



ANNUAL REPORT

TUNDRA SUSTAINABLE FRONTIER FUND

515602-4803

PERIOD

2022-01-01 - 2022-12-31

Management report

The Board of Directors and the CEO of Tundra Fonder AB, 556838-6303, hereby submit the Annual report for the period 2022-01-01 - 2022-12-31 for Tundra Sustainable Frontier Fund, 515602-4803.

The broader context

The fund's performance

Tundra Sustainable Frontier Fund decreased by 10.58% (SEK) in 2022, outperforming the benchmark index which decreased by 20.59% in the same period.

The fund's net assets development

Assets under management on December 31st, 2022 amounted to 1,975.0 million, which represents a decrease of SEK 289 million compared to 2,264.0 million on December 31st, 2021.

The value of issued fund shares for share class A amounted to SEK 207.7million, SEK 1.1 million for share class C, SEK 114.9 million for share class D, SEK 0 for share class E, SEK 11.0 million for share class F, and SEK 12.3 million for share class Q while the value of redeemed fund shares for share class A amounted to SEK -295.5 million, SEK -5.9 million for share class C, SEK -78.1 million for share class D, SEK 0 for share class E, SEK -9.6 million for share class F, and SEK -20.2 million for share class Q.

The net issued amount hence amounted to SEK -87.7 million for share class A, SEK -4.8 million for share class C, SEK +36.9 million for share class D, SEK 0 for share class E, SEK +1.4 million for share class F, and SEK -7.8 million for share class Q.

Market development

The market sentiment for equities was very poor for most of the year, weighed by rising commodity prices, rising inflation, rising interest rates, and Russia's invasion of Ukraine. Riskier markets clearly underperformed markets perceived as safer and MSCI World index hence fell only 5.9% (in SEK) compared to MSCI Emerging Markets Index -7.3% and MSCI Frontier Markets x GCC falling 19.7%. So, while 2021 closed with many markets near year-high with more upbeat signals coming from decreasing global COVID-related restrictions and hopes of increasing trade and tourism revenue as well as ignoring, what many perceived as transitory, the inflation, 2022 turned out to be very different. Most of the year has been about trying to gauge the effects of earlier mentioned commodity prices on inflation (and the painful realization that it wasn't transitory at all), currency reactions to worse Balance of Payments, and economic impact from central banks rate hikes to counter those effects as well as the impact from Russia's war in Ukraine.

With less willingness to take risks, it's not hard to understand why our markets underperformed. Add that their economies are also more vulnerable to economic shocks at a macro level, with less reserves to counter economic swings with, and also fewer stable institutions lacking efficient resources to handle bumps in the road combined with an unstable political environment. The rising commodity prices put a strain on most of our countries' balance of payments (since they are net importers), which puts pressure on the currencies further exacerbated by the general USD strength.

Global markets are now slowly adjusting to the new environment, and the longer-term effects of decreased spending power by consumers in developed markets still waiting to be seen, emerging and frontier consumers have adjusted more quickly as they have lived through cycles like these more recently.

Fund management and outlook

Tundra Sustainable Frontier Fund closed the year 10.6% (in SEK) lower than it started, almost 10%-points ahead of the MSCI Frontier Markets x GCC Index which fell 20,6%. 2022 is the eighth year out of ten where the fund has outperformed the benchmark, and since its inception in April 2013 the fund has returned 152.8% return (net of fees) compared to the benchmark 54.9%.

The reason for the continued outperformance lies within our core strategy to invest in companies that over time have shown the ability to be growing and profitable.

The following key criteria must be met for us to invest:

- 1) Honest owners and a strong management
- 2) Production of goods or services that are in structural growth (will constitute a larger part of the economy in the future than today) and
- 3) Companies that positively impact the society in which they operate.

The last factor is the basis of our sustainability analysis, and it is far from as altruistic as it may sound. Companies that manufacture necessary goods and services with the least possible negative impact on the environment and people, who are growing and respected employers, and who are good taxpayers, run a significantly lower risk of being subject to negative government measures (change in taxations, import tariffs for crucial input goods, etc.). After risks associated with corporate governance, state governance risks to companies' operations are the greatest that is associated with investments in our markets. If you invest in businesses subject to structural growth and are diligent about corporate governance risks as well as state governance risks, you have a fair chance to reap the benefits of the higher forecasted growth across our markets over the coming decades.

So, while our markets might be looked at as very risky, the companies we own wouldn't be if you didn't know where they operate. Profits are expected to decline by 15% in USD in 2022 (after rising 31% in 2021), and markets are estimating profits to grow by 33.9% in local currency terms in 2023, which translates into +15% in USD when taking further depreciation into account. At the same time, many of our companies are trading at decade-low valuations. That makes us optimistic about the outlook for the fund, and while we believe the first 6 months of 2023 will still be tough, we see the second half of the year to be more positive as inflation and rates start coming down again.

