

TUNDRA SUSTAINABLE FRONTIER FUND

MONTHLY UPDATE
NOVEMBER 2025



WEAK MONTH IN AN OTHERWISE STABLE MARKET ENVIRONMENT

In USD the fund declined by 2.7% during the month (EUR: -3.1%), compared with the MSCI FMxGCC Net TR (USD), which rose by 1.1% (EUR: +0.7%), and the MSCI EM Net TR (USD), which fell by 2.8%. In terms of absolute returns, the Philippines was the only country allocation to contribute positively (+0.7% absolute contribution), while Vietnam (-0.8%) and Sri Lanka (-0.8%) generated the largest negative contributions. Relative to the index, our underweight in Morocco (+0.7% relative portfolio contribution), our stock selection in the Philippines (+0.7%), and stock selection in Kazakhstan (+0.2%) contributed most positively, while our stock selection in Vietnam (-2.5%), Sri Lanka (-0.8%), and Pakistan (-0.4%) detracted the most.

Among individual holdings, the strongest positive contribution came from Philippine food producer Century Pacific (3% of the portfolio), which rose 16% following a solid quarterly report. The second-largest positive contributor was Philippine grocery retailer PureGold (3% of the portfolio), which gained 11% despite an earnings release that came in below expectations. The largest negative contribution came from Sri Lankan renewable power company Windforce (4% of the portfolio), which declined 11% after a very strong performance in the previous month, and from Vietnamese IT consultancy FPT Corp (6% of the portfolio), which fell 6%. The company reports monthly results at a headline level; in October, profits increased by 19% year-on-year. However, the share price retreated as IT services outside Vietnam once again delivered relatively weak growth (+6% year-on-year).



Banaue Rice Terraces, Philippines. Source: Unsplash

IMPACT ON SRI LANKA FROM CYCLONE DITWAH

In USD Sri Lanka rose 1% during the month. At month-end, the country was struck by Cyclone Ditwah. The market initially fell 3% on 1 December but has since stabilized. Initial reports confirm 627 fatalities, hundreds missing, and more than 2.1 million people affected by widespread flooding, landslides, and heavy rainfall. Floodwaters and landslides have destroyed more than 4,500 houses and partially damaged over 76,000 dwellings. Although the disaster is not on the scale of the 2004 tsunami, Ditwah is the most devastating natural catastrophe in two decades, causing significant disruption across multiple provinces.

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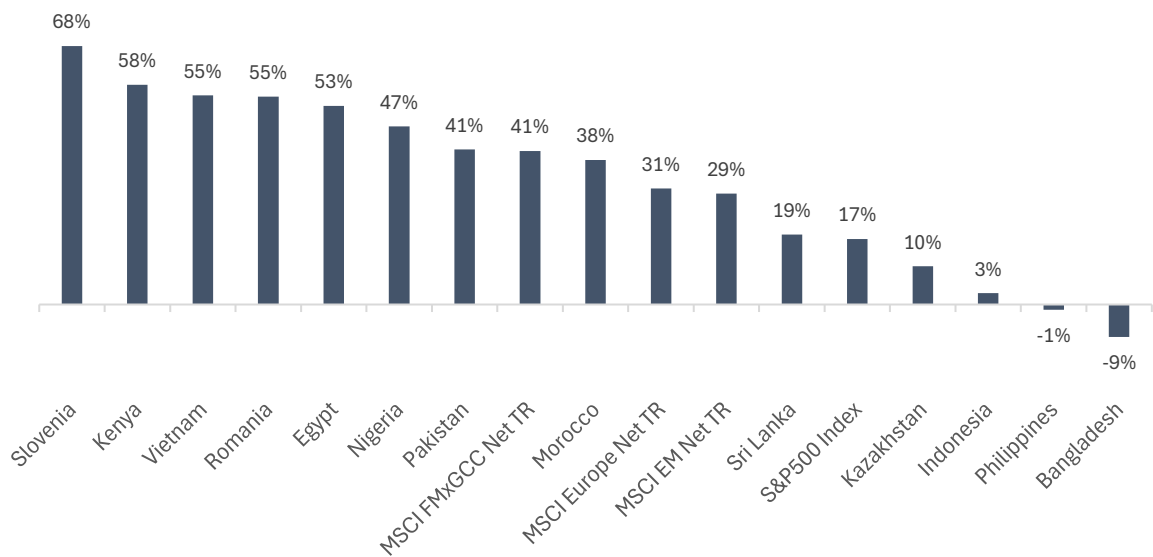
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The cyclone is likely to slow the ongoing economic recovery and may prompt revisions to GDP and fiscal forecasts, though a clearer assessment will depend on a full evaluation of the damage. Early indications point to losses in agriculture, with paddy fields and key vegetable-producing regions still inundated, while roads and bridges have sustained damage. Small businesses have incurred losses through destroyed inventories, equipment, and premises. The tourism sector, which typically enters its peak season at this time of year, is likely to see some slowdown as national parks and hill-country destinations remain closed. In the near term, we expect pressure on foreign exchange earnings, weaker consumption in affected regions, and a delayed recovery in confidence. However, reconstruction activity and targeted government support should help stabilise the economy over the next twelve months.

