

TUNDRA SUSTAINABLE FRONTIER FUND

MONTHLY UPDATE
MARCH 2021



FUND PERFORMANCE

The fund fell 0.6% in USD during the month (+2.6% in EUR), compared to MSCI FMxGCC Net TR (USD) which rose 0.3% (EUR: +3.6%) and MSCI EM Net TR (USD) which fell 1.5% (EUR: +1.7%). In both absolute and relative returns, most of the returns came from our two largest markets, Pakistan and Vietnam, where sub-portfolios rose by around 3% each. Primary negative contributions were received from our positions in Morocco, Egypt and Bangladesh as well as lack of holdings in Kazakhstan and Romania. Among individual holdings, Pakistani Systems, Vietnamese Lien Viet Postal Bank and Pakistani Meezan Bank made the largest positive contribution. The largest negative contribution was received from Indonesian Media Nusantara, Bangladeshi Square Pharmaceuticals and Moroccan Hightech Payment Systems. No holdings were sold or added during the month. During the month, we participated in our first Sri Lankan IPO. We have subscribed for shares in Windforce which is the leading renewable player in Sri Lanka, and one of few listed alternatives within the frontier universe. The company is currently active in wind power (7 plants), solar power (10 plants) and hydropower (10 plants). In addition to Sri Lanka, facilities are also operated in Uganda, Pakistan and Ukraine. At our meetings, we were impressed by both the strong ownership base with a number of Sri Lanka's most reputable companies on the list of owners, and we were very impressed by the company management that has taken the company to its current position over the past ten years. The company meets all three of our basic criteria - Structural growth, strong corporate culture and management as well as clear societal benefits - with flying colours. The company is listed on a P/E multiple of 7x, which we consider to be very attractive given the nature of the business and growth opportunities in the future. The IPO attracted a lot of attention and were oversubscribed 8x and will list later in April. We look forward to following the company as shareholders on their continued journey.

PICTURE 1 & 2: 10MW VIDATAMUNAI WIND PARK & 18 MW HARAPPA SOLAR PARK



Source: Company

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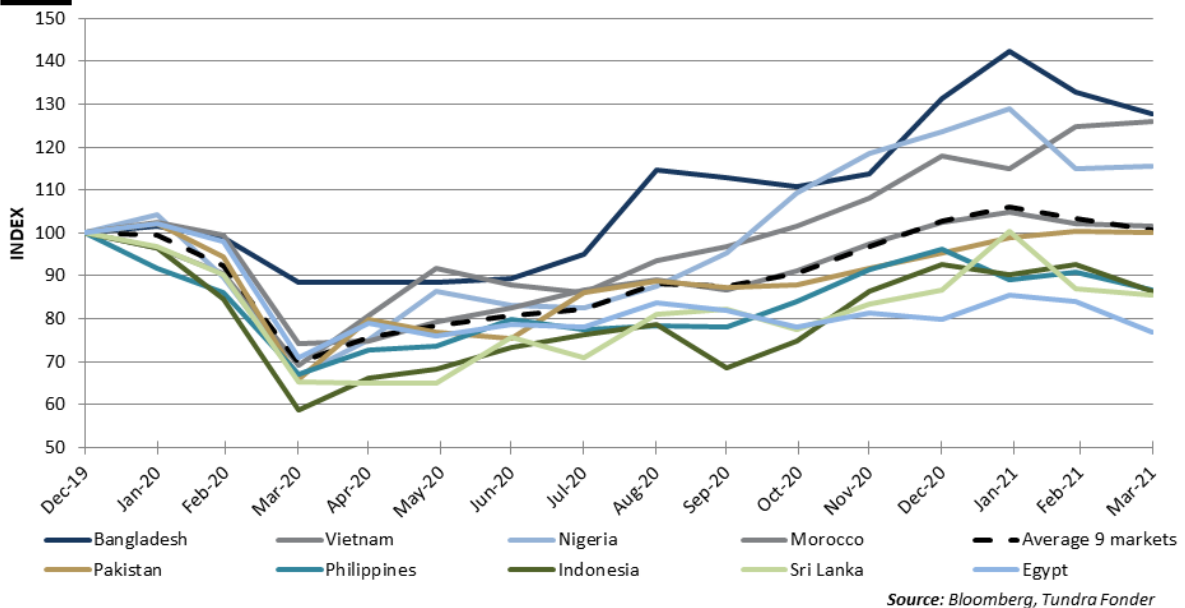
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MARKET NEWS

