

TUNDRA SUSTAINABLE FRONTIER FUND

MONTHLY UPDATE
MAY 2026



TUNDRA
FONDER

A MONTH IN THE SHADOW OF THE SEMICONDUCTOR SECTOR

During May, the Fund declined by 0.1% in USD (EUR: +0.3%), compared with a gain of 1.2% for MSCI FM xGCC Net TR (USD) (EUR: +1.6%) and a remarkable 9.7% gain for MSCI EM Net TR (USD) (EUR: +10.1%). Measured in terms of portfolio contribution, Pakistan contributed the most positively (+0.8%), followed by Egypt (+0.8%) and Bangladesh (+0.6%). The largest negative contributions came from Sri Lanka (-0.9%), Indonesia (-0.5%) and Vietnam (-0.2%).



Temple of Hathor in Dendera, Egypt. Source: Unsplash

Relative to the benchmark, our overweight position in Egypt (+0.8%), our underweight position and stock selection in Kazakhstan (+0.6%), and our overweight position and stock selection in Bangladesh (+0.6%) contributed most positively. Conversely, our overweight position in Sri Lanka (-0.8%), our underweight position in Romania (-0.6%), and our overweight position in Indonesia (-0.5%) detracted the most from relative performance. At the individual holding level, the largest positive contribution came from the Egyptian education company CIRA (2% of the portfolio), which rose 39% after delivering a strong interim report at the end of April. The second-largest contributor was Bangladeshi BRAC Bank (6% of the portfolio), which gained 8%, also following a strong quarterly report. The largest negative contribution came from the Sri Lankan renewable energy company Windforce (3% of the portfolio), which fell 10% after reporting quarterly earnings below expectations. The second-largest detractor was Indonesian healthcare provider Hermina Hospitals (2% of the portfolio), which declined 19% amid weakness in the Indonesian equity market.

During the month, we exited our position in Nigerian Zenith Bank. Following a nearly sixfold increase from the lows reached during the crisis in early 2024, the valuation had returned to more normal levels relative to other frontier-market banks. Nigeria has enjoyed a well-deserved re-rating under the country's more reform-oriented administration. However, given Nigeria's position as a net oil exporter, we believe the market has also received an additional boost from the recent turmoil in energy markets, which we view as temporary in nature.

Negotiations between the United States and Iran continued in the aftermath of the ceasefire announced on 7 April. Despite the lack of any clear breakthrough, Brent crude oil prices fell by 12%, suggesting that markets are gradually pricing in a resolution to the disruption affecting the Strait of

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Hormuz. Having now experienced three months of supply disruptions, we are beginning to see clear effects across our markets. The Sri Lankan rupee weakened by 3% during the month and was, at one stage, down nearly 6%. Sri Lanka's central bank raised interest rates by 100 basis points during the month, a move Pakistan had already undertaken at the end of April. As we noted in our March monthly letter, we believe our markets are significantly better prepared for the current environment than they were during the supply disruptions associated with COVID-19 and the Russia–Ukraine conflict. The recency of those events has improved preparedness, while the broader awareness of economic vulnerabilities among populations has reduced the political cost of measures such as higher fuel prices and weaker exchange rates. As long as policymakers continue to take preventive action and adapt to evolving circumstances, we remain unconcerned about any longer-term consequences. It is also worth remembering that the turmoil in the Middle East serves as a useful reminder of the need for alternative energy sources. This transition is one from which many of our markets are well positioned to benefit, and we expect resistance to such investments to diminish over time.



Islamabad, Pakistan. Source: Unsplash

Finally, a few words on the title of this month's letter. The Fund has had a weak start to 2026. While the turmoil in the Middle East has undoubtedly been an important contributing factor, we can also conclude that this has been an unusual period in several respects. The clearest example is the performance of global emerging markets (MSCI Emerging Markets), which have enjoyed a very strong start to the year. A closer examination of the rally reveals an interesting picture. Of the approximately 26% returned by MSCI Emerging Markets year-to-date, more than 25 percentage points can be attributed to the information technology sector, with the semiconductor industry serving as the dominant driver. During May alone, the technology sector accounted for more than the entire gain of the MSCI EM Index. Frontier markets – and particularly the low-income and lower-middle-income countries on which the Fund focuses – often follow their own path, largely independent of developments in larger markets. At times, this can be frustrating. From a long-term perspective, however, it remains one of the strongest arguments for our part of the world: the opportunity for genuine diversification and a return profile driven to a much lesser extent by the same forces that dominate larger markets.