A STRANGE YEAR DRAWS TO A CLOSE

A rather unusual year is now drawing to a close. From an index perspective, it has been one of the strongest years on record for frontier markets, yet active funds - including our own - have found the environment exceptionally challenging. One unusual component has been the sharp depreciation of the US dollar (-10% against the Euro up to November). This has meant, for example, that European investors in US index funds have generated very humble return in Euro terms, while US-based investors are likely quite satisfied with a gain of around 17%.

FIGURE 1: MARKET PERFORMANCE 2025 YTD (USD)



Source: Bloomberg, Tundra Fonder

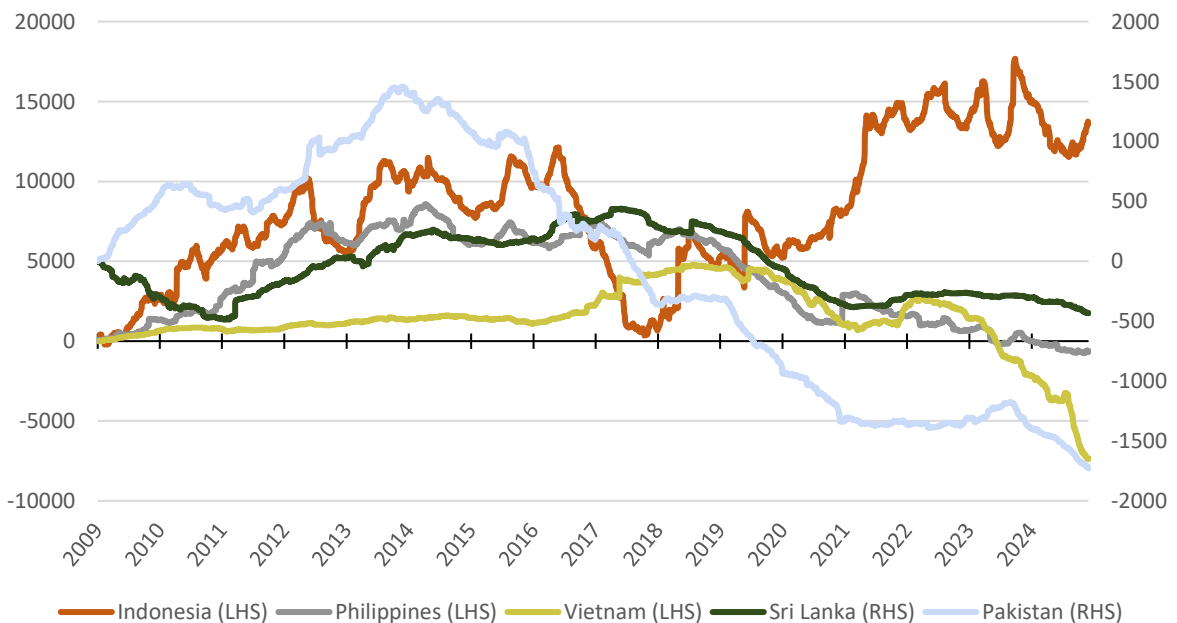
The changed geopolitical landscape globally was, in our view, set to favour investments outside the United States. This has indeed been the case, with most other asset classes outperforming the US. Europe, emerging markets, and frontier markets have all delivered stronger returns than the US this year. European frontier markets and frontier markets close to Europe (Slovenia, Romania, and Morocco) have had an exceptionally strong year. This is not particularly surprising given the abrupt and significant weakening of the US dollar, which typically takes time to be fully priced into more dollar-denominated markets (particularly those in Asia).

