

# TUNDRA SUSTAINABLE FRONTIER FUND

MONTHLY UPDATE  
SEPTEMBER 2026



**TUNDRA**  
FONDER

### A WEAK MONTH AMID HIGHER GLOBAL INTEREST RATES

In USD, the fund fell 3.1% in September (EUR: -0.9%), compared with a decline of 4.7% for the MSCI FMxGCC Net TR (USD) (EUR: -2.7%) and a decline of 0.6% for the MSCI EM Net TR (USD) (EUR: +1.5%). In terms of absolute returns (USD), Bangladesh (+0.4%) gave the only significant contribution to performance, while Pakistan (-1.3%), Indonesia (-0.5%), and Sri Lanka (-0.4%) were the largest detractors. Relative to the benchmark, the fund benefited from its underweight position in Romania (+1.2%) and stock selection in Vietnam (+1.1%). Relative performance was primarily held back by its overweight position and stock selection in Pakistan (-1.1%) and the fund's overweight position in Indonesia (-0.4%).



*Tetulia Jame Mosque in Tala Upazila, Satkhira District, Bangladesh. Source: Unsplash*

The largest positive contribution came from Bangladeshi BRAC Bank (6% of the portfolio), whose shares rose 6% following a period of consolidation. Towards the end of the month, the bank announced that remittance inflows exceeded USD 2.5 billion during the first nine months of the year, surpassing the previous full-year record of USD 2.2 billion set in 2025. The bank is now targeting more than USD 3 billion for the full year. During the month, BRAC Bank also completed the issuance of a BDT 10 billion subordinated social bond, further strengthening its capital base and capacity for continued lending growth.

The second-largest positive contribution came from Egyptian education company CIRA (3% of the portfolio). The shares gained 14% following positive news ahead of the new 2026/27 academic year. The company announced that enrolment had increased by 14% to 84,000 students, from 73,400 in the previous academic year, thereby exceeding its target of 80,000 students. The strong intake provides a solid foundation for continued growth, supported by higher capacity utilisation and increased tuition fees.

The third-largest positive contribution came from Vietnamese infrastructure conglomerate REE Corp (5% of the portfolio). The shares gained 6% after media reported the commencement of survey activity at a potential site for a 500 MW offshore wind power plant. REE has set an aggressive target to expand its wind power portfolio by 10x to over 1,000 MW by 2030. The said offshore wind power plant, which has yet to receive investment approval, is among the material projects in the pipeline

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to reach its planned capacity target. Performance of the Vietnamese index continues to be heavily influenced by its largest constituent, Vingroup, which we have discussed in previous monthly letters. The stock accounts for approximately 33% of the MSCI Vietnam Index and declined by 3% during the month. In our assessment, the shares still have downside potential of around 80%.

The largest negative contribution came from Indonesian media company Media Nusantara (1% of the portfolio), whose shares fell as much as 43% in a weak Indonesian market. The company has so far failed to crystallise the underlying value following the separate listing of its digital operations. The value of its stake in ~80%-owned MNC Digital is now close to five times Media Nusantara's own market capitalisation, clearly illustrating the market's lack of confidence in the company. We spoke with management during September and expressed our concerns, a subject we intend to return to at a later stage.

The second-largest negative contribution came from Pakistan's Interloop (4% of the fund), whose shares declined 9% during the month against a relatively quiet month for Pakistan. During September, the company reported results for the 2026 financial year (its fiscal year ends on 30 June). Although earnings came in ahead of expectations, the result was partly supported by one-off items. Gross margin in the final quarter of the year was weaker than expected due to higher costs, while the Pakistani rupee remained strong against the US dollar, negatively impacting exporting companies like Interloop.



*An aerial view of Cairo, Egypt, looking across the Nile River from Gezira Island. Source: Unsplash*

### MARKET DEVELOPMENTS

With the war between the US and Iran now in its eighth month, there is still no resolution in sight. Iran's proposed seven-day plan for reopening the Strait of Hormuz was rejected by President Trump. Brent crude traded above USD 100 per barrel during the month following an escalation of the conflict and the closure of Saudi Arabia's East-West Pipeline after an attack by Houthi rebels.