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ABOUT THE FUND

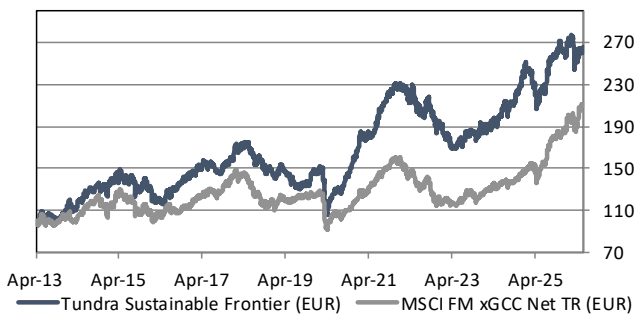
Tundra Sustainable Frontier Fund focuses on the next generation of emerging markets such as Vietnam, Bangladesh, Sri Lanka, Pakistan, Egypt and Nigeria. Featuring strong population growth, rapid urbanisation, investments in infrastructure, growing middle classes and stabilising political environments,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

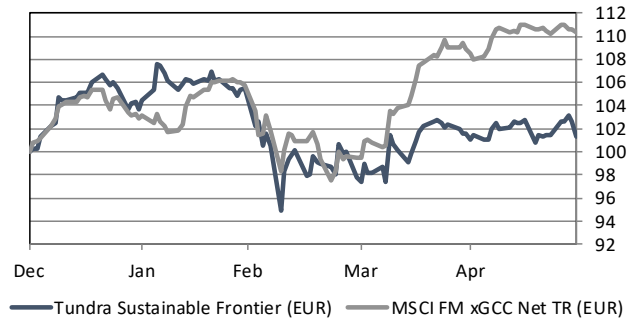
RETURN*	NAV(EUR)	1M	YTD	1Y	3Y	Inception
Tundra Sustainable Frontier (EUR)	31.41	0.3%	1.3%	15.2%	47.9%	161.1%
Benchmark	1016.58	1.6%	10.3%	36.4%	76.2%	109.8%

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

THE FUND VS BENCHMARK (SINCE INCEPTION)



THE FUND VS BENCHMARK (YTD)



FUND MONTHLY PERFORMANCE

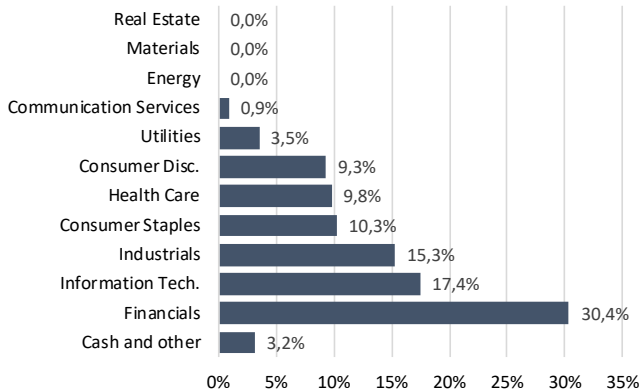
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013				0.3%	7.9%	-6.5%	4.6%	-4.6%	-0.7%	1.7%	4.0%	4.1%	8.7%
2014	4.6%	-4.5%	4.0%	4.0%	5.6%	0.6%	3.4%	-0.9%	4.5%	-2.6%	-0.2%	0.6%	22.3%
2015	4.3%	0.5%	1.3%	0.6%	-0.3%	-2.5%	-0.5%	-4.1%	-3.0%	5.6%	1.6%	-4.7%	-1.7%
2016	-5.1%	-2.8%	-2.8%	0.9%	7.1%	0.3%	2.4%	4.3%	1.4%	1.1%	2.6%	0.9%	10.1%
2017	0.2%	3.9%	2.2%	0.4%	-0.7%	0.2%	-3.6%	-0.2%	3.6%	1.9%	2.2%	0.4%	10.7%
2018	6.0%	0.6%	1.2%	1.3%	-4.9%	-2.3%	-2.6%	-0.4%	-1.8%	-1.9%	-2.4%	-4.6%	-11.6%
2019	3.2%	2.4%	-0.7%	-2.5%	-3.1%	-4.7%	1.1%	0.8%	0.9%	-0.6%	9.3%	-2.2%	3.2%
2020	1.6%	-6.1%	-22.9%	13.8%	4.0%	2.3%	-2.2%	7.4%	5.7%	4.6%	7.6%	5.0%	16.8%
2021	5.2%	0.7%	2.6%	-1.8%	5.5%	6.9%	2.2%	2.5%	3.9%	1.4%	1.4%	0.1%	34.7%
2022	-0.1%	-1.8%	-4.1%	5.4%	-6.7%	-4.1%	-1.2%	8.4%	-5.6%	-3.4%	-2.1%	-2.6%	-17.4%
2023	-4.5%	-0.1%	-5.4%	0.3%	3.4%	-1.7%	6.8%	-1.5%	0.6%	-3.8%	5.2%	-0.8%	-2.3%
2024	-0.3%	4.1%	3.6%	-2.8%	4.4%	3.4%	0.8%	2.2%	-1.1%	4.8%	5.2%	5.4%	33.5%
2025	-0.5%	-1.1%	-5.2%	-6.2%	5.2%	0.4%	11.0%	0.7%	1.7%	5.3%	-3.1%	-2.3%	4.7%
2026	4.5%	1.0%	-7.7%	3.7%	0.3%								1.3%