MSCI FMxGCC Net TR (USD) rose 0.3% during the month (EUR: +3.6%), compared to MSCI EM Net TR (USD) which fell 1.5% (EUR: +1.7%) and MSCI World Net TR (USD) which rose 3.3% (EUR: +6.7%). The US dollar strengthened just over 3% against the EUR during the month. The only index market that also rose in USD was Kazakhstan, where the index rose 7% in USD. The weakest development was noted in Bangladesh, which fell by almost 7% (USD). In the Tundra universe, which also includes some smaller emerging markets, Egypt (-10% in USD) and Indonesia (-7% in USD) also declined during the month. As can be seen in Figure 1 below, most of our markets have now undergone two months of consolidation following the strong recovery that began in the spring of 2020.



FIGURE 1: TWO MONTHS CORRECTION FOLLOWS TEN MONTHS RECOVERY



There are sound explanations for this. Expectations of a stronger world economy have led to rising commodity prices, which in turn has led to rising inflation, which in turn has affected long-term interest rates worldwide. The US 10-year yield rose during the month from about 1.4% to 1.7% at the end of the month and the average ten-year interest rate in Tundra's nine largest markets rose from 7.72% to 7.84%. A partial explanation for the relatively muted reaction of bond yields in our markets is the second partial explanation for the recent consolidation - Most of the economies in our countries continue to have quite extensive restrictions in place and the vaccination rate is much slower than in the richer countries of the world. During March, we saw how Pakistan, the Philippines and Bangladesh increased restrictions to reduce the spread of infection and other markets are nervous too. Given that our countries do not have the monetary resources in the form of stimulus packages that can be used, like in the US or Europe, they react more to negative news about the spread of infection. Essentially, this is logical, i.e. "bad news is also bad news for the stock markets". Not like in the western world where bad news rather is seen as good news, as the stock markets are primarily driven by hopes of continued stimulus packages. In our view, this leads to rather sober expectations in our markets, where none of our countries are expected to return to a normal growth rate as early as 2021, but increasingly investors' focus is shifting towards 2022 and onwards. This may sound pessimistic, but it will probably also mean that the central banks, whose only weapon is the interest rate level, will be careful to raise rates too quickly. This may provide

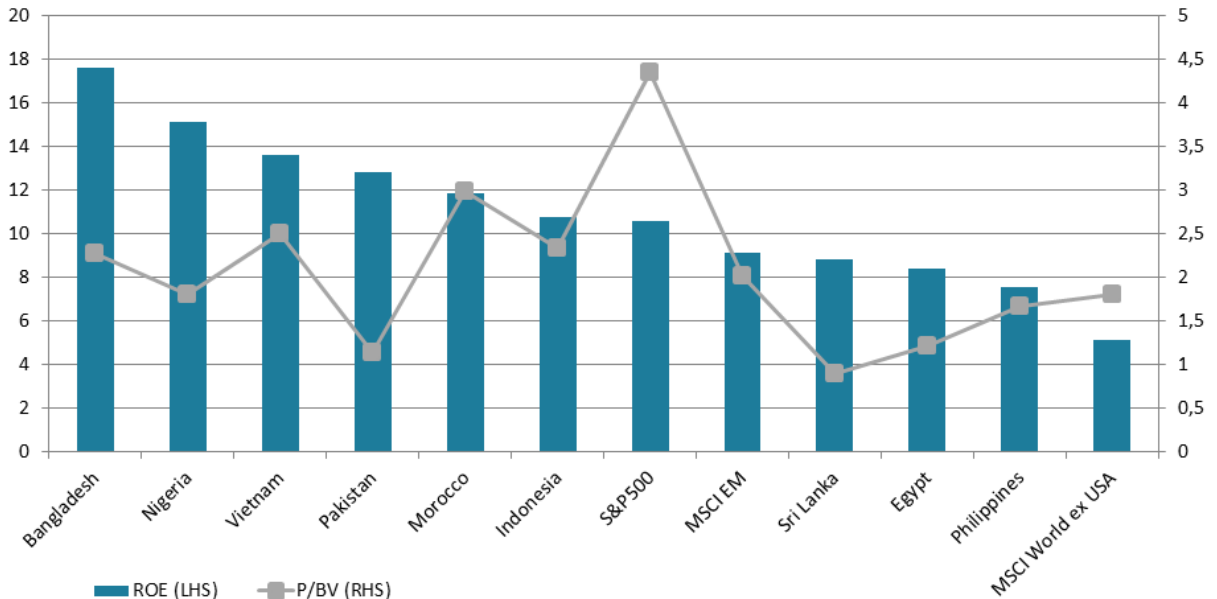
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support to the stock markets. From a valuation perspective, most of our markets look very cheap compared to global equities in general and the United States in particular (see Figure 2).