Reports suggest, however, that oil flows out of the Middle East have returned to levels seen before the outbreak of the war. The number of vessels passing through the Strait of Hormuz is reported to have normalised, while flows through the East-West Pipeline have already recovered to around half

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of its capacity. So far, however, this improvement has yet to be reflected in the oil price. Alongside the rise in oil prices, global bond yields continued to move higher in September, with the US 10-year Treasury yield, among others, rising above 5% for the first time since 2007. The increase in yields has also affected a number of European countries, with France in particular seen as vulnerable given its high level of government debt and persistently large budget deficit. Interestingly, however, yield spreads between major emerging markets and the US have in many cases narrowed. During September, for example, the spread between 10-year government bond yields in both India and Indonesia and the equivalent US bond yield fell to around 2 percentage points. Historically, these countries have had to pay around 4 percentage points more than the US for long-term borrowing. The narrowing of these spreads could be interpreted as a sign of declining investor confidence in the US as a borrower



*Drying incense sticks in a village outside Hanoi, Vietnam. Source: Unsplash*

As we wrote in our monthly letter as early as March, our markets have, as expected, held up relatively well given the circumstances. The situation is nevertheless putting considerable strain on the region and has created a wait-and-see environment in which investors are reluctant to commit to larger investments. While President Trump's actions are difficult to predict, there should be an incentive on both sides to de-escalate the conflict and normalise energy prices. Whatever one may think of Trump, his actions do at least tend to align with his own political interests. The prolonged war with Iran and its impact on US fuel prices have left a clear mark on opinion polls ahead of the midterm elections on 3 November. According to prediction markets, the implied probability of the Democrats gaining control of both the House of Representatives and the Senate has risen from just over 40% at the beginning of July to close to 60% today. The latter part of October is therefore likely to be dominated by politics, both US domestic politics and developments with potentially significant geopolitical implications. Among the latter, the possibility of a more far-reaching agreement between Iran and the US should not be ruled out.

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# Monthly Update September 2026

## Tundra Sustainable Frontier Fund D, USD



### ABOUT THE FUND

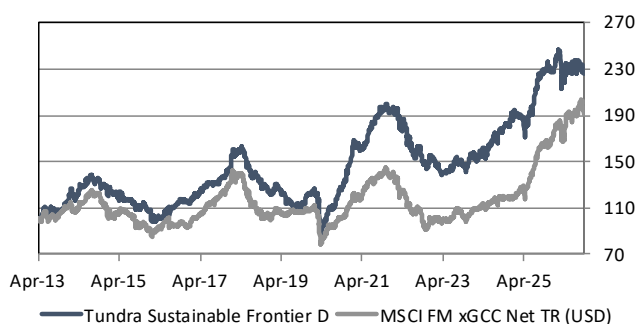
Tundra Sustainable Frontier Fund focuses on the next generation of emerging markets such as Vietnam, Bangladesh, Sri Lanka, Pakistan, Egypt and Nigeria. Featuring strong population growth, rapid urbanisation, investments in infrastructure, growing middle classes and stabilising political environments, 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 the latest developments [here](#).

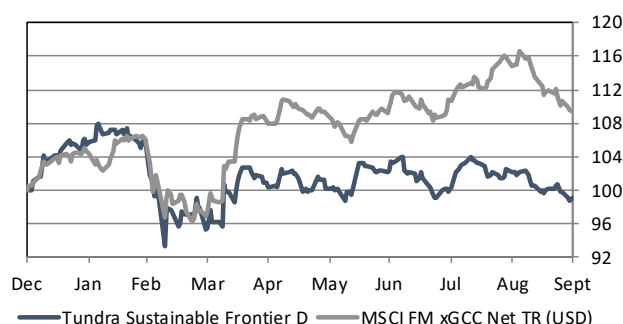
| RETURN*                       | NAV(USD) | 1M    | YTD   | 1Y    | 3Y    | Inception |
|-------------------------------|----------|-------|-------|-------|-------|-----------|
| Tundra Sustainable Frontier D | 34.88    | -3.1% | -1.0% | -0.9% | 54.5% | 134.2%    |
| Benchmark                     | 1186.09  | -4.7% | 9.4%  | 15.7% | 84.2% | 90.8%     |