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, and 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

Risks to the global economy remain high and Russia's invasion of Ukraine has continued impact on commodity prices and global trade. Rising inflation and thus higher interest rates may also affect the economic development in 2023. Uncertainty is still high in the fund's markets. Most of the countries' currencies are relatively highly correlated (pegged) to the US dollar, and major movements against the US dollar can thus significantly affect returns. The lower liquidity in our markets can in a negative scenario mean greater declines given the difficulty of divesting during periods of concern.

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, %
2022-12-31	1 974 951 002	-	8 051 745,42	-	-	-	-
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, %
2022-12-31	-	252,76	6 677 028,57	-	-10,58	-20,59	9,76
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, %
2022-12-31	-	22,58	177 450,19	-	-17,53	-26,53	9,71
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, %
2022-12-31	-	23,45	574 441,13	-	-22,12	-30,77	9,55
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, %
2022-12-31	-	238,51	0,64	-	-13,28	-22,87	9,76
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, %
2022-12-31	-	22,57	19 876,42	-	-17,48	-26,53	9,71
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, % *
2022-12-31	-	151,47	602 948,48	-	-12,33	-22,87	9,77
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⁾	14,76	13,86	13,12	15,81	13,85	15,82
Standard deviation, benchmark, % ²⁾	12,23	14,04	14,64	12,48	14,04	12,48
Average annual return last two years, %	10,58	4,95	-1,62	5,24	4,95	6,41
Average annual return last five years, %	6,03	3,25	1,01	*	3,24	*

Costs

Management fee, %	2,50	2,50	2,50	2,50	2,50	1,25
Performance fee, %	-	-	-	-	-	-
Transaction costs, SEK	796 565	21 185	47 731	-	3 762	48 338
Transaction costs, %	0,15	0,15	0,14	-	0,16	0,15
Research costs, SEK	357 972	9 590	23 572	-	1 700	21 392
Research costs, %	0,02	0,02	0,02	-	0,02	0,02
Ongoing charges, %	2,52	2,52	2,52	2,50	2,52	1,27
Subscription and redemption fees, %	none	none	none	none	none	none

Management fee

(In share class currency)

Single investment of SEK 10 000	237,50	229,18	211,77	214,77	229,23	116,56
Monthly investments of SEK 100 / month	15,45	17,33	14,81	14,25	15,23	7,75

Turnover

2022

Turnover	0,10
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.

Balance sheet

<i>In SEK</i>	<i>Note</i>	<i>2022-12-31</i>	<i>2021-12-31</i>
Assets			
Transferable securities		1 904 986 147	2 182 767 401
Total	1	1 904 986 147	2 182 767 401
Bank accounts		81 241 779	128 983 913
Pre-paid expenses and accrued income	2	7 950 350	10 390 880
Other assets		6 251 071	-
Total		2 000 429 347	2 322 142 194
Liabilities			
Accrued expenses and prepaid income	3	23 996 674	38 881 130
Other liabilities	4	1 481 671	19 253 635
Total		25 478 345	58 134 765
Total net assets	1,7	1 974 951 002	2 264 007 429

Income statement

<i>In SEK</i>	<i>Note</i>	<i>2022-01-01- 2022-12-31</i>	<i>2021-01-01- 2021-12-31</i>
Income and change in value			
Change in value, transferable securities		-241 715 589	635 516 579
Interest		643 417	13 604
Dividends		50 904 095	46 145 170
FX gains and losses, net		11 866 670	2 492 132
Other income	5	18 249 980	153 139
Total		-160 051 427	684 320 624
Costs			
Management fees			
Fees to the management company		-51 632 477	-47 875 233
Interest		-30 950	-59 732
Other costs	6	-15 244 744	-35 301 761
Total		-66 908 171	-83 236 726
Net result		-226 959 598	601 083 898
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, including derivatives, are valued at market value according to the following order.

1. The financial instrument that trades on an active market must be valued at the latest price paid on the balance sheet date, if it is not a trading day, the last trading day before the balance sheet date is 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.

