A unique pure-play approach to Frontier Markets
Executive Summary

Kallisto Partners

- Independent specialised boutique
- Unique pure-play approach on equity investments in Frontier Markets
- Over 30 years of collective experience in Frontier markets
- Interests of Kallisto’s managers and owners fully aligned with investors
- Entrepreneurial mind-set with a long term view

Frontier Markets

- Dynamic and fast growing economies supported by a rising middle class
- Attractive high long-term returns
- A compelling source of income
- Economies driven by local factors
- Financial markets show low correlation with both Developed and Emerging Markets
- The optimal way to diversify

Philosophy and Investment Strategy

- Unique approach focused on the assessment of capital flows in early-stage financial markets.
- Diversified portfolio across sectors and shares from 20+ countries with low intra-correlation
- Unique active risk management
- Pure exposure to Frontier Markets
- Agnostic and unbiased
- Fully customisable e.g.: geographic focus, target risk-adjusted returns

Aristea New Frontiers Equity Fund

- Dedicated Luxembourg UCITS Fund was launched in June 2016
- Strategic partnership with London-based asset manager Banor Capital Ltd
- Daily liquidity
- Target Return: 5% p.a. over reference markets over a full market cycle (3-5 years)
- Target Information Ratio: ~1
- Pension fund amongst the anchor investors
Kallisto Partners – Our Competitive Edge

Kallisto Partners is an independent boutique with over $100 Mln under influence, which focuses on equity investment in Frontier Markets and is fully owned by the managing partners. Particularly in these markets, investing through a dedicated boutique give some advantages. Kallisto Partners offers a unique proposition:

**Focus**
- Specialised team with long history in Frontier Markets (No generalist Global EM)

**Fully Alignment**
- Entrepreneurial long term view is fully aligned with Frontier Markets investors’ aim

**Independence and Impartiality**
- Strategy driven by opportunities within markets rather than affected by ‘external constraints’ (i.e. sales team, trading desk)

**Active Trading**
- Active monitoring and execution of trades to generate extra value

**Communication**
- Direct unfiltered access to investment team rather than sales
Kallisto Partners – About Us

Luca Clementoni
Managing Partner & Co-Portfolio Manager

Luca has 20 years of investment experience with a particular focus on Frontier Markets. From 2001 to 2012 he was at Galileo Finance SIM S.p.A (formerly Galileo Finance S.r.l.), first as an investment analyst and then as Executive Director and Head of Advisory for institutional clients, where he oversaw investment equities and macro strategies on Asia and Eastern Europe for total AUM of $400 Mln. He co-founded Kallisto Partners in 2012, where he is responsible for the entire investment process, including research, risk management and asset allocation with a macro overlay. Luca obtained a Master’s Degree with honours in Management Engineering from the University of Rome Tor Vergata.

Andrea Federici
Managing Partner & Co-Portfolio Manager

Andrea’s main responsibilities include equity research and portfolio construction. He has over 12 years of experience in trading, analysis and portfolio modelling, with a main focus on Frontier Markets equities. Prior to founding Kallisto Partners in 2012, he was a quantitative analyst at the Italian Banking Association (ABI) and then Head of Trading for the Middle East and South-East Asian equity strategies at Galileo Finance SIM S.p.A. where he was responsible for a daily trading value of over $100 Mln. Andrea obtained a Master’s degree with honours in Finance from the University of Rome Tre and is an FCA Approved Person.

Massimo Dinia
Managing Partner & Chief Operating Officer

Massimo has over 14 years of experience in financial services. He started in 2006 as a business developer at GRP Investments. In 2010 he joined Galileo Finance SIM S.p.A. first as Internal Auditor, and then covered key roles as Business Administration and Client Relationship Manager. Massimo co-founded Kallisto Partners in 2012, where he is responsible for administrative operations and business structuring. He holds a Master’s degree in Business Administration from the University of Rome Tre and is member of the AIIA (Italian Internal Auditors Association).
Frontier Markets – Universe

The term “Frontier Markets” refers to the smaller and less accessible, but still “investable” markets of the developing world.

These markets are at an earlier stage of economic and financial development, defined by size (Total Market Cap/GDP ratio), access (Top 10 companies Free Float) and activity (Liquidity and Transaction Costs).

