



ANNUAL REPORT

TUNDRA SUSTAINABLE FRONTIER FUND

515602-4803

JANUARY 1, 2020 – DECEMBER 31, 2020



Management report

The Board of Directors and the CEO of Tundra Fonder AB, 556838-6303, hereby submit the Annual report for the period 2020-01-01 - 2020-12-31 31 for Tundra Sustainable Frontier Fund, 515602-4803.

The broader context

The fund's performance

Tundra Sustainable Frontier Fund rose by 12.43% in 2020, outperforming the benchmark index which fell by 7.01% in the same period.

The fund's net assets development

Assets under management on December 31st 2020 amounted to SEK 1 673.5 million, which represents an increase of SEK 366.7 million compared to SEK 1 306.8 million on December 31st 2019.

The value of issued fund shares for share class A amounted to SEK 230.4 million, SEK 58.3 million for share class C, SEK 82.1 million for share class D, SEK 2.8 million for share class E, SEK 39.0 million for share class F, and SEK 69.5 million for share class Q while the value of redeemed fund shares for share class A amounted to SEK -297.7million, SEK -11.0 million for share class C, SEK -147.2 million for share class D, SEK -57.3 million for share class E, SEK -33.3 million for share class F, and SEK -8.3 million for share class Q.

The net issued amount hence amounted to SEK -67.3 million for share class A, SEK 47,2 million for share class C, SEK -65.0 million for share class D, SEK -54,6 million for share class E, SEK 5.7 million for share class F, and SEK 61.2 million for share class Q

Market development

After a promising start to the year, frontier markets fell sharply in the wake of the COVID-19 pandemic. The bottom was reached at the end of March, after which we saw a strong recovery. Less dramatic local restrictions meant that the effect on the economies was somewhat smaller than expected. Remittances that were expected to fall, instead rose in most markets. Most countries did not have the opportunity to implement the extensive shutdowns we saw in e.g. Europe, which meant that their exports were not hit as hard as expected. Interest rate cuts meant a rotation from the bond market to the stock market for local investors. The US dollar weakened significantly against the Swedish Krona during the year, which negatively affected the performance, calculated in Swedish Krona.

Fund management and outlook

The fund rose by 12.43% in 2020, better than the benchmark index which fell 7.01%. Positive contributions were received primarily from the fund's two largest markets, Pakistan and Vietnam, where successful stock-picking paid off well. However, our stock selection also generally worked well. Only in Nigeria did our sub-portfolio perform worse than the underlying equity market.

The lower interest rates may, if they stay for some time, mean continued inflows into the equity markets of frontier markets which remain undervalued from a historical perspective. The Presidential election result in the USA may also mean a less negative view of emerging markets from foreign investors going forward. This may lead to increased inflows to emerging markets and, with some delay, frontier markets.

The merger, where our four funds became one, was carried out in September and proceeded without complications.

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 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

Assuming that we do not see serious mutations in the COVID-19 virus, the ongoing vaccinations should gradually reduce fears globally and we should see a gradual return to a more normal business climate. Based on available information, it is likely that emerging markets and frontier markets will have less access to vaccines in 2021, which may mean that their recovery process will be longer than in some developed equity markets. The currencies of most countries are relatively strongly correlated with the US dollar. In 2020, we saw a significant weakening of the dollar against most other currencies. A continued weakening of the US dollar may thus have a negative effect on returns.

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 2020. 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, %
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, %
2020-12-31		206,70	7 006 235,97	-	12,43	-7,01
2019-12-31	-	183,84	6 055 521,90	-	6,42	12,95
2018-12-31	-	172,75	8 205 814,31	-	-8,43	-16,85
2017-12-31	-	188,65	5 080 492,27	-	13,50	24,98
2016-12-31	-	166,21	2 439 445,94	-	14,55	10,61
2015-12-31	-	145,10	2 178 908,18	-	-4,51	-6,83
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	NAV	No. of issued fund shares	Dividend	Total fund return, %	Benchmark return, %
2020-12-31	-	20,50	478 411,37	-	17,41	-2,78
2019-12-31	-	17,46	226 227,25	-	2,52	9,19
2018-12-31	-	17,03	254 462,12	-	-11,49	-19,42
2017-12-31	-	19,24	186 633,35	-	10,57	20,96
2016-12-31	-	17,40	188 378,80	-	9,71	5,92
2015-12-31	-	15,86	187 189,64	-	-1,49	-4,20