\* Fund returns since inception 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%  | -0.5% | -0.6% | -0.6% | -1.6% | -2.7% | -2.7% | 4.3%  | -2.7% | -1.8% | -14.5% |
| 2016 | -5.8% | -2.3% | 1.8%   | 1.2%  | 4.6%  | -0.2% | 2.7%  | 4.0%  | 2.0%  | -1.2% | -0.6% | 0.5%  | 6.4%   |
| 2017 | 2.7%  | 2.0%  | 3.0%   | 2.6%  | 2.2%  | 1.7%  | -0.9% | 0.7%  | 3.0%  | 0.6%  | 4.5%  | 1.2%  | 25.7%  |
| 2018 | 10.0% | -1.5% | 2.1%   | -0.7% | -8.2% | -2.4% | -2.1% | -0.8% | -2.3% | -4.1% | -2.3% | -3.5% | -15.7% |
| 2019 | 3.4%  | 1.5%  | -2.2%  | -2.5% | -3.7% | -2.9% | -1.1% | -0.1% | -0.4% | 1.7%  | 7.8%  | -0.5% | 0.6%   |
| 2020 | 0.2%  | -6.9% | -22.9% | 12.9% | 6.3%  | 3.1%  | 2.6%  | 8.8%  | 3.7%  | 4.6%  | 10.4% | 7.7%  | 28.1%  |
| 2021 | 3.9%  | 0.6%  | -0.6%  | 1.0%  | 6.6%  | 4.0%  | 2.3%  | 1.9%  | 1.7%  | 1.8%  | -0.7% | -0.2% | 24.6%  |
| 2022 | -1.4% | -1.5% | -5.3%  | -0.3% | -4.8% | -6.7% | -3.6% | 6.7%  | -7.8% | -2.3% | 3.0%  | 0.2%  | -22.2% |
| 2023 | -3.1% | -2.0% | -3.1%  | 1.4%  | 0.3%  | 0.4%  | 7.8%  | -3.2% | -1.8% | -3.5% | 8.3%  | 0.6%  | 1.2%   |
| 2024 | -2.1% | 3.8%  | 3.2%   | -3.7% | 6.0%  | 1.7%  | 2.0%  | 4.4%  | -0.2% | 2.1%  | 2.0%  | 3.9%  | 25.2%  |
| 2025 | -0.9% | -0.7% | -1.5%  | -1.5% | 4.7%  | 4.0%  | 8.2%  | 2.9%  | 2.1%  | 3.4%  | -2.4% | -0.9% | 18.5%  |
| 2026 | 5.7%  | 0.1%  | -9.8%  | 5.1%  | -0.1% | 2.1%  | -1.9% | 1.7%  | -3.1% |       |       |       | -1.0%  |

Source: Bloomberg, MSCI, Tundra Fonder. \* Returns prior to share class inception recalculated from share class A SEK.

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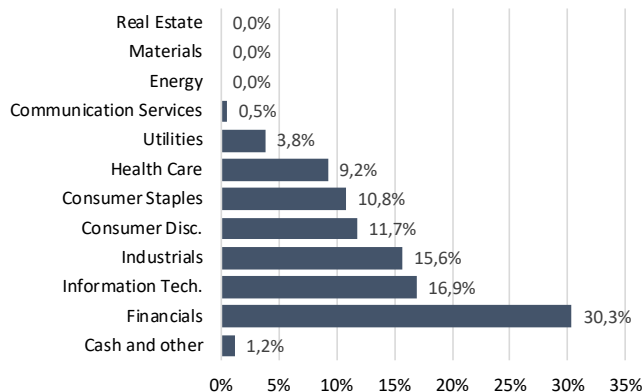
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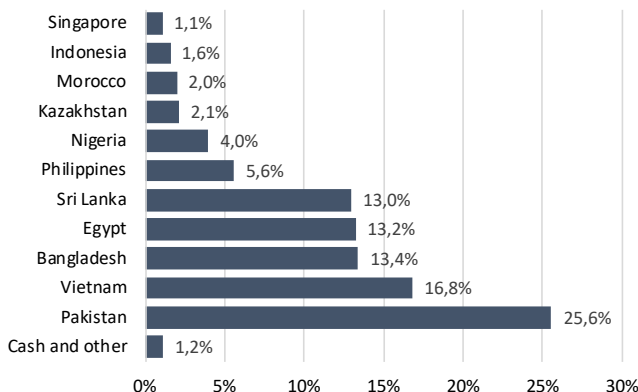
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## Tundra Sustainable Frontier Fund D, USD