About unlisted holdings

Då fonden kan investera i värdepapper där handeln har begränsats, i onoterade värdepapper eller i Since the Fund 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 Fund 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 Fund could obtain the fair value assigned to a security if they were able to sell the security at approximately the time at which the Fund 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 some 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, 2022 whose listings/divestments have been delayed beyond the 12-month stipulated time period due to reasons outside the Fund's 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 Management Company has gradually reduced the assigned valuation of the holding as repeated delays indicated the chances of a successful listing or divestment have 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 2022 increased significantly given the significant strains on Pakistan's foreign currency reserves experienced during 2022. 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 to assuring a 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 any transaction is concluded we will update our website and in the monthly updates. 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 intra-city services as well as long-distance transportation throughout Pakistan. More information about the company: www.daewoo.com.pk

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	84 117 413	4,26
HEMAS HOLDINGS PLC, Sri Lanka, LKR	4 001 928	6 406 877	0,32
REE, Vietnam, VND	4 304 245	139 788 462	7,08
Industrials		230 312 752	11,66
CAIRO INVESTMENT & REAL ESTATE, Egypt, EGP	10 375 425	56 808 573	2,88
GB AUTO, Egypt, EGP	33 000 000	74 775 762	3,79
INTERLOOP LTD, Pakistan, PKR	12 136 373	31 557 422	1,60
MOBILE WORLD INVESTMENT GROUP, Vietnam, VND	2 515 500	50 948 750	2,58
Consumer discretionary		214 090 507	10,84
CARGILLS CEYLON ORD, Sri Lanka, LKR	3 797 770	25 306 511	1,28
CENTURY PACIFIC, Philippines, PHP	18 795 000	91 178 785	4,62
JUHAYNA FOOD INDUSTRIES, Egypt, EGP	9 692 658	39 965 956	2,02
MASAN GROUP CORP, Vietnam, VND	1 440 000	59 093 807	2,99
PUREGOLD PRICE CLUB, Philippines, PHP	11 000 000	72 185 485	3,66
SHEZAN INTL ORD, Pakistan, PKR	379 036	2 677 514	0,14
Consumer staples		290 408 058	14,70
ABBOTT LABORATORIES, Pakistan, PKR	801 250	17 039 326	0,86
ACTIVE FINE CHEMICAL, Bangladesh, BDT	639 303	1 247 555	0,06
AGP LTD/PK, Pakistan, PKR	5 506 700	16 426 712	0,83
ASIRI HOSPITALS, Sri Lanka, LKR	30 000 000	21 885 294	1,11
BEXIMCO-GDR REGS, Bangladesh, GBP	935 000	6 364 113	0,32
MEDIKALOKA HERMINA TBK PT, Indonesia, IDR	85 497 300	88 687 806	4,49
SQUARE PHAR ORD, Bangladesh, BDT	7 111 393	150 853 648	7,64
Health care		302 504 454	15,32
ACCESS HOLDINGS, Nigeria, NGN	120 000 000	23 048 464	1,17
ADAMJEE INSUR ORD, Pakistan, PKR	8 390 500	11 130 082	0,56
BRAC BANK LTD, Bangladesh, BDT	5 021 677	19 548 127	0,99
CEYLINCO INSURANCE-NON VOTIN, Sri Lanka, LKR	289 700	8 443 280	0,43
COL FINANCIAL, Philippines, PHP	40 000 000	24 143 309	1,22
GUARANTY TRUST HOLDING CO PL, Nigeria, NGN	30 000 000	15 591 608	0,79
JSC KASPI.KZ GDR-REG S, Kazakhstan, USD	90 000	67 106 111	3,40
LETSHEGO, Botswana, BWP	21 369 785	21 834 391	1,11
MEEZAN BANK, Pakistan, PKR	14 840 532	67 804 699	3,43
NATIONAL BANK OF PAKISTAN, Pakistan, PKR	41 398 000	44 653 953	2,26
SAMPATH BANK ORD, Sri Lanka, LKR	9 600 000	9 319 559	0,47
STANBIC IBTC HOLDING, Nigeria, NGN	17 418 927	12 477 353	0,63
ZENITH INTL BANK ORD, Nigeria, NGN	40 000 000	21 692 672	1,10
Financials		346 793 607	17,56
FPT CORP, Vietnam, VND	4 440 000	161 046 510	8,15

HIGHTECH PAYMENT, Morocco, MAD	8 250	53 572 087	2,71
SYSTEMS LTD, Pakistan, PKR	7 888 984	173 085 887	8,76
Information technology		387 704 483	19,63
MEDIA NUSANTARA, Indonesia, IDR	205 547 100	101 794 166	5,15
Communication services		101 794 166	5,15
WINDFORCE PLC, Sri Lanka, LKR	70 500 000	29 817 649	1,51
Power supply		29 817 649	1,51
Total Category 1		1 903 425 675	96,38
Category 3			
DAEWOO PAK EXPRESS, Pakistan, PKR	8 292 000	1 560 471	0,08
Consumer discretionary		1 560 471	0,08
Total Category 3		1 560 471	0,08
Total transferable securities		1 904 986 147	96,46
Total securities		1 904 986 147	96,46
Other assets and liabilities		69 964 855	3,54
Total net assets		1 974 951 002	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 that is regulated and open to the public.
7. Other financial instruments.