FIGURE 2: ROE & P/BV IN SELECTED MARKETS



Source: Bloomberg, Tundra Fonder

Experienced investors know that 8-12% per year is a normal stock market return over time, not 15-20% as has been the case in the US in recent years. For those who still believe that the stock market is the right place to be invested, frontier markets and smaller emerging markets thus look like a good alternative from a risk-reward perspective.

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ABOUT THE FUND

Tundra Sustainable Frontier Fund focuses on the next generation of emerging markets such as Vietnam, Bangladesh, Sri Lanka, Pakistan, Egypt and Nigeria. Featuring strong population growth, rapid urbanisation, investments in infrastructure, growing middle classes and stabilising political environments, a vast majority of international investors are yet to discover these markets.

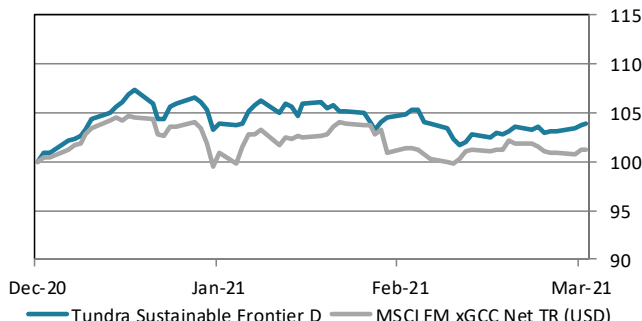
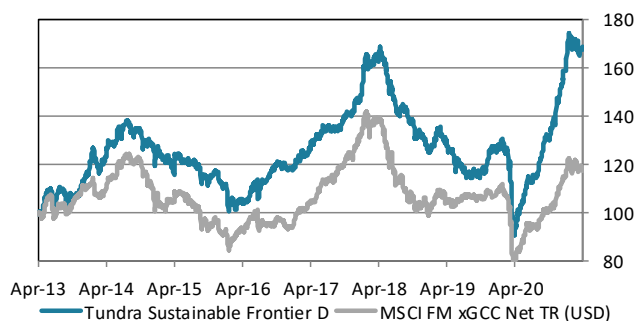
The fund is managed according to Tundra's active stock picking philosophy and backed by local research offices in Asia. Investments are based on an ESG approach where each investment has to comply with the UN Global Compact with regards to human rights, labour rights, corporate governance and environmental impacts. The fund is registered in Sweden and is fully UCITS compliant. Read more about latest developments [here](#).

Return*	NAV(USD)	1 month	YTD	1 year	3 year	Inception
Tundra Sustainable Frontier D	26.03	-0.6%	3.8%	84.9%	2.3%	68.8%
Benchmark	736.27	0.3%	1.3%	49.0%	-14.7%	18.4%

* Fund returns calculated on SEK class converted to USD in order to provide the longest possible data set.

The fund vs benchmark (since inception)

The fund vs benchmark (YTD)



Fund monthly performance

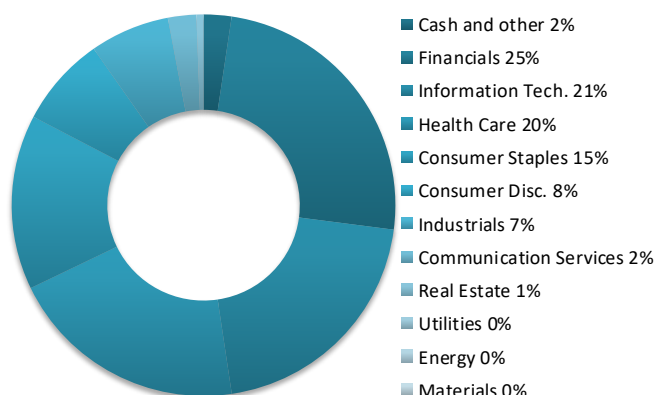
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013				2.8%	6.6%	-6.2%	6.2%	-4.6%	1.7%	2.3%	3.9%	5.5%	16.9%
2014	2.4%	-2.3%	4.0%	4.4%	3.8%	0.9%	1.3%	-2.5%	0.1%	-3.4%	-0.6%	-1.7%	7.9%
2015	-3.1%	-0.5%	-2.8%	4.4%	-1.6%	-0.7%	-1.4%	-3.0%	-3.4%	4.3%	-2.7%	-1.6%	-11.8%
2016	-5.8%	-2.3%	1.7%	1.1%	4.5%	-0.2%	2.8%	4.1%	2.0%	-1.3%	-0.7%	0.4%	6.3%
2017	2.5%	2.1%	3.0%	2.5%	2.2%	1.8%	-0.8%	0.7%	3.1%	0.6%	4.5%	1.2%	25.9%
2018	10.1%	-1.4%	2.2%	-0.7%	-8.2%	-2.4%	-2.1%	-1.0%	-2.2%	-4.2%	-2.2%	-3.6%	-15.6%
2019	3.5%	1.6%	-2.0%	-2.6%	-3.7%	-2.8%	-1.0%	0.0%	-0.4%	1.7%	7.9%	-0.4%	0.9%
2020	0.3%	-6.9%	-23.0%	12.8%	6.4%	3.2%	3.1%	8.4%	3.7%	4.6%	10.3%	7.6%	28.2%
2021	4.0%	0.5%	-0.6%										3.8%

