluded we will update our website and in the monthly comments. It should also be emphasized that the weight in the NAV and hence also the impact on the NAV as a result of any future transaction or listing depends on the assets under management in the Fund and any future major redemption from the Fund may escalate the impact in a substantial manner.

Daewoo Express is the largest and one of the few organized transportation companies in Pakistan. The company offers intracity services as well as long-distance transportation throughout Pakistan. More information about the company: www.daewoo.com.pk.

The fund also has a small holding in the real estate company An Phu, which was obtained in 2013 through a dividend from a previous holding. It is thus not an active purchase.

Note 1 Financial instruments

The following financial instruments were held as of 2021-12-31.

Securities

Sector	No. of shares	Market value	Portion, %
Transferable securities			
Category 1			
AIRPORTS CORP OF, Vietnam, VND	2 253 300	77 912 417	3,44
HEMAS HOLDINGS PLC, Sri Lanka, LKR	4 001 928	11 978 155	0,53
REE, Vietnam, VND	3 548 403	104 218 731	4,60
Industrials		194 109 303	8,57
GB AUTO, Egypt, EGP	30 000 000	88 317 121	3,90
INTERLOOP LTD, Pakistan, PKR	11 669 590	43 600 692	1,93
MOBILE WORLD INVESTMENT GROUP, Vietnam, VND	420 750	24 314 029	1,07
Consumer discretionary		156 231 842	6,90
CARGILLS CEYLON ORD, Sri Lanka, LKR	3 797 770	36 573 487	1,62
CENTURY PACIFIC, Philippines, PHP	15 044 500	78 078 360	3,45
JUHAYNA FOOD INDUSTRIES, Egypt, EGP	9 692 658	42 801 382	1,89
MASAN GROUP CORP, Vietnam, VND	1 200 000	81 554 093	3,60
PUREGOLD PRICE CLUB, Philippines, PHP	11 000 000	76 702 989	3,39
SHEZAN INTL ORD, Pakistan, PKR	379 036	4 325 104	0,19
Consumer staples		320 035 415	14,14
ABBOTT LABORATORIES, Pakistan, PKR	801 250	29 080 199	1,28
ACTIVE FINE CHEMICAL, Bangladesh, BDT	7 458 000	20 118 883	0,89
AGP LTD/PK, Pakistan, PKR	5 506 700	27 452 474	1,21
ASIRI HOSPITALS, Sri Lanka, LKR	30 000 000	43 621 357	1,93
BEXIMCO-GDR REGS, Bangladesh, GBP	935 000	13 928 803	0,62
IBNSINA PHARMA S, Egypt, EGP	10 600 000	24 535 997	1,08
MEDIKALOKA HERMINA TBK PT, Indonesia, IDR	122 342 000	83 258 456	3,68
SQUARE PHAR ORD, Bangladesh, BDT	7 500 000	169 365 499	7,48
Health care		411 361 666	18,17
ACC BANK OF NIG ORD, Nigeria, NGN	120 000 000	23 399 245	1,03
ADAMJEE INSUR ORD, Pakistan, PKR	8 390 500	17 250 868	0,76
BRAC BANK LTD, Bangladesh, BDT	4 671 328	27 221 184	1,20
CEYLINCO INSURANCE-NON VOTIN, Sri Lanka, LKR	289 700	14 456 591	0,64
COL FINANCIAL, Philippines, PHP	40 000 000	29 453 380	1,30
GUARANTY TRUST HOLDING CO PL, Nigeria, NGN	30 000 000	16 266 855	0,72
JSC KASPI.KZ GDR-REG S, Kazakstan, USD	90 000	94 710 636	4,18
LETSHEGO, Botswana, BWP	21 369 785	23 103 081	1,02
MEEZAN BANK, Pakistan, PKR	19 616 047	135 218 394	5,97
NATIONAL BANK OF PAKISTAN, Pakistan, PKR	41 398 000	73 411 073	3,24
SAMPATH BANK ORD, Sri Lanka, LKR	9 600 000	22 377 085	0,99
STANBIC IBTC HOLDING, Nigeria, NGN	17 418 927	13 586 325	0,60
ZENITH INTL BANK ORD, Nigeria, NGN	40 000 000	20 980 072	0,93
Financials		511 434 790	22,59
FPT CORP, Vietnam, VND	4 300 000	170 043 463	7,51