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, %
2020-12-31	-	24,23	111 751,10	-	27,86	6,56
2019-12-31	-	18,95	402 791,51	-	0,32	6,78
2018-12-31	-	18,89	155 710,25	-	-15,29	-22,97
2017-12-31	-	22,30	199 940,70	-	25,85	38,00
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, %
2020-12-31	-	215,34	7 556,13	-	24,99	3,93
2019-12-31	-	172,28	367 434,32	-	2,23	8,50
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, %
2020-12-31	-	20,49	98 932,72	-	17,62	-2,78
2019-12-31	-	17,42	71 143,83	-	2,53	9,19
2018-12-31	-	16,99	78 358,29	-	-11,69	-19,42
2017-12-31	-	19,24	48 281,83	-	10,57	20,96
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) from till 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, %
2020-12-31	-	133,78	642 994,50	-	33,78	16,53 ⁶⁾

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

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⁾	22,75	25,14	26,89	19,47	25,13	*
Standard deviation, benchmark, % ²⁾	21,16	22,77	23,20	16,85	22,77	*
Tracking error % ³⁾	9,85	10,31	13,48	9,82	10,31	*
Average annual return last 2 years, %						
Average annual return last 5 years, %	9,39	9,72	13,26	13,04	9,82	*
Standard deviation % ¹⁾						
Standard deviation, benchmark, % ²⁾	7,33	5,27	7,75	8,30	5,26	*

Costs

Management fee, %	2,50	2,50	2,50	2,50	2,50	1,25
Performance fee, %	-	-	-	-	-	-
Transaction costs, SEK	3 427 097	141 617	109 427	47 834	33 463	194 924
Transaction costs, %	0,33	0,33	0,33	0,33	0,33	0,33
Research costs, SEK	494 759	20 785	16 096	6 507	5 055	24 949
Research costs, %	0,05	0,05	0,05	0,04	0,05	0,04
Ongoing charges, %	2,57	2,57	2,56	2,55	2,57	*
Subscription and redemption fees, %	-	-	-	-	-	-

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

Management fee

Single investment of SEK 10 000	236,59	236,39	238,35	246,62	236,70	-
Monthly investments of SEK 100 / month	17,07	17,12	17,31	16,56	17,13	-

Turnover

2020

Turnover	0,39
Trading with group companies	-

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.

³⁾ Tracking error is defined as the standard deviation of the difference in return between the fund and the benchmark. The calculation is based on monthly data during the past 24 months.

Benchmark index:

As of 2019-05-01: MSCI Frontier Markets xGCC Net Total Return Index

As of 2017-11-06: MSCI Frontier Markets xGCC IMI Net Total Return Index

As of 2013-04-02: MSCI Frontier Markets xGCC

Income statement

<i>In SEK</i>	<i>Note</i>	<i>2020-01-01- 2020-12-31</i>	<i>2019-01-01- 2019-12-31</i>
Income and change in value			
Change in value, transferable securities		216 276 695	79 368 433
Interest		84 568	288 727
Dividends		43 888 782	48 104 957
FX gains and losses, net		-10 030 113	5 591 334
Other income		14	16
Total		250 219 946	133 353 467
Costs			
Management fees			
Fees to the management company		-29 784 966	-35 019 109
Interest		-73 997	-133 197
Other financial costs		-	2 862 747
Other costs	1	-22 196 094	-5 754 547
Total		-52 055 057	-38 044 106
Net result		198 164 889	95 309 361

Balance sheet

<i>In SEK</i>	<i>Note</i>	<i>2020-12-31</i>	<i>2019-12-31</i>
Assets			
Transferable securities		1 622 079 072	1 277 629 994
Total	2	1 622 079 072	1 277 629 994
Bank accounts		73 749 991	32 546 582
Pre-paid expenses and accrued income	3	3 522 747	3 627 797
Other assets	4	60 574 819	-
Total		1 759 926 629	1 313 804 373
Liabilities			
Accrued expenses and prepaid income		19 880 478	4 067 214
Other liabilities	5	66 548 362	2 975 792
Total		86 428 840	7 043 006
Total net assets	2,6	1 673 497 789	1 306 761 367
Memorandum items		-	-

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.

Värderingsregler

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.

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 2020 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 0.10% 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.

Key performance indicators

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

Notes

Note 1 Other costs

	2020-01-01- 2020-12-31	2019-01-01- 2019-12-31
Transaction costs main bank	236 075	113 150
Bank fees	148 952	7 504
Other fees	795	3 014
Cost for drawback		
Capital gains tax	20 354 284	2 115 657
Foreign tax, transferable securities	-2 701 907	141 396
Broker costs	3 722 145	2 996 663
Analysis cost	435 750	377 163
Total	22 196 094	5 754 547

Note 2 Financial instruments

The following financial instruments were held as of 2020-12-31.