Source: Bloomberg, MSCI, Tundra Fonder

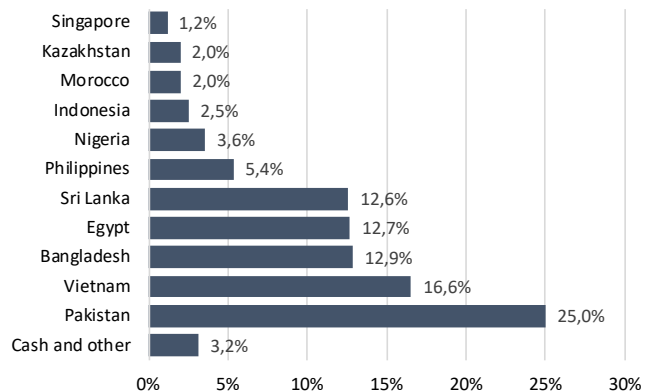
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SECTOR ALLOCATION



COUNTRY ALLOCATION



LARGEST HOLDINGS	WEIGHT	COUNTRY	P/E 26E	P/E 27E	YIELD	RETURN 1M (EUR)
Meezan Bank Ltd	8.8%	Pakistan	9.8	9.5	5.9%	2.2%
Systems Ltd	8.2%	Pakistan	19.4	13.7	1.5%	3.6%
BRAC Bank Ltd	6.4%	Bangladesh	8.5	6.7	2.6%	8.8%
FPT Corp	5.4%	Vietnam	13.7	11.8	3.1%	-3.6%
Ree	5.1%	Vietnam	13.2	12.5	1.6%	0.8%
Commercial Intl Bank	4.5%	Egypt	6.2	6.4	4.2%	1.8%
Gemadep Corp	4.3%	Vietnam	18.8	15.8	2.9%	-0.9%
Square Phar Ltd-Ord	4.1%	Bangladesh	7.3	6.0	7.7%	0.9%
GB Corp	3.9%	Egypt	11.3	10.8	2.0%	3.9%
Interloop Ltd	3.5%	Pakistan	11.0	7.6	3.0%	0.9%

BEST PERFORMERS	RETURN (EUR)	WORST PERFORMERS	RETURN (EUR)
Cairo Invest. & Real Estate	39.9%	Medikaloka Hermina TBK	-18.7%
Air Link Communication	17.1%	Media Nusantara	-14.4%
BRAC Bank Ltd	8.8%	Asiri Hospitals	-12.2%
Jsc Kaspi.Kz	5.8%	Access Bank Plc	-10.4%
Stanbic IBTC Holdings Plc	5.6%	Windforce Ltd	-9.9%

FACTS		RISKS AND COSTS*	
Inception date	2013-04-02	Active risk (Tracking error)	9.5%
Pricing	Daily	Active share	81.6%
Manager	Tundra Fonder AB	Standard deviation	14.6%
Benchmark index	MSCI FM xGCC Net TR (EUR)	Standard deviation, benchmark	12.2%
ISIN	SE0006789897	Beta	0.92
Bloomberg	TUNDFRF SS	Information ratio	-1.48
IBAN	SE445000000058648209218	Holdings	37
BIC	ESSESESS	Risk level	4 of 7 (refer to KID for more info)
Custodian	SEB	Management fee/year (all inclusive **)	2.5%
Auditor	PWC	AuM	234.7 MEUR
EU SFDR Classification	Article 8		

* 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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