HIGHTECH PAYMENT, Morocco, MAD	8 250	54 850 909	2,42
SYSTEMS LTD, Pakistan, PKR	4 913 360	191 895 088	8,48
Information technology		416 789 459	18,41
MEDIA NUSANTARA, Indonesia, IDR	199 247 100	114 052 160	5,04
Communication services		114 052 160	5,04
WINDFORCE PLC, Sri Lanka, LKR	70 000 000	56 998 573	2,52
Power supply		56 998 573	2,52
Total Category 1		2 181 013 210	96,33
Category 7			
DAEWOO PAK EXPRESS, Pakistan, PKR	8 292 000	1 747 456	0,08
Consumer discretionary		1 747 456	0,08
AN PHU REAL ESTATE, Vietnam, VND	16 946	6 735	0,00
Real estate		6 735	0,00
Total Category 7		1 754 191	0,08
Total transferable securities		2 182 767 401	96,41
Total securities		2 182 767 401	96,41
Other assets and liabilities		81 240 028	3,59
Total net assets		2 264 007 429	100,00

The fund's holdings of securities have been classified into the following categories:

1. Transferable securities admitted on a regulated market or an equivalent market outside the EEA.
2. Other financial instruments trading on a regulated market or an equivalent market outside the EEA.
3. Transferable securities that are the subject of regular trading in other markets that are regulated and open to the public.
4. Other financial instruments that are regularly traded on any other market that is regulated and open to the public.
5. Transferable securities within one year from the issue are being admitted to trading on a regulated market or an equivalent market outside the EEA.
6. Transferable securities within one year from the issue will become subject to regular trading on any other market.
7. Other financial instruments.

Note 2 Other costs

	<i>2021-01-01- 2021-12-31</i>	<i>2020-01-01- 2020-12-31</i>
Transaction costs main bank	111 800	236 075
Bank fees	3 571	148 952
Other fees	28 201	795
Capital gains tax	12 688 909	20 354 284
Foreign tax, transferable securities	17 528 215	-2 701 907
Broker costs	4 419 282	3 722 145
Analysis cost	521 783	435 750
Total	35 301 761	22 196 094

Note 3 Accrued expenses and prepaid income

	<i>2021-12-31</i>	<i>2020-12-31</i>
Accrued dividends	7 769 934	3 515 704
Deferred foreign tax, transferable securities	2 620 946	-
Deferred taxes	-	7 043
Total	10 390 880	3 522 747

Note 4 Other assets

	<i>2021-12-31</i>	<i>2020-12-31</i>
Unsettles sold securities	-	60 574 819
Total	-	60 574 819

Note 5 Accrued expenses and prepaid income

	<i>2021-12-31</i>	<i>2020-12-31</i>
Accrued taxes	33 273 348	20 091 704
Accrued management fees	4 594 368	3 376 423
Accrued analysis costs	133 768	125 454
Accrued foreign coupon tax	879 569	357 014
Accrued foreign tax, transferable securities	-	-4 070 362
Other	76	245
Total	38 881 129	19 880 478

Note 6 Other liabilities

	<i>2021-12-31</i>	<i>2020-12-31</i>
Unregistered subscriptions	14 300 961	60 609 921
Accrued redemptions	4 952 675	5 938 441
Total	19 253 636	66 548 362

Note 7 Change in net assets

	<i>2021-01-01- 2021-12-31</i>	<i>2020-01-01- 2020-12-31</i>
Net assets at the start of the year	1 673 497 789	1 306 761 367
	1 673 497 789	1 306 761 367
Share class A SEK		
Issued fund units	458 245 265	230 358 307
Redeemed fund units	-455 555 799	-297 674 307
		-
Total	2 689 466	-67 316 000
Share class C EUR		
Issued fund units	388 140	58 259 012
Redeemed fund units	-62 700 653	-11 032 697
Total	-62 312 513	47 226 315
Share class D USD		
Issued fund units	173 092 778	82 122 565
Redeemed fund units	-101 480 863	-147 156 375
Total	71 611 915	-65 033 810
Share class E NOK		
Issued fund units	-	2 790 509
Redeemed fund units	-1 700 313	-57 341 683
Total	-1 700 313	-54 551 174
Share class F EUR		
Issued fund units	25 099 277	38 963 333
Redeemed fund units	-45 853 168	-33 263 015
Total	-20 753 891	5 700 318
Share class Q NOK		
Issued fund units	22 045 120	69 460 037
Redeemed fund units	-22 154 163	-8 266 364
Total	-109 043	61 193 673

Addition through merger	121	241 352 211
Net result according to the income statement	601 083 898	198 164 889

Net assets at year end	2 264 007 429	1 673 497 789
-------------------------------	----------------------	----------------------

Remuneration

Remuneration and benefits to employees have been calculated based on the Company's principles which has been approved by the Board of Directors.

The Board of Directors of the Company has established a remuneration policy that covers all employees of the fund company, which has been updated to be adapted to current regulations. The last update of the policy was made in March 2022, when variable remuneration was removed. Review that the application of the fund company's remuneration system in accordance with the remuneration policy has been carried out by the compliance function. The audit has shown that compensation has been calculated and paid in accordance with the remuneration policy and no deviations have occurred. The results of the review have been reported to the Board.

