

## The Fund Manager writes

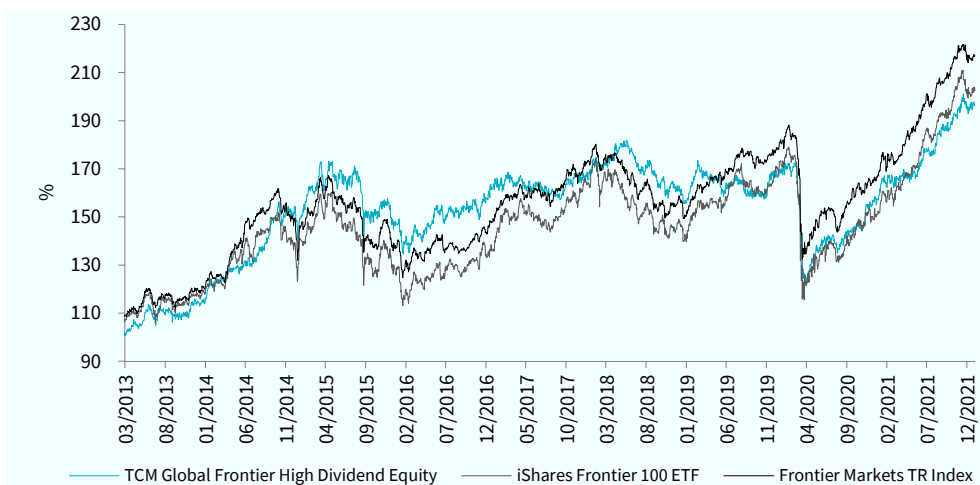
The fund ended the year with a return of 23.65%. With this, the Frontier Markets (FM) outperformed the Emerging Markets (EM) index that rose by 4.71% in 2021 measured in euro. Developed Markets (DM) showed the largest gains with a return of 31.39% based on the world index. FM's relative performance versus DM is at a 20-year low, but FM could outperform DM in the coming years as rising inflation and interest rates generally affect growth stocks more than value-shares.

The world index consists of approximately 50% growth stocks and for the Emerging Markets this is almost 65%. The Frontier Markets index, on the other hand, consists mainly of value stocks and these are attractively valued right now. For example, TCM Global's portfolio starts the new year at a price-earnings ratio (P/E) of 9.8x with a dividend yield of 6.2%. In comparison for the world index, the P/E (22.7x) is a lot higher and the dividend yield (1.7%) a lot lower, while the earnings growth expectations for FM and DM are about the same level for 2022.

Another argument is economic growth. Unlike the US and Western Europe, many countries in the frontier universe did not have a chance to fully reopen their economies for much of 2021 due to multiple waves of COVID-19 outbreaks and lower vaccination rates. When the virus becomes milder and the vaccination rate rises, these countries still have to catch up. In the latest World Economic Outlook, the IMF predicts that economic growth in developed economies will decline to an average of 2.3% over the next 5 years. The average growth forecast for the countries in the frontier universe is much higher at 4.8%, with peaks of up to 7% for Bangladesh and Vietnam. Almost a quarter of the TCM Global Frontier fund is invested in Vietnam and Bangladesh.

One of the last positions we bought in 2021 was MBB in Vietnam. This bank benefits from lower funding costs than its peers, as a result of which retail loans have increased by an average of 33% in the past 5 years. Earnings growth of 21% is expected for the new fiscal year. The P/E is currently 7.5x at a dividend yield of 2.1%, but we expect this to rise to more than 5% in the coming years.

## Fund Performance



Return in euro*	1 mnth	3 mnths	2021	2020	2019	2018	2017	Since start**
TCM Global High Dividend	-0.31%	4.37%	23.65%	-5.21%	7.74%	-7.94%	3.94%	96.64%
Frontier Markets TR Index	0.83%	2.34%	28.55%	-6.84%	20.33%	-12.25%	15.68%	117.04%
iShares Frontier 100 ETF	0.67%	4.07%	33.51%	-11.28%	22.23%	-13.86%	19.48%	102.46%

\* Based on Total Return (Bloomberg data)

\*\* Data is from inception of the fund: 15-11-2012

## Fund Profile

The fund will invest in stocks listed on the local exchanges of the Frontier Markets Universe. To set up the portfolio the fund will make a selection of countries on the basis of quantitative and qualitative screening. By using these selection criteria the fund will have a diversified portfolio invested in several countries and sectors. The equally weighted portfolio will be re-weighted and re-allocated on a periodically scale. The risk profile is high, due to investment in equities and Frontier Markets. To achieve its objective, the Fund invests 95% to 100% of its total assets through TCM Investment Funds Luxembourg in units of TCM Global Frontier High Dividend Equity (Lux). The Fund qualifies as feeder-structure.