Note 2 Accrued expenses and prepaid income

	2022-12-31	2021-12-31
Accrued dividends	7 950 350	7 769 934
Deferred foreign tax, transferable securities	-	2 620 946
Total	7 950 350	10 390 880

Not 3 Accrued expenses and prepaid income

2022-12-31 2021-12-31

Accrued taxes	14 411 310	33 273 348
Accrued management fees	4 086 461	4 594 368
Accrued analysis costs	99 912	133 768
Accrued foreign coupon tax	1 129 141	879 569
Accrued foreign tax, transferable securities	4 269 832	
Other	18	76

Total	23 996 674	38 881 129
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Not 4 Other liabilities

<i>2022-12-31</i>	<i>2021-12-31</i>
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Unsettled bought securities	-	14 300 960
Accrued redemptions	1 481 671	4 952 675

Total	1 481 671	19 253 635
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Note 5 Other income

<i>2022-01-01-</i>	<i>2021-01-01-</i>
<i>2022-12-31</i>	<i>2021-12-31</i>

Preliminary income tax	18 249 980	-
Other income	-	153 139

Note 6 Other costs

<i>2022-01-01-</i>	<i>2021-01-01-</i>
<i>2022-12-31</i>	<i>2021-12-31</i>

Transaction costs main bank	53 500	111 800
Bank fees	1 670	3 571
Other fees	30	28 201
Capital gains tax	-	12 688 909
Foreign tax, transferable securities	13 911 087	17 528 215
Broker costs	864 231	4 419 282
Analysis cost	414 226	521 783

Total	15 244 744	35 301 761
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Note 7 Change in net assets

<i>2022-01-01-</i>	<i>2021-01-01-</i>
<i>2022-12-31</i>	<i>2021-12-31</i>

Net assets at the start of the year	2 264 007 429	1 673 497 789
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Share class A SEK

Issued fund units	207 735 712	458 245 265
Redeemed fund units	-295 469 169	-455 555 799

Total	-87 733 457	2 689 466
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Share class C EUR

Issued fund units	1 082 929	388 140
Redeemed fund units	-5 874 771	-62 700 653

Total	-4 791 842	-62 312 513
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Share class D USD

Issued fund units	114 932 171	173 092 778
Redeemed fund units	-78 072 714	-101 480 863

Total	36 859 457	71 611 915
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Share class E NOK

Issued fund units	-	-
Redeemed fund units	-	-1 700 313

Total	-	-1 700 313
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Share class F EUR

Issued fund units	11 043 128	25 099 277
Redeemed fund units	-9 645 999	-45 853 168

Total	1 397 129	-20 753 891
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Share class Q NOK

Issued fund units	12 336 566	22 045 120
Redeemed fund units	-20 164 682	-22 154 163

Total	-7 828 116	-109 043
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Addition through merger	-	121
Net result according to the income statement	-226 959 598	601 083 898

Net assets at year end	1 974 951 002	2 264 007 429
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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 December 2022. 1 March 2022 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:
<http://www.tundrafonder.se/compliance/>

Remuneration paid to employees in 2022	Amount	No. of employees
Fixed remuneration	4 447 655	7
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	4 447 655	7
Remuneration paid to specially regulated staff 2022		
a) employees in senior strategic positions	2 007 610	2.5
b) employees in charge of control functions. Control functions are outsourced	0	0
c) risktakers	1 326 721	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.

ANNEX III

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Tundra Sustainable Frontier Fund

Legal entity identifier: 5493001VIJ7104PULK29

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents sustainable investments]*

☒ ☒ ☐ **Yes**

☐ It made **sustainable investments with an environmental objective: ____%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It made **sustainable investments with a social objective: ____%**

☒ ☐ ☒ **No**

☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 68% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

During the past year, on average of 96.2% of portfolio companies fulfilled the basic requirements as stated in the Fund's internal ESG system (Tundra ESG Spectrum). In order to obtain this acceptable level in the system, companies need to be compliant with the

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

sector exclusion criteria for the Fund and they also need to fulfil criteria set for good corporate governance, and environmental and social characteristics.

In addition to these basic criteria, 67.7% of the Fund was composed of sustainable investments as defined by the Fund, i.e. companies whose operations clearly support one of the UN Sustainable Development Goals (SDGs) that the Fund has identified as sector-specific.