Please refer to the Company's website for the current remuneration policy:

<https://www.tundrafonder.se/en/compliance-2/>

Remuneration paid to employees in 2021	Amount	No. of employees
Fixed remuneration	3 665 048	8
Variable remuneration for employees included in the number of employees and not classified as specially regulated staff	0	0
Total remuneration and number of employees	3 665 048	8
Remuneration paid to specially regulated staff 2021		
a) employees in senior strategic positions	1 484 375	2,5
b) employees in charge of control functions. Control functions are outsourced	0	0
c) risktakers	984 405	2,5
d) employees whose total remuneration amounts to, or exceeds, the total remuneration of someone in the executive management.	0	0

The risk function has been outsourced to ISEC Services (org.no 556542-2853), which the Company refers to regarding remuneration to risk function employees.

Sustainability Information Tundra Sustainable Frontier Fund

By managing and integrating environmental, social and corporate governance factors (“ESGs”) into investment decisions, Tundra can actively influence the companies invested in its impact on environmental and social factors. Tundra's overall process and commitment to integrate all four areas of sustainability - human rights, labor law, environment and anti-corruption - into the investment process and active ownership aims to create long-term sustainable development.

Transparency on the integration of sustainability risks, on the promotion of environmental or social characteristics, and on sustainable investment

The fund promotes, among other things, environmental and/or social characteristics in accordance with Article 8 of the EU Regulation on Sustainability Information (SFDR). These characteristics have been met to the following extent for the reference period 10 March 2021 to 31 December 2021:

Monitoring our sustainability work

Sustainability plays a central role in the management of the Tundra Sustainable Frontier Fund. Our approach is based on a systematic scientific basis. Within the framework of our investment analysis, we take equal account of aspects relating to the environment, social responsibility and corporate governance. We also consider factors that can pose both risks and opportunities in specific regions and sectors. Through our internal ESG Rating System, we interact with our portfolio companies on a continuous basis. Once a company has been selected to the fund, an ESG questionnaire is sent to the person responsible for sustainability in the portfolio company. The questionnaire includes general background questions about sustainability, as well as more specific questions concerning the sector to which the company belongs, as well as detailed questions about the business when applicable. The companies' information combined with internal analysis forms the basis for an overall ESG rating that is assigned to each company. The companies are then divided into three overall categories where the highest rating is **Green (Fern)**, followed by **Blue (Pale Blue Sky)** and finally **Brown (Charcoal)**. When special issues arise, forms are followed up with meetings, online and/or on-site. All companies that have responded to Tundra's questionnaire receive a detailed summary of their scores and suggestions for improvement. The results are presented at group level in our annual sustainability reports. Link to previous reports can be found here: <https://www.tundrafonder.se/en/sustainable-2/>

Tundra's sustainability work also includes its own analysis and local collaborations within the framework of TURN | Tundra Research Network, a platform for projects through collaboration with international networks in Tundra's focus countries. In 2021, Covid-19 has meant that most projects have been postponed. However, the construction of the network has continued and new projects are planned for 2022. Despite the circumstances, Tundra has participated in projects that will be completed in 2021. Some examples are: We have been able to digitally participate at UN Global Compacts Uniting Business Live, SDG Ambition program, UN Global Compact Leaders Summit 2021, European SDG Summit for climate and a just transition. During the year we have also participated in panel discussions with our expertise. We also signed UN Global Compacts initiative Business Action to eliminate Child Labor.

In accordance with new regulations regarding sustainability information according to the Disclosure Regulation, (Sustainable Finance Disclosure Regulation (SFDR) EU 2019/2088) is reported here according to the requirements that apply to a fund that "promotes and environmental and social characteristics" (Article 8). This framework will be applied until the delegated acts supplementing the Regulation are available. A more basic review of the sustainability work is provided in the fund's annual sustainability report (English only) on Tundra's website (<https://www.tundrafonder.se/en/sustainable-2/>).

The fund has selected

Our fund is actively managed. Prior to each potential investment, we make an analysis of the company concerned with an assessment of future growth conditions and what we believe is a long-term stable level of earnings. Together with an assessment of the company's future growth opportunities, we establish a long-term reasonable valuation of the company and its share. The company's operations and how they conduct these operations from a sustainability perspective are crucial components for future success in our opinion, which is why we see the sustainability analysis as an integral part of our company analysis. Investing in well-run companies that have a positive impact on the communities in which they operate is a fundamental prerequisite for our investments.