### SECTOR ALLOCATION



### COUNTRY ALLOCATION



### LARGEST HOLDINGS

|                     | WEIGHT | COUNTRY    | P/E 26E | P/E 27E | YIELD | RETURN 1M (USD) |
|---------------------|--------|------------|---------|---------|-------|-----------------|
| Meezan Bank Ltd     | 9.2%   | Pakistan   | 11.0    | 10.6    | 5.4%  | -2.7%           |
| Systems Ltd         | 7.7%   | Pakistan   | 15.5    | 13.9    | 1.7%  | -3.0%           |
| BRAC Bank Ltd       | 6.4%   | Bangladesh | 8.3     | 6.0     | 2.7%  | 5.9%            |
| FPT Corp            | 5.5%   | Vietnam    | 13.3    | 11.5    | 2.9%  | -4.9%           |
| Gemadep Corp        | 4.9%   | Vietnam    | 20.2    | 14.4    | 1.7%  | -1.3%           |
| Ree                 | 4.8%   | Vietnam    | 11.8    | 10.8    | 2.1%  | 5.6%            |
| GB Corp             | 4.5%   | Egypt      | 12.1    | 10.4    | 1.3%  | -0.2%           |
| Square Phar Ltd-Ord | 4.3%   | Bangladesh | 7.5     | 6.1     | 7.5%  | 0.5%            |
| Interloop Ltd       | 4.3%   | Pakistan   | 13.0    | 10.2    | 2.6%  | -9.4%           |
| Windforce Ltd       | 3.8%   | Sri Lanka  | 25.0    | 23.5    | 5.0%  | -2.5%           |

### BEST PERFORMERS

|                             |
|-----------------------------|
| Cairo Invest. & Real Estate |
| Col Financial               |
| BRAC Bank Ltd               |
| Ree                         |
| Stanbic IBTC Holdings Plc   |

### RETURN (USD)

|       |
|-------|
| 14.4% |
| 6.8%  |
| 5.9%  |
| 5.6%  |
| 5.0%  |

### WORST PERFORMERS

|                   |
|-------------------|
| Media Nusantara   |
| Hightech Payment  |
| Asiri Hospitals   |
| Grab Holdings Ltd |
| Interloop Ltd     |

### RETURN (USD)

|        |
|--------|
| -42.6% |
| -13.4% |
| -12.9% |
| -12.1% |
| -9.4%  |

### FACTS

|                        |                           |
|------------------------|---------------------------|
| Inception date         | 2013-04-02                |
| Pricing                | Daily                     |
| Manager                | Tundra Fonder AB          |
| Benchmark index        | MSCI FM xGCC Net TR (USD) |
| ISIN                   | SE0005222346              |
| Bloomberg              | TUNDFRU SS                |
| IBAN                   | SE4750000000058648209552  |
| BIC                    | ESSESESS                  |
| Custodian              | SEB                       |
| Auditor                | PWC                       |
| Share class currencies | SEK, USD, EUR, NOK        |
| EU SFDR Classification | Article 8                 |

### RISKS AND COSTS\*

|                               |                                     |
|-------------------------------|-------------------------------------|
| Active risk (Tracking error)  | 9.6%                                |
| Active share                  | 81.6%                               |
| Standard deviation            | 12.6%                               |
| Standard deviation, benchmark | 13.3%                               |
| Beta                          | 0.69                                |
| Information ratio             | -1.86                               |
| Holdings                      | 38                                  |
| Risk level                    | 3 of 7 (refer to KID for more info) |
| Management fee/year **        | 2.5%                                |
| AuM                           | 264.4 MUSD                          |
| Dividend                      | No dividend                         |

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

\*\* The management fee includes variable custody fees, audit, legal and marketing expenses.

Source: Bloomberg, MSCI, Tundra Fonder

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