Securities

Sector	No. of shares	Market value	Portion %
Transferable securities			
Category 1			
HOA PHAT GROUP JSC, Vietnam, VND	4 928 872	72 763 374	4,35
LUCKY CEMENT ORD, Pakistan, PKR	300 000	10 748 095	0,64
Materials		83 511 469	4,99
AIRPORTS CORP OF, Vietnam, VND	1 513 300	43 360 256	2,59
ELSEWEDY ELECTRIC CO, Egypt, EGP	6 054 039	30 722 621	1,84
HEMAS HOLDINGS PLC, Sri Lanka, LKR	4 001 928	17 751 462	1,06
REE, Vietnam, VND	49 460	908 960	0,05
Industrials		92 743 298	5,54
GB AUTO, Egypten, EGP	19 727 735	34 023 970	2,03
IFAD AUTOS LTD, Bangladesh, BDT	1 891 976	8 674 669	0,52
INTERLOOP LTD, Pakistan, PKR	8 853 000	31 016 377	1,85
Consumer discretionary		73 715 015	4,40
CARGILLS CEYLON ORD, Sri Lanka, LKR	3 231 878	29 402 582	1,76
CENTURY PACIFIC, Philippines, PHP	11 336 000	33 987 103	2,03
KIDO GROUP CORP, Vietnam, VND	3 188 510	42 017 505	2,51
MASAN GROUP CORP, Vietnam, VND	1 900 000	60 158 378	3,59
OBOUR LAND FOR FOOD INDUSTRIES,	4 000 000	11 874 139	0,71
SHEZAN INTL ORD, Pakistan, PKR	344 579	6 047 669	0,36
UNILEVER ORD, Ghana, GHS	50 000	581 207	0,03
Consumer staples		184 068 583	11,00
ABBOTT LABORATORIES, Pakistan, PKR	590 000	22 938 055	1,37

ACTIVE FINE CHEMICAL, Bangladesh,	7 458 000	12 243 465	0,73
AGP LTD/PK, Pakistan, PKR	4 429 500	25 962 530	1,55
ASIRI HOSPITALS, Sri Lanka, LKR	30 000 000	45 244 419	2,70
BEXIMCO PHARMACEUTICALS LTD,	3 137 874	58 066 514	3,47
BEXIMCO-GDR REGS, Bangladesh, GBP	935 000	10 886 422	0,65
EGYPTIAN INTERNATIONAL PHARM,	628 750	14 185 801	0,85
IBNSINA PHARMA S, Egypt, EGP	10 600 000	27 920 952	1,67
MEDIKALOKA HERMINA TBK PT,	11 359 000	23 685 369	1,42
SQUARE PHAR ORD, Bangladesh, BDT	5 283 505	112 655 377	6,73
Healthcare		353 788 906	21,14
ACC BANK OF NIG ORD, Nigeria, NGN	180 700 000	31 252 428	1,87
ADAMJEE INSUR ORD, Pakistan, PKR	7 571 500	15 209 864	0,91
BANK AL FALAH ORD, Pakistan, PKR	11 000 000	19 985 372	1,19
BRAC BANK LTD, Bangladesh, BDT	4 448 884	19 144 767	1,14
CEYLINCO INSURANCE-NON VOTIN, Sri	289 700	12 863 153	0,77
COL FINANCIAL, Philippines, PHP	4 000 000	23 299 960	1,39
COMMERCIAL BANK OF CEYLON PLC, Sri	3 738 471	13 415 516	0,80
CREDIT AGRICOLE, Egypt, EGP	809 798	12 294 664	0,73
GUARANTY TRT BNK ORD, Nigeria, NGN	52 329 960	33 946 203	2,03
LETSHEGO, Botswana, BWP	14 369 785	7 866 375	0,47
LIEN VIET POST JOINT, Vietnam, VND	13 390 165	59 135 513	3,53
MEEZAN BANK, Pakistan, PKR	13 707 000	73 680 764	4,40
NATIONAL BANK OF PAKISTAN,	20 000 000	44 222 075	2,64
SAMPATH BANK ORD, Sri Lanka, LKR	5 200 000	31 830 780	1,90
STANBIC IBTC HOLDING, Nigeria, NGN	14 930 509	13 188 246	0,79
ZENITH INTL BANK ORD, Nigeria, NGN	76 100 000	37 997 106	2,27
Financials		449 332 784	26,85
FPT CORP, Vietnam, VND	4 890 102	116 341 627	6,95
HIGHTECH PAYMENT, Morocco, MAD	7 250	43 431 818	2,60
SYSTEMS LTD, Pakistan, PKR	7 537 100	162 630 305	9,72
Information technology		322 403 750	19,27
MEDIA NUSANTARA, Indonesia, IDR	75 000 000	50 504 662	3,02
Communications services		50 504 662	3,02
UMEME LTD, Uganda, KES	249 600	136 839	0,01
Power supply		136 839	0,01
TPL PROPERTIES LTD, Pakistan, PKR	20 823 012	10 063 614	0,60
Real estate		10 063 614	0,60
Total Category 1		1 620 268 920	96,82
Category 7			
DAEWOO PAK EXPRESS, Pakistan, PKR	8 292 000	1 749 798	0,10
Consumer discretionary		1 749 798	0,10
AN PHU REAL ESTATE, Vietnam, VND	16 946	60 354	0,00
Real estate		60 354	0,00
Total Category 7		1 810 153	0,11