Nevertheless, we note several anomalies. We expected a cautious return of foreign investors to Vietnam once the Federal Reserve began cutting rates. This has not materialised. Instead, Vietnam has seen the largest net outflows since records began (USD -5.2bn). In recent years, we have seen several foreign investors accompanying us in our preferred holdings. In 2025, this has resulted in selling pressure, contributing to our Vietnam portfolio falling 11% in USD this year - even as the equity market has risen by an astonishing 55%. Domestic investors have largely ignored the heavy foreign selling and have enjoyed a speculative rally in shares that most foreign investors do not involve themselves in (property developers and financial conglomerates). We believe 2026 should be a better year in Vietnam, though we are referring specifically to our own portfolio. We are less convinced about the broader index, where certain constituents - particularly index-heavy Vingroup - trade at unsustainable valuations.

Similarly, we expected foreign investors to finally return to Pakistan after two strong years. This has not occurred. Pakistan has instead recorded one of its weakest years in terms of foreign portfolio flows, with outflows of just over USD 300m. Just as in Vietnam's case this has however not deterred domestic investors, who have focused on reallocating from government securities into equities, supported by a solid external balance and an improved geopolitical backdrop. Although Pakistan too has seen renewed interest in sectors typically favoured in higher-risk environments (such as cement and state-owned entities), we consider the rally to be relatively healthy in nature. In USD our Pakistan portfolio is up 54% this year compared with the market's 41%.

The persistently muted – in some cases very weak – interest from foreign investors in smaller emerging and frontier markets is evident. This is particularly visible in the Philippines, which has had an exceptionally difficult 5–6 years, with 2025 proving no exception.

FIGURE 2: FOREIGN PORTFOLIO INVESTMENTS (USD MILLIONS)