Frontier markets are of particular importance in contributing to the reduction of the world's carbon dioxide emissions, but a transition to renewable alternatives requires capital. One of Tundra Fonder's environmental goals is thus to stimulate and support the development of the markets in which we invest. An example of such an investment is our portfolio company Windforce - the largest independent power producer in the renewable energy production sector in Sri Lanka, but also owns renewable energy centers in other low-income and low-income countries. The company's main goal is to lead the world away from burning fossil fuels and facilitate the normalization of clean energy production

The fund has deselected

The company's ESG process is governed by international standards for responsible investment. The process has a detailed screening process for sustainability. As part of our due diligence of potential investments, an ESG assessment is made. The conclusions from our internal assessment are further screened separately by our sustainability consultant Sustainalytics. The company's ESG process is governed by international standards for responsible investment. These include screening for "norm-based" violations, "controversial weapons" and prerequisite for our investments.

- **Norm-based violations.** This includes screening for violations of the UNGC - the Guiding Principles on Enterprise and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration on Principles for Multinational Enterprises and Social Policy. During this screening, companies' compliance with international standards for human rights, the environment, labor standards and anti-corruption is evaluated.
- **Controversial weapons.** During this screening, a company's involvement with forbidden or banned weapons is evaluated. There is no tolerance for these weapons. Companies participating in controversial weapons are automatically excluded from the fund.
- **Sector-based violations.** The sector-specific screening includes the exclusion of certain sectors in the fund. These are summarized as: alcohol, pornography, tobacco, weapons, games, fossil fuels and/or GMOs. However, if the total revenue from a product from one of these sectors does not exceed 5%, the company may still be eligible for the sustainable fund.

Following an investment idea, a preliminary screening is carried out and after confirmation that the future company does not belong to any excluded sectors, the investment decision can be made. There is a border system that prevents the acquisition of holdings in exclusion sectors. The company's ESG team then performs a detailed analysis of the company to verify and ensure compliance with international standards. A complete list of companies is also shared with Sustainalytics, the Company's external ESG advisor, quarterly. In the event of

a breach, a dialogue is established with the company. A violation of controversial weapons or a violation of the sector leads to an immediate sale. If the breach is norm-based, in violation of international guidelines, the ESG team will create and implement a 12-month engagement strategy to work with the business management to ensure their willingness to address the issue/issues. Engagement takes the form of interviews, discussions and responses to quantitative data sets. If the company does not want to cooperate, the company will be sold immediately.

In 2021, we had a dialogue with the portfolio company ElSewedy (Egypt) regarding their role as a contractor for the Rufiji Hydropower Project; a major hydropower dam project in the Selous Game Reserve (World Heritage site, Tanzania). The project was deemed to be in violation of Principle 7 under the Global Compact ("Support the precautionary principle regarding environmental risks"). Our involvement with the company included collaboration with non-governmental organizations in the environmental field, external consultants and experts. Tundra Fonder's focus was on obtaining sufficient decision-making information and determining the extent to which we can alleviate negative effects from the project; especially with regard to the environment, biodiversity and endangered species. In accordance with our internal rule of 12 months' commitment limit regarding companies that are deemed to violate international standards, we had until August 2021 to try to achieve a positive change. In May 2021, however, we were forced to state that the respective restrictions of the parties involved would make it impossible to achieve a positive result within the framework of our internal guidelines, and we thus divested the holding.

The fund management company has advocated

Tundra strives to maintain good communication with all portfolio companies through meetings, site visits, conferences, our ESG questionnaire and other forms of communication. Through our internal ESG rating system, we can see how companies position themselves in various relevant aspects of sustainability. In general, our investments should be seen as long-term, and our starting point is to exert influence rather than sell.

For the Tundra Sustainable Frontier Fund, a systematic analysis is carried out of all companies regarding a number of different markers for ESG. By sending feedback to all companies in the fund, we have deepened our dialogue with many companies and laid the foundation for a more open and constructive dialogue.

Tundra's ambition is to integrate the global goals (Sustainable Development Goals SDGs) into our operations and stand as ambassadors to drive that work towards other players, including our portfolio companies. For the past three years, we have deepened our commitment to include more in-depth analyzes, where we refer to analyzes of the portfolio at a more detailed level.

A priority for Tundra Fonder is gender equality. Ensuring that everyone has the same opportunities for work and good living conditions is particularly important in regions that are characterized by unequal conditions. Financial participation for both men and women together with equal leadership opportunities is central to that work. Therefore, female representation on the board and in management is an integral part of our analysis.

In connection with the dialogue with ElSewedy, Tundra Fonder also acted to ensure better access to information for the non-governmental organizations in the environmental field and the external sustainability consultants to base their assessment on. Our efforts in the dialogue have been highlighted by other partners, and are also mentioned in the report that was published on the topic from the current NGO.

Active ownership and commitment

Tundra votes at general meetings, but it is only considered to be one of several contributing aspects of the advocacy work.

The company's ownership policy can be found at <https://www.tundrafonder.se/en/compliance-2/>