Total transferable securities	1 622 079 072	96,93
Total securities	1 622 079 072	96,93
Other assets and liabilities	51 418 717	3,07
Total net assets	1 673 497 789	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 3 Accrued expenses and prepaid income

	<i>2020-12-31</i>	<i>2019-12-31</i>
Accrued dividends	3 515 704	3 296 179
Deferred taxes	7 043	331 618
Total	3 522 747	3 627 797

Note 4 Other assets

	<i>2020-12-31</i>	<i>2019-12-31</i>
Unsettles sold securities	60 574 819	
Total	60 574 819	

Note 5 Other liabilities

	<i>2020-12-31</i>	<i>2019-12-31</i>
Unregistered subscriptions	60 609 921	
Accrued redemptions	5 938 441	2 975 792
Total	66 548 362	2 975 792

Note 6 Change in net assets

	<i>2020-01-01- 2020-12-31</i>	<i>2019-01-01- 2019-12-31</i>
Net assets at the start of the year	1 306 761 367	1 552 755 853
	1 306 761 367	1 552 755 853
Share class A SEK		
Issued fund units	230 358 307	130 892 493
Redeemed fund units	-297 674 307	-515 625 336
		-
Total	-67 316 000	-384 732 843
Share class C EUR		
Issued fund units	58 259 012	2 907 104
Redeemed fund units	-11 032 697	-8 793 703
Total	47 226 315	-5 886 599
Share class D USD		
Issued fund units	82 122 565	162 085 335
Redeemed fund units	-147 156 375	-124 044 725
Total	-65 033 810	38 040 610
Share class E NOK		
Issued fund units	2 790 509	19 770 402
Redeemed fund units	-57 341 683	-7 303 175
Total	-54 551 174	12 467 227
Share class F EUR		
Issued fund units	38 963 333	1 322 700
Redeemed fund units	-33 263 015	-2 514 942
Total	5 700 318	-1 192 242
Share class Q NOK		
Issued fund units	69 460 037	
Redeemed fund units	-8 266 364	
Total	61 193 673	
Addition through merger	241 352 211	
Net result according to the income statement	198 164 889	95 309 361
Net assets at year end	1 673 497 789	1 306 761 367

Remuneration

Remuneration and benefits to employees have been calculated based on the Company's principles which has been approved by the Board of Directors. During the financial year, the Company applied a calculation based on that 20 percent of the Company's profit before tax is deposited as variable remuneration to employees. In addition, the Company may make exceptions for individuals who contributed positively from a risk-adjusted perspective as long as the Company does not run the risk of violating regulatory capital requirements or otherwise threaten to put the Company at a disadvantage situation.

Each year the Board of Directors revises the Company's remuneration policy. During the year minor linguistic adjustments have been made as well as adding reference to new law. These changes have not resulted in any substantial changes in the remuneration policy.

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

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

Remuneration paid to employees in 2020	Amount	Number of employees
Fixed remuneration	5 229 715	13
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	5 229 715	13
Remuneration paid to specially regulated staff 2020		
a) employees in senior strategic positions	1 500 552	2.5
b) employees in charge of control functions. Control functions are outsourced	0	0
c) risktakers	1 512 327	3
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

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 2020, 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 2020. Some examples are:

Pakistan:

- Collaboration with UNDP Pakistan to launch guidelines for reporting on Agenda 2030 to listed companies.

Vietnam:

- Collaboration with UNDP Vietnam on an environmental index for launch to portfolio companies. Tundra was invited to speak at the launch of the index in June 2020. On behalf of Tundra, Chau Le (ESG analyst based in Vietnam) and Mattias Martinsson (CIO) spoke via video.
- A study on fair labels in Vietnam was conducted in Ho Chi Minh City during January-February 2020. A Master's degree student from Lund University (as well as SIDA and the International Chamber of Commerce (ICC)).

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.

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 "sector-based" violations.

- **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.

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. The response rate for the questionnaire for 2020 amounted to 64% of companies in the fund, compared with 54% resp. 58% in previous years. 91% of the companies in the fund are judged according to given criteria to have good ESG practice.

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 two 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. In 2020, a total of 18% of the portfolio companies had signed the UN Global Compact with the ten basic principles of human rights, labor law, the environment and anti-corruption. 36% of the companies themselves reported on their activities in relation to the global goals, 52% reported activities linked to the global goals, 20% reported their carbon dioxide emissions.

A priority for Tundra 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. Of the companies audited in 2020; there were on average 15% women on the boards and 14% women on the management teams. In 75% of the companies, there was at least one woman on the board. Only 7% of the holdings in the fund had a board and a management with no women represented.

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