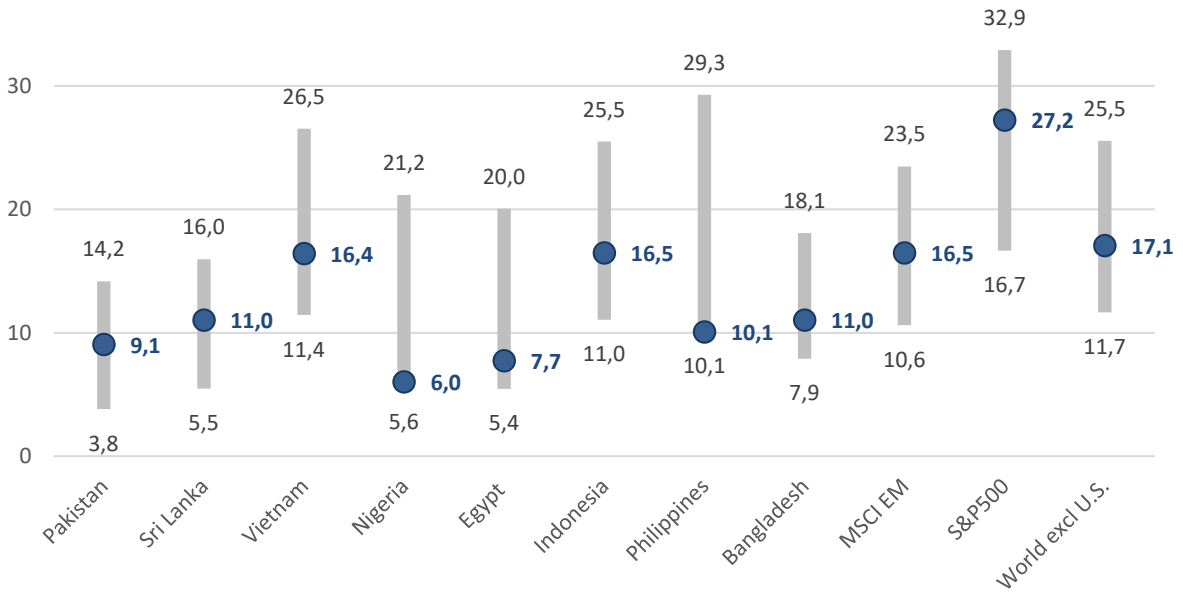
Source: Bloomberg, Tundra Fonder

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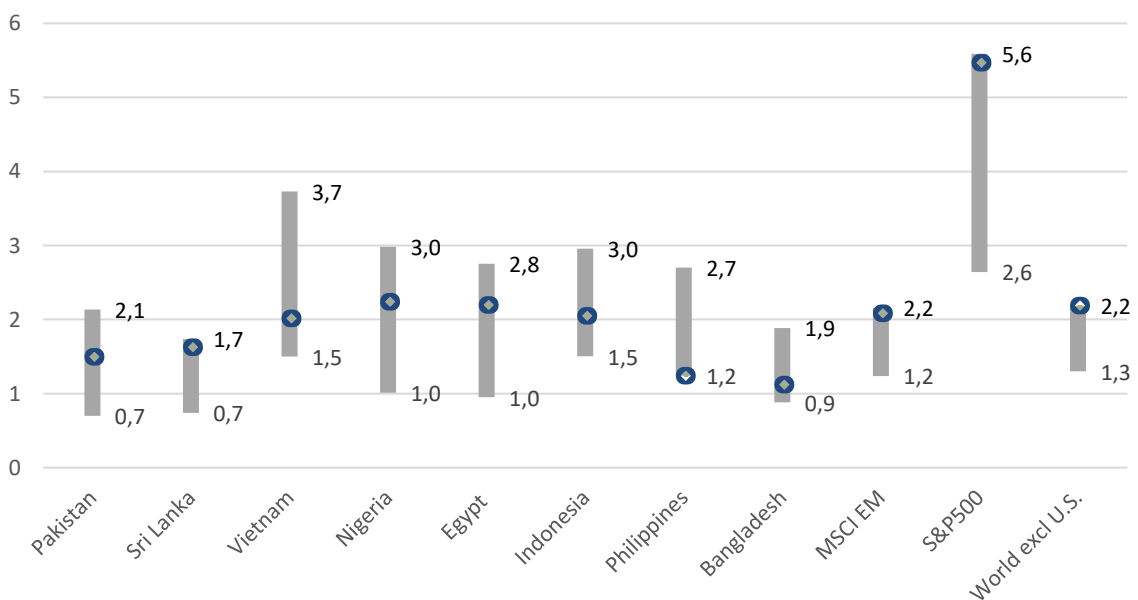
When we summarise valuations across our key markets, we note that levels have returned to something more in line with the past decade. Few markets trade at the upper end of historical valuation ranges, while several offer unusually low valuations (Vietnam and the Philippines, in particular).