Frontier Markets Universe includes: Argentina, Bahrain, Bangladesh, Benin, Bosnia Herzegovina, Botswana, Bulgaria, Burkina Faso, Cambodia, Croatia, Cyprus, Egypt, Estonia, Georgia, Ghana, Guinea-Bissau, Iceland, Ivory Coast, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Latvia, Lebanon, Lithuania, Macedonia, Mali, Malta, Mauritius, Moldova, Morocco, Myanmar, Niger, Nigeria, Oman, Palestine, Pakistan, Panama, Romania, Senegal, Serbia, Slovakia, Slovenia, Sri Lanka, Tanzania, Togo, Trinidad & Tobago, Tunisia, Ukraine, Vietnam, Zimbabwe.

Source: IMF, as of April 2020
Frontier Markets – Attractive Long-Term Returns

Frontier Markets are set to attract investors seeking **higher long-term returns** as they offer a range of **exciting growth opportunities**.

Being at an early stage of development, Frontier economies are expected to grow faster than emerging and developed economies. This is relevant from an investor’s perspective since capital market liberalisation and the economic expansion act as key drivers to long-term market returns.

Thanks to their favourable demographic and socio-political environment, **strong and sustainable growth** will be supported by a **rising middle class** consisting of **productive workers** and **significant consumers**.

Young population
Urbanisation
Rising education levels
Democratisation
Market-friendly reforms
Improving productivity
Increasing consumption
Economy liberalisation
Low cost labour
Foreign investments inflows

**5 years cumulative GDP growth forecast**

- Frontier
- Emerging
- Developed

Source: FTSE, IMF as of April 2020
Frontier Markets – Attractive Low Correlations

Frontier Markets offer significant diversification benefits because of their **lower level of integration** with more developed markets and because **local factors** tend to be more influential than the global economy.

In terms of portfolio-optimisation, **long-term investors** can benefit from introducing Frontier Markets in their portfolios exploiting their low level of correlation with both developed and Emerging Markets.

Investing in this new asset class is the **optimal way to diversify**. Investors will start to consider a certain degree of exposure to it as they did with Emerging Markets 15 years ago.

Note: Data based on 5 years rolling monthly returns
Source: FTSE
Frontier Markets – Country Correlations

The higher the concentration of the portfolio in highly “pure” Frontier Markets, the greater the benefits from diversification. Small Emerging Markets are often very correlated with Large Emerging and Developed Markets.

Note: Data based on monthly returns for a 5 year rolling period (31/05/2015-31/05/2020)
Source: Kallisto Partners, FTSE
Frontier Markets – A Diversified Universe

Frontier Markets can be seen as a very volatile asset class, but the volatility of a diversified portfolio of frontier countries is actually in line with other equity asset classes. Even though individual frontier countries tend to have high idiosyncratic risks, global Frontier Markets portfolios tend to be less volatile than global Emerging Markets portfolios. Due to their locally driven economies, Frontier Markets present low intra-country correlations (and sometimes even negative).

![Graph: Ann. Volatility (%)](image)

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>0.22</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Morocco</td>
<td>0.41</td>
<td>0.32</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nigeria</td>
<td>0.46</td>
<td>0.12</td>
<td>0.44</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kenya</td>
<td>0.44</td>
<td>0.08</td>
<td>0.39</td>
<td>0.45</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Iceland</td>
<td>-0.08</td>
<td>-0.22</td>
<td>-0.11</td>
<td>0.02</td>
<td>0.01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Romania</td>
<td>0.57</td>
<td>0.13</td>
<td>0.49</td>
<td>0.45</td>
<td>0.41</td>
<td>-0.02</td>
<td>-</td>
</tr>
<tr>
<td>Oman</td>
<td>0.42</td>
<td>0.20</td>
<td>0.49</td>
<td>0.30</td>
<td>0.20</td>
<td>0.03</td>
<td>0.43</td>
</tr>
<tr>
<td>Slovenia</td>
<td>0.50</td>
<td>0.26</td>
<td>0.53</td>
<td>0.49</td>
<td>0.44</td>
<td>0.09</td>
<td>0.61</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>0.35</td>
<td>0.11</td>
<td>0.53</td>
<td>0.30</td>
<td>0.43</td>
<td>-0.06</td>
<td>0.46</td>
</tr>
</tbody>
</table>

Note: Data based on 5 years rolling monthly returns
Source: FTSE
Frontier Markets – A Source of Diversification

The difference in correlation between markets at different levels of development suggests that investors in both Developed and Emerging Markets can obtain **diversification benefits** by investing part of their portfolios in Frontier Markets.

Simulations based on data from May 2002 to December 2018, showed that when adding a Frontier Markets component to a portfolio invested in only Developed and Emerging Markets, the **efficient frontier moves in a positive direction** (upwards to the left: EF1->EF2), improving the overall risk-return profile of the original portfolio.