Characteristics that were promoted during the year include: responsible production and consumption, responsible management of water, measures to reduce climate impact, gender equality in company boards and management teams, equal treatment of employees, and contributions to countries increased economic integration globally.

The Fund Management Company's sustainable investments during the year supported, among other things, the expansion of renewable energy, the expansion of private health care to relieve the burden on state healthcare, increased access to affordable medicines, increased access to credit for individuals and companies, and increased access to education.

● **How did the sustainability indicators perform?**

Environment-related indicators*

Companies operating in fossil fuels (Indicator 4) accounted for 0% of the fund during the period.

Social indicators*

Cases of identified breaches of the UN Global Compact and the OECD Guidelines for Multinational Enterprises (Indicator 10) was 0% of the Fund during the period.

The average number of women expressed as a percentage of board members was 14.7% for the Fund as a whole (Indicator 13).

Exposure to controversial weapons (Indicator 14) accounted for 0% of the fund.

Since the Fund invests exclusively in emerging markets and frontier markets that are not covered by the European regulatory framework SFDR, reliable data on other relevant indicators are currently lacking. The Fund's ambition is to expand the number of indicators reported by requesting this information directly from the companies. To achieve this, the Fund will use an external platform for data collection, Worldfavor - a web-based system where portfolio companies can see what data is requested, report the data that is possible to produce and gradually improve their reporting over time. The data requested include aspects of both environmental and social indicators (PAI indicators). The Fund Management Company will have an ongoing dialogue with the companies to promote improved reporting.

**All shares expressed as percentages for environmental and social indicators are calculated as portfolio-weighted quarterly.*

● ...and compared to previous periods?

N/A

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The Fund Management Company has defined sustainable investments as investments in companies that meet the following requirements; i) does not violate the Fund's sector exclusions, ii) meets approved level of fulfillment in Tundra ESG Spectrum iii) conducts a business whose turnover to more than 50% supports one or more of the UN Sustainable Development Goals (SDGs) that are assessed as sector-specific, or where a majority of the company's investments are directed towards activities that support one or more of the UN Sustainable Development Goals (SDGs) that are assessed as sector-specific in the Fund's markets:

Environmental goals: *SDG6 (Clean water and sanitation), SDG7 (Affordable and clean energy), SDG11 (Sustainable cities and communities), SDG14 (Life below water) and SDG15 (Life on Land).*

Social goals: *SDG1 (No poverty), SDG2 (Zero hunger), SDG3 (Good health and well-being), SDG4 (Quality education), SDG8 (Decent work and economic growth), SDG9 (Industry, innovation and infrastructure) and SDG17 (Partnerships for the goals).*

During the past year, the Fund owned a total of 28 companies that supported sector-specific SDGs and were classified as sustainable investments. Examples of these were:

– *Sri Lankan portfolio company **Windforce** develops renewable energy in Sri Lanka, Pakistan, Ukraine and Uganda. A majority of the company's turnover can be attributed to SDG7 (Affordable and clean energy), directly linked to the following targets: 7.1 (Access to modern energy for all), 7.2 (Increase the share of renewable energy in the world), 7A (Make research and technology available and invest in clean energy), 7B (Expand and improve energy infrastructure in developing countries).*

– *Indonesian portfolio company **Hermina Hospitals** is a private healthcare company with special expertise in maternity care. A majority of the company's sales are focused on SDG3 (Good health and well-being), with direct links to the following sub-goals: 3.1 (Reduce maternal mortality), 3.2 (End preventable deaths among children under 5 years of age), 3.4 (Reduce the number of deaths due to non-communicable diseases and promote mental health), and 3.8 (Accessible healthcare for all).*

– *Egyptian portfolio company **Cairo Investment & Real Estate Development Company** offers education in private form in both primary and secondary schools. A majority of the company's turnover can be attributed to SDG4 (Quality education), directly linked to the following sub-goals: 4.2 (Equal access to quality early childhood*

education), 4.3 (Equal access to vocational education and training and quality higher education).

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The Fund's sustainable investments did not cause any significant harm since the companies that were selected did not exceed the maximum criteria set by the Fund Management Company to measure Principal Adverse Impact, alternatively the companies clearly counteracted an indicator without taking action to correct such damage within 12 months from when the Fund Management Company brought this to the company's attention. The fund was screened quarterly by an external consultant (Sustainalytics), to ensure that no holding caused significant harm to any of the sustainability indicators. The results have been presented above.*

How were the indicators for adverse impacts on sustainability factors taken into account?