Source: Bloomberg, MSCI, Tundra Fonder

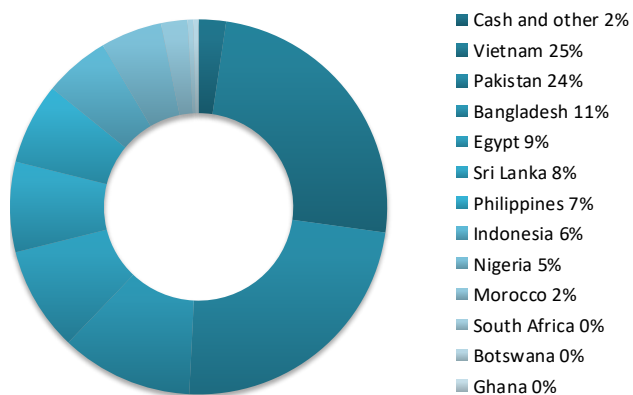
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Sector allocation



Country allocation



Largest holdings	Portfolio weight	Country	P/E 20E	P/E 21E	Yield	Return 1M (USD)
Systems Ltd	9.7%	Pakistan	29.2	20.9	0.8%	7.8%
FPT Corp	8.6%	Vietnam	18.0	15.5	2.5%	1.7%
Square Phar Ltd-Ord	6.5%	Bangladesh	12.9	-	-	-8.4%
Meezan Bank Ltd	5.0%	Pakistan	6.9	7.8	6.4%	10.0%
Lien Viet Post Bank JSC	4.9%	Vietnam	11.4	9.9	-	17.7%
Ree	4.2%	Vietnam	11.1	9.1	3.1%	-7.5%
Medikaloka Hermina TBK	3.2%	Indonesia	37.9	30.9	0.4%	9.3%
Masan Group Corp	3.1%	Vietnam	100.0	43.3	0.5%	2.2%
Puregold Price Club	3.0%	Philippines	15.6	14.7	1.1%	6.5%
Century Pacific Food	2.4%	Philippines	16.3	14.9	1.5%	2.9%

Best performers in March	Return (USD)	Worst performers in March	Return (USD)
Stanbic IBTC Holdings Plc	29.0%	Unilever Ghana Ltd	-18.9%
Lien Viet Post Bank JSC	17.7%	Ibnsina Pharma SAE	-18.2%
Meezan Bank Ltd	10.0%	Media Nusantara	-17.0%
Medikaloka Hermina TBK	9.3%	Hightech Payment	-14.6%
Kido Group Corp	8.7%	Obour Land For Food Ind	-14.5%

Facts		Risks and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	10.1%
Pricing	Daily	Active share	92.6%
Manager	Tundra Fonder AB	Standard deviation	23.8%
Benchmark index	MSCI FM xGCC Net TR (USD)	Standard deviation, benchmark	19.8%
ISIN	SE0005222346	Beta	1.09
Bloomberg	TUNDFRU SS	Information ratio	0.83
IBAN	SE4750000000058648209552	Holdings	47
BIC	ESSESESS	Risk level	5 of 7 (refer to KIID for more info)
Custodian	SEB	Management fee/year	2.5%
Auditor	PWC	AuM	204.8 MUSD
Share classes currencies	SEK, USD, EUR, NOK	Dividend	No dividend

* Risk indicators are based on monthly rolling 24 months of return data.

Source: Bloomberg, MSCI, Tundra Fonder

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