Source: Kallisto Partners

Frontier Markets – A Compelling Source of Income

Over the last 10 years Frontier Markets companies have provided investors with higher dividend yield than Emerging and Developed Markets, proving them to be a better source of income than their “big brothers”.

Source: Bloomberg, MSCI
Frontier Markets – Cheap Valuations

Frontier Markets show a more reasonable valuation compared to more developed countries, with a Price Earnings Ratio (P/E) almost at an all-time low, well down compared to its long-term average (11.8 vs. 12.6). At this value, Frontier Markets are cheaper compared the Emerging Markets (FM's P/E is now at 11.1 vs 16.4 for Emerging).

Source: Bloomberg, MSCI
Our belief: in Frontier Markets stock prices are largely driven by institutional investors flows. Therefore, forecasting those flows can successfully add alpha.

Our quantitative studies (aiming to forecast the investment flows) allow us to exploit the structural inefficiencies of Frontier Markets.

### Structural inefficiencies
- Limited liquidity
- Limited derivatives instruments
- Difficult access
- Up/Downgrading of Countries to/from EM status

### Investment flows forecasting
- Based on Academic research
- Herding behaviour
- Status quo bias
- Groupthink

### Philosophy – A Unique Approach

Our quantitative studies (aiming to forecast the investment flows) allow us to exploit the structural inefficiencies of Frontier Markets.
Philosophy – Competitive Edge

Due to structural characteristics, investing in Frontier Markets with our philosophy allows us to achieve some competitive edges over a judgmental approach which would involve some extra risks.

<table>
<thead>
<tr>
<th><strong>Liquidity</strong></th>
<th>• Institutional flows contribute to create liquidity on the stocks they focus on</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Avoid Value Trap</strong></td>
<td>• We buy a stock only after the market discovers it and therefore flows support the price</td>
</tr>
<tr>
<td><strong>Objective</strong></td>
<td>• Objective Systems that does not rely on companies’ executives or third party research</td>
</tr>
<tr>
<td><strong>Impartial</strong></td>
<td>• Independent from research analysts’ opinions and subjective believes</td>
</tr>
<tr>
<td><strong>Unbiased Research</strong></td>
<td>• No focuses on particular countries or sectors</td>
</tr>
<tr>
<td><strong>Scalable and Repeatable</strong></td>
<td>• Our strategy is scalable, flexible with no fixed research-linked cost</td>
</tr>
</tbody>
</table>
The strategy aims to identify stocks where specialised investors focus their interest. These stocks have a greater potential to outperform the reference market, since they are able to attract a large part of investment flows.

- Monitoring of a great number of stocks in 50+ developing countries.
- Highly informatised system for an efficient data management and analysis.
- Key factors are size, liquidity, institutional presence and activity, analysts coverage, dividend policy.
- Macro overlay to manage specific risks or to capture unique opportunities.

**Objective:** Outperforming the benchmark by identifying the stocks mostly supported by long term flows.

**Investment Process – Stock Selection**

- **Universe**
  Securities of 50+ countries (~5000 stocks)

- **Subset of stocks with foreign interest**
  400-600 stocks

- **Focus list**
  Top 100 stocks ranked by interest shown by specialised investors

- **Portfolio**
  Stock selection and Portfolio Construction (40-60 positions)
Investment Process – Stock Selection

**Proprietary Ranking Model**
- Monitoring of **40+ specialised foreign Frontier Markets investment teams**
- Based on the look-through of investment portfolios
- Selection of a **subset of stocks with foreign interest** (400-600 stocks)
- Companies are **ranked by interest** shown by specialised investors

**Focus on Top 100 Companies and in-depth analysis**
- **Analysis of selected indicators**: # institutional holders, buyers/sellers, analysts coverage
- **Analysis of stock characteristics**: free-float, liquidity
- **ESG**: controversial country and sector exclusionary approach
- **Dividend policy**: pay-out ratio indicator, dividend yield
- Continuous engagement with **buy-side** PMs/analysts
- Attending companies **roadshows and conferences**

**Portfolio Construction**
- **Consideration of specific macro risks or tactical opportunities** (e.g. expected currencies depreciations, geopolitical risks, indexes providers inclusion/upgrade)
- Position sizing: **tendentially equal-weighted** depending on liquidity (max 5% median 2%)
- Trading strategy based on **deep knowledge of market microstructure** (bid/ask analysis, intraday volatility)
- **No FX hedging**: most currencies are pegged and on the long term they appreciate
Investment Process – Investment Case: Equity Group Holding

In October 2017, **Equity Group Holding Ltd**, a large financial services company headquartered in Nairobi, started gaining an significant interest from institutional investors. We built our position in early **February 2018**. The position was then closed in late **April 2019**, following a significant reduction in the interest of institutional investors.