FIGURE 3: P/E VALUATIONS KEY MARKETS AND PEERS



Source: Bloomberg, Tundra Fonder

FIGURE 4: P/BV VALUATIONS KEY MARKETS AND PEERS



Source: Bloomberg, Tundra Fonder

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Tundra Sustainable Frontier Fund

Although the world remains geopolitically uncertain and certain themes (AI, anyone?) continue to dominate headlines, we do not see any of our markets at risk of a sudden and negative deviation from the recovery phase currently under way. Central banks remain conservative, which should reduce the risk of rising long bond yields and allow the ongoing reallocation from fixed income to equities among local investors to continue. The absence of foreign investors remains puzzling, but domestic investors have managed well on their own, and any foreign inflows would represent potential upside surprises. As we have noted several times this year, the current environment resembles the period a few years after the Asian Financial Crisis of 1997–98. If that analogy holds, we should have several reasonably strong years ahead of us. Since inception, our greatest strength has been our ability to identify the right companies over time, and we hope to reassert this advantage in 2026 - not least in Vietnam.

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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.

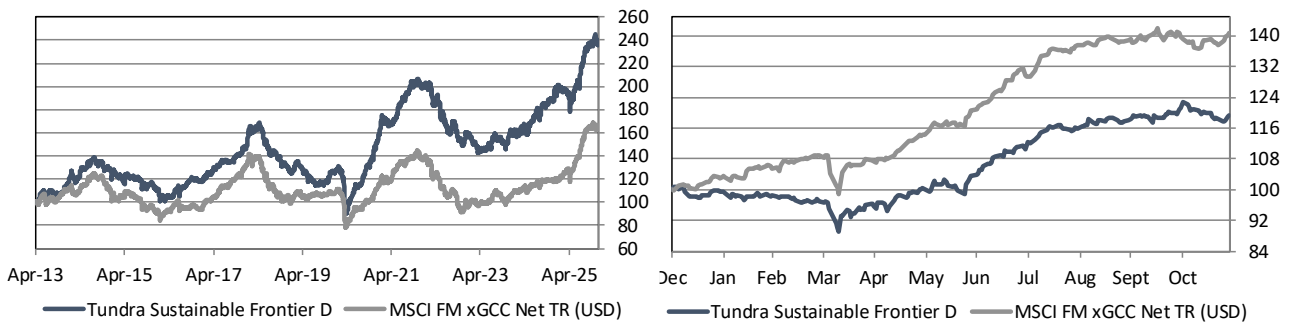
The fund is managed according to Tundra's active stock picking philosophy and backed by local research offices in Asia. Investments are based on an ESG approach where each investment has to comply with the UN Global Compact with regards to human rights, labour rights, corporate governance and environmental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

RETURN*	NAV (USD)	1M	YTD	1Y	3Y	Inception
Tundra Sustainable Frontier D	36.78	-2.7%	19.3%	24.0%	51.9%	138.4%
Benchmark	1037.17	1.1%	40.6%	41.2%	69.8%	66.8%

* 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%	1.0%	6.6%	4.0%	2.3%	1.9%	1.8%	1.7%	-0.8%	-0.3%	24.2%
2022	-1.3%	-1.5%	-5.3%	-0.1%	-4.9%	-6.8%	-3.5%	6.7%	-7.8%	-2.2%	2.8%	0.3%	-22.1%
2023	-3.1%	-2.1%	-3.1%	1.2%	0.5%	0.4%	8.0%	-3.2%	-1.9%	-3.6%	8.2%	0.7%	1.2%
2024	-2.0%	3.8%	3.3%	-3.8%	6.0%	1.8%	2.1%	4.4%	-0.2%	1.8%	2.3%	3.9%	25.5%
2025	-0.9%	-0.8%	-1.5%	-1.4%	4.8%	3.9%	8.2%	3.0%	2.2%	3.6%	-2.7%		19.3%