The Fund has excluded investments in companies that are in violation of Indicator 4 (exposure to fossil fuels), Indicator 10 (Violation of the UN Global Compact and OECD guidelines for multinational enterprises) and Indicator 14 (Exposure to controversial weapons). As for Indicator 13 (Gender equality of the Board of Directors), the Fund's markets are in most cases significantly behind developed markets regarding important long-term factors such as gender equality in general, women's education, and thus women's participation in business. To achieve change, the Fund Management Company has conducted an active dialogue with the portfolio companies to eventually achieve the long-term goal of 50% female representation, with 25% as the first interim goal.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. The Fund Management Company is a signatory to the UN Global Compact and has agreed not to hold investments that are in violation of the ten principles. Continuous analysis has been in place to secure compliance. Screening by external consultants, which includes the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, has been done quarterly. The fund company's internal ESG analysis includes portfolio companies' treatment of workers, including union problems, workers' salaries and equal treatment. Furthermore, environmental risks, the strive for improvement in terms of environmental impact and the development of environmentally friendly technologies have been assessed.

*** Criteria for significant harm:**

Indicator 10: no violations are accepted; Indicator 14: 0% of turnover; Indicator 4: 5% of turnover; Indicator 13: the value of the indicator is decreasing, while the company does not express an ambition to improve it in the long term.

[Include a statement for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The principal adverse impact factors (so-called PAIs) are considered by the fund. Currently, relevant data are only available for Indicator 4 (exposure to companies operating in the fossil fuel sector), Indicator 10 (Violation of the UN Global Compact and OECD Guidelines for Multinational Enterprises), Indicator 13 (Gender Equality of the Board of Directors) and Indicator 14 (Exposure to controversial weapons).

During the period, the above factors were measured quarterly through an external consultant, and continuously through the internal analysis. For Indicators 4, 10 and 14, no exposure in the fund was detected at any point. Thus, no action was taken. With regard to Indicator 13 (Gender equality of the Board of Directors), the Fund's markets are in most cases not as advanced as developed markets in terms of important long-term factors such as gender equality in general, but also women's education and thus women's participation in business. To achieve change, the fund company has conducted an active dialogue with the portfolio companies to eventually achieve the long-term goal of 50% female representation, with 25% as the first interim goal.



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
FPT CORP	Information Technology	8,46%	Vietnam
SYSTEMS LTD	Information Technology	8,02%	Pakistan
SQUARE PHAR ORD	Health Care	7,96%	Bangladesh
REE	Industrials	6,44%	Vietnam
MEDIA NUSANTARA	Communication Services	5,98%	Indonesia
MEDIKALOKA HERMI	Health Care	4,66%	Indonesia
MEEZAN BANK	Financials	4,10%	Pakistan
AIRPORTS CORP OF	Industrials	4,00%	Vietnam
CENTURY PACIFIC	Consumer Staples	3,83%	Philippines
MOBILE WORLD	Consumer Discretionary	3,51%	Vietnam
MASAN GROUP CORP	Consumer Staples	3,24%	Vietnam
PUREGOLD PRICE CLUB	Consumer Staples	3,22%	Philippines
GB AUTO	Consumer Discretionary	3,11%	Egypt
NATL BK PAKISTAN	Financials	2,66%	Pakistan
CAIRO INVESTMENT	Consumer Discretionary	2,60%	Egypt

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

2022-01.01-
2022.12.31

Data shows the average portfolio weight (quarterly) during 2022.



What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

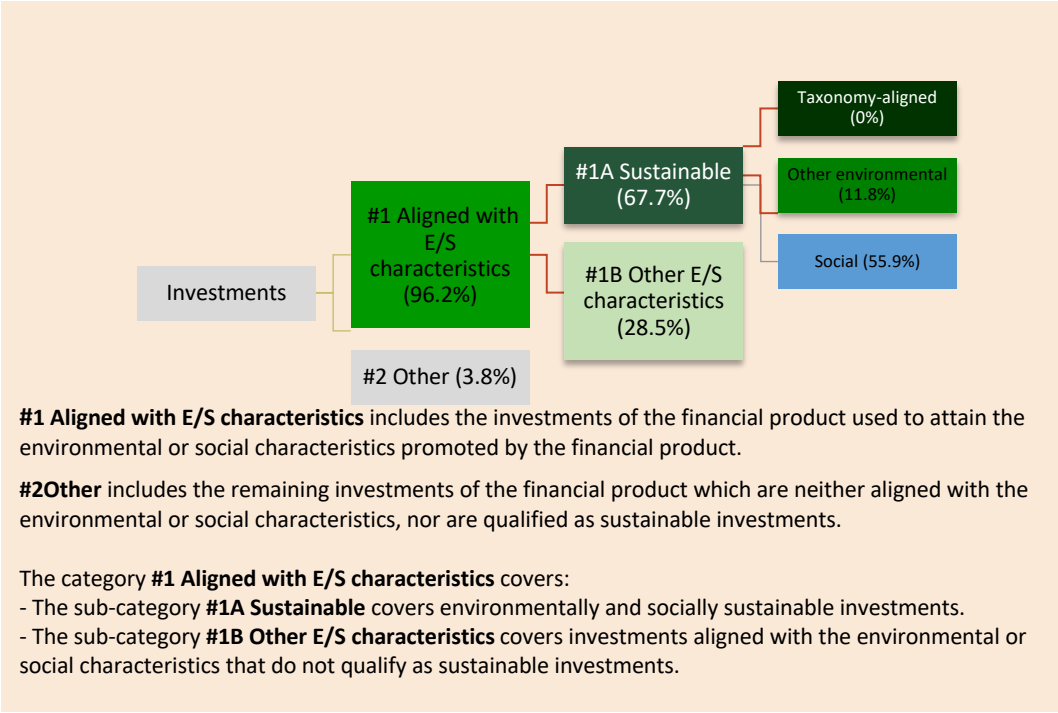
● What was the asset allocation?