### Morningstar Rating™



(3 years, 31-12-2021)

**Net Asset Value:** € 12.99

**Share Price:** € 12.93

**Total Net Assets:** € 22.7 million

**Number of Shares:** 1,746,455

**Start Date:** 15 November 2012

**Structure:** Open end

**Aim:** high dividend income as well as long term capital appreciation

**Dividend:** ± 5% per annum, payable twice a year

### Latest Dividend:

2021-11: € 0.26 gross dps  
(for historical dividends check the website)

**Benchmark:** Frontier Markets Index TR  
(this is the benchmark of the Master fund in Luxembourg)

**Management Fee:** 0.9 % per annum

**Performance fee:** 10%

(these costs will only be charged at the level of the Master fund in Luxembourg)

### Ongoing Charges Figure:

2.05% (Budget 2021)

**ISIN Code:** NL0010278073

**Bloomberg Ticker:** TCMGF NA

### Trading:

The fund is listed on Euronext, which means that the fund can be traded on trading days through any bank or broker. On trading days the fund will sell shares against NAV with a positive deviation of 0.5% and buy back against NAV with negative deviation of 0.5%.

### Managing Company:

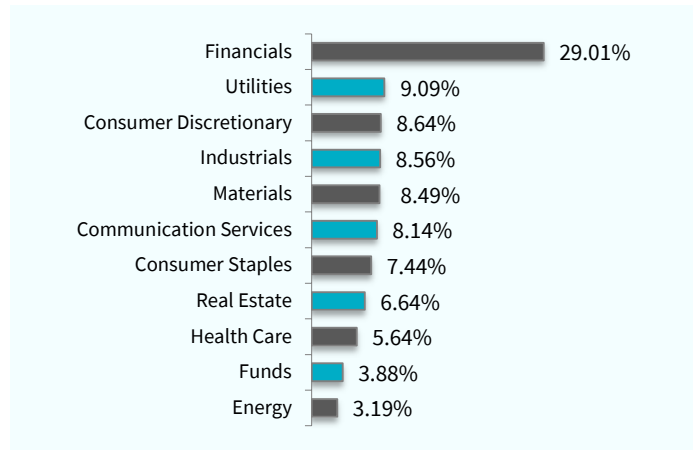
TRUSTUS Capital Management

### Fund Management:

Frontier Markets Team  
Wytze Riemersma  
Marco Balk



## Sector Allocation



## Top 10 Holdings

Position	Weighting
Airtel Africa Plc	2.49%
Fondul Proprietatea Sa/Fund	2.27%
Krka	2.19%
Marsa Maroc	2.11%
Totalenergies Marketing Maro	2.10%
Jsc Kaspi.Kz Gdr-Reg S	2.03%
Meezan Bank Ltd	1.97%
Bank Of Georgia Group Plc	1.96%
Compagnie Miniere De Touissi	1.96%
Halyk Savings Bank-Gdr Reg S	1.95%
<b>Total weightings Top 10</b>	<b>21.02%</b>

## Country Allocation - Top 15



## Fund Characteristics

Characteristics	Fund	Benchmark
Number of positions	75	90
Dividend Yield in %*	6.24	2.70
Price/Earnings Ratio*	9.80	15.53
Price to Book Ratio *	1.48	2.27

\* source: Bloomberg/TCM

## Investment Limits

	Fund	Benchmark
GCC-Region limit	max. 35%	7.85%
Country limit	max. 20%	30.10%
Sector limit	max. 30%	35.19%
Company limit (equally weighted)	1-2%	5.66%

For the benchmark this concerns the weighting for the GCC-region, the weighting for Kuwait (Country), Financials (Sector) and the largest individual position.

The above data refers to the underlying portfolio of the master fund in Luxembourg in which the Dutch feeder fund invests for 95% to 100%.

## Sustainability

TCM has entered into an agreement with Sustainalytics for the screening of the portfolios of the TCM equity funds on ESG criteria (UN Global Compact and Controversial Weapons).



## Morningstar

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**TCM investment funds**  
Your connection to new markets

**TCM Global Frontier High Dividend**

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