Source: Bloomberg, MSCI, Tundra Fonder

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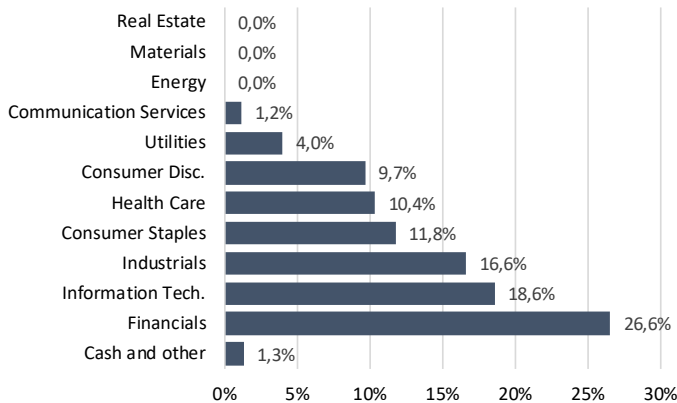
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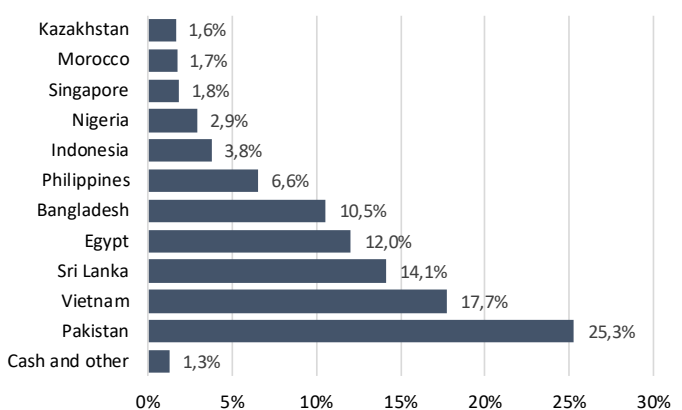
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Tundra Sustainable Frontier Fund D, USD

SECTOR ALLOCATION



COUNTRY ALLOCATION



LARGEST HOLDINGS

	WEIGHT	COUNTRY	P/E 25E	P/E 26E	YIELD	RETURN 1M (USD)
Systems Ltd	8.8%	Pakistan	21.2	15.8	1.0%	1.8%
Meezan Bank Ltd	8.5%	Pakistan	9.3	9.0	6.3%	-0.2%
FPT Corp	6.1%	Vietnam	18.7	16.2	2.2%	-6.7%
Ree	5.7%	Vietnam	15.3	13.9	1.5%	-1.4%
BRAC Bank Ltd	5.4%	Bangladesh	8.4	6.5	3.0%	-3.7%
GB Corp	4.9%	Egypt	9.4	6.7	1.7%	5.5%
Windforce Ltd	4.0%	Sri Lanka	30.0	28.2	2.5%	-10.6%
Square Phar Ltd-Ord	3.8%	Bangladesh	7.2	6.4	5.6%	1.1%
Gemadept Corp	3.7%	Vietnam	17.7	16.0	3.2%	-6.2%
Commercial Intl Bank	3.6%	Egypt	4.8	5.3	4.4%	1.1%

BEST PERFORMERS

	RETURN (USD)
Century Pacific Food	15.9%
Puregold Price Club	10.7%
GB Corp	5.5%
Jsc Kaspi. Kz	3.4%
Hemas Holdings Plc	2.4%

WORST PERFORMERS

	RETURN (USD)
Access Bank Plc	-15.4%
Juhayna Food Ind	-14.0%
Asiri Hospitals	-12.8%
Beximco Pharmaceutical GDR	-10.9%
Windforce Ltd	-10.6%

FACTS

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

RISKS AND COSTS*

Active risk (Tracking error)	9.1%
Active share	81.9%
Standard deviation	10.0%
Standard deviation, benchmark	9.1%
Beta	0.61
Information ratio	-0.49
Holdings	38
Risk level	5 of 7 (refer to KIID for more info)
Management fee/year **	2.5%
AuM	275.1 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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