Data shows the average portfolio weight (quarterly) for 2022. The share of sustainability-related investments during the period averaged 96.2%. (This refers to companies that promote and/or are sustainable investments).

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

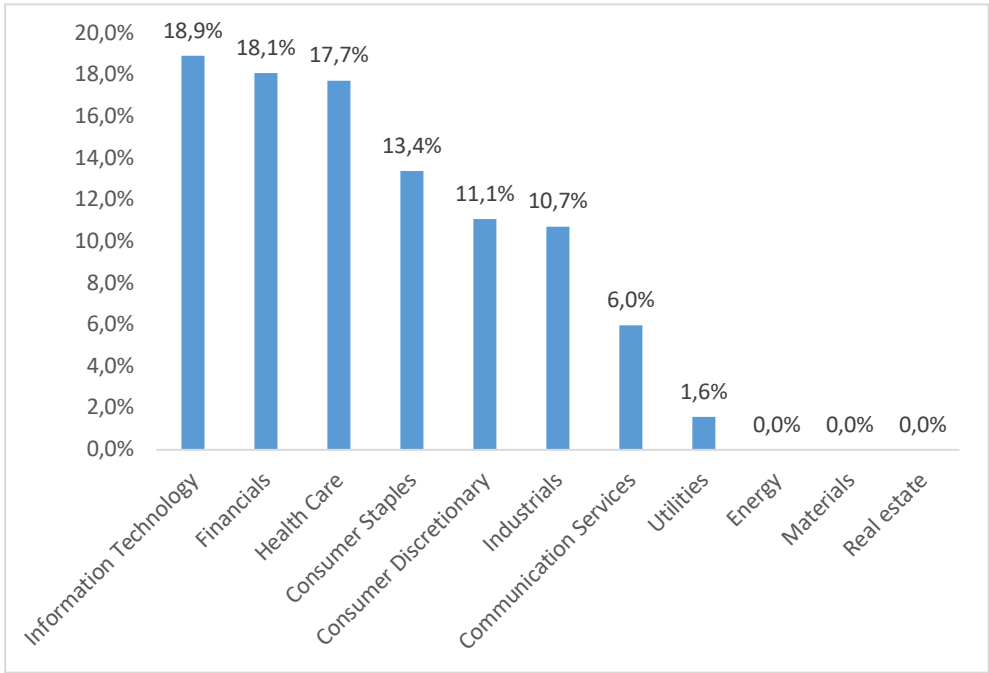
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



● **In which economic sectors were the investments made?**

Data shows the average portfolio weight (quarterly) in 2022.





To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-aligned activities are expressed as a share of:

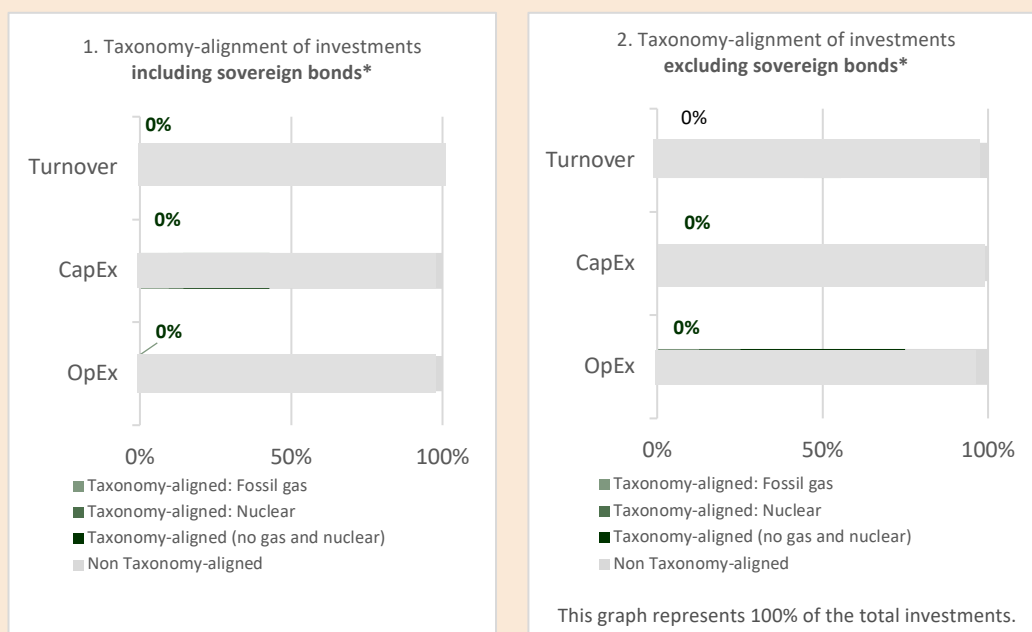
- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

0% of the sustainable investments in the Fund were compliant with the requirements of the EU taxonomy. The sectors and underlying activities identified in the EU taxonomy are described as of most environmental benefit if the activities are carried out in an environmentally sustainable manner. The reason why the Fund has invested in economic activities other than environmentally sustainable economic activities under the EU taxonomy is that the Fund does not primarily focus on geographical areas covered by the EU taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

The financial product does not invest in fossil gas and/or nuclear-related activities.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- **What was the share of investments made in transitional and enabling activities?**

N/A

- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

N/A



- **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

11.8% of the fund's assets consisted of companies that were deemed sustainable with an environmental objective that was not compatible with the EU taxonomy.



- **What was the share of socially sustainable investments?**

55.9% of fund assets were sustainable investments with social characteristics



- **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The cash needed in management, as well as holdings under disposal, are included in the item.



- **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

*The fund has **excluded** companies that have contributed negatively to the following characteristics:*

Environment-related characteristics:

- Companies whose turnover to more than 5% (in some cases 0%) comes from:
 - Fossil fuels (oil, gas, coal) (extraction 5%)
 - Uranium (extraction 5%)
 - Genetically modified organisms (GMOs) (5%)

Social characteristics:

- Companies with ongoing Violations of the UN Global Agreement and the OECD Guidelines for Multinational Enterprises and that have not initiated action to do so within 12 months of notification from the Fund Management Company.
- Companies whose turnover to more than 5% (in some cases 0%) comes from:
 - Cluster bombs, anti-personnel mines, chemical and biological weapons, nuclear weapons (Production/Distribution 0%)
 - Other weapons and/or war equipment (Production/Distribution 5%)
 - Alcohol (Production/Distribution 5%)

- Tobacco (Production 0%/Distribution 5%)
- Commercial gaming (Production/Distribution 5%)
- Pornography (Production 0%/Distribution 5%)

The financial product has also promoted environmental and social characteristics by investing in companies whose operations are considered to have a long-term positive impact on the society in which they are conducted. The assessment is based on an evaluation using Tundra's internal ESG system (Tundra ESG Spectrum). The system consists of 58 measurement points, divided into environmental, social and governance characteristics, where the company must achieve a minimum goal fulfillment in each sub-section in order to qualify as investable.

The fund has conducted active engagement with all portfolio companies where all companies have been given access to the external platform Worldfavor, which is a web-based system where portfolio companies can see what data is requested and report the data that is possible to produce and gradually improve their reporting over time. Among the data requested, data for all indicators according to SFDR (the so-called PAI indicators) have been included. During the year, the fund management company arranged a seminar where all portfolio companies were invited to be trained in how to use the system. The Fund Management Company has maintained an ongoing dialogue with the companies to promote improved reporting.



How did this financial product perform compared to the reference benchmark?

The Fund has not used a benchmark to measure its environmental and/or social promotion characteristics.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Signatures

Stockholm 2023-

Carl Anders Östring
Chairman of the Board/Board Member

Simon Norenius
CEO

Mattias Martinsson
Board member/deputy CEO

Göran Lindholm
Board Member

Cecilia Seddigh
Board Member

Our audit report was issued on 2023-
Öhrlings PricewaterhouseCoopers AB

Anders Carlsson
Chartered Accountant