During the holding period the stock **strongly outperformed** both the local market – Nairobi Securities Exchange Index (**+26.8%**) and the broad universe of Frontier Markets – FTSE Frontier Index (**+34.8%**).
Investment Process – Investment Case: 2 IPOs in Vietnam

In May 2018 the initial equity offering of Vinhomes JSC, a large residential property developer, took place. In a few months, the company had attracted a meaningful interest from institutional investors.

⇒ In October 2018 we built our position in the company (1.5%).

Sabeco, the largest brewer in Vietnam, listed its shares in December 2016, but had struggled to get interest among institutional investors until August 2019.

⇒ Kept in the watch list until August 2019, when it was included in our portfolio (1.3%).

Source: Bloomberg
Investment Process – Investment Case: Pakistan upgrade

Following MSCI upgrade announcement in June 2016 of Pakistan from Frontier to Emerging Markets the strategy outweighed Pakistani stocks to profit from the wave of euphoria among institutional investors generated by the news.

When the upgrade was effective Pakistan became “a small fish in a big pond”, causing institutional investors to lose interest. We then sold all our positions in June 2017, avoiding the following market decline.

Source: Bloomberg
In early-stage markets, institutional investors’ risk appetite influences the main market trend. This is due to their size and to their behaviour. They tend to **position on the same side at the same time**, in particular when they turn more risk-averse. Furthermore, due to the specific microstructure of the markets, large institutions need to spread their orders over several days.

The **output of the risk management system is a continuous signal** that forecasts institutional investors’ **short-medium term flows** in Frontier Markets.

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**Objective**: mitigate the risk by forecasting **short-medium term flows** that generate high volatility.

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![Risk System Historical Output Signal](image-url)

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*Source: Kallisto Partners*
The proprietary risk mitigation tool forecasts reductions in institutional investors' risk appetite resulting in periods of higher volatility, when defensive measures are to be implemented.

The risk management system applied to Frontier Markets was implemented in investment vehicles and managed accounts since January 2012 and in the Aristea New Frontiers Equity Fund since its launch in June 2016.

Risk System Historical Output Signal

Source: Kallisto Partners, FTSE
The strategy was **implemented in the Aristea New Frontiers Equity Fund since its launch in June 2016.** The fund was able to invest in all markets since July 2017.

### Performance Summary

<table>
<thead>
<tr>
<th></th>
<th>Strategy</th>
<th>FTSE Frontier</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ann. Return</strong></td>
<td>0.06%</td>
<td>-8.37%</td>
</tr>
<tr>
<td><strong>Ann. Volatility</strong></td>
<td>12.48%</td>
<td>15.58%</td>
</tr>
<tr>
<td><strong>Sharpe Ratio</strong></td>
<td>&lt;0</td>
<td>&lt;0</td>
</tr>
<tr>
<td><strong>Ann. Alpha</strong></td>
<td>4.53%</td>
<td></td>
</tr>
<tr>
<td><strong>Tracking Error</strong></td>
<td>7.02%</td>
<td></td>
</tr>
<tr>
<td><strong>Information Ratio</strong></td>
<td>1.20</td>
<td></td>
</tr>
<tr>
<td><strong>Beta</strong></td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td><strong>Correlation</strong></td>
<td>0.90</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Kallisto Partners, FTSE*
Aristea New Frontiers Equity Fund – Overview

**Aristea SICAV New Frontiers Equity Fund** was launched in June 2016 to give investors the opportunity to access dynamic and fast growing economies with low correlation with more developed markets under the investor friendly terms of a UCITS fund with daily liquidity. Investing in this new asset class offers significant diversification benefits because of their lower level of integration with more developed markets and because local factors tend to be more influential than the global economy.

- **Luxemburg UCITS V** umbrella fund regulated by CSSF, authorised for distribution in the major European markets and listed on the Allfunds platform, with daily pricing and dealing.

- Present size: **15.38 mln USD** (as of 30/06/2020).

<table>
<thead>
<tr>
<th>Number of positions</th>
<th>Typically 40-60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practical min position size</td>
<td>0.5%</td>
</tr>
<tr>
<td>Max position size</td>
<td>5.0%</td>
</tr>
<tr>
<td>Number of Countries</td>
<td>Typically 15-20</td>
</tr>
<tr>
<td>Maximum country exposure</td>
<td>30%</td>
</tr>
<tr>
<td>Maximum geographic area</td>
<td>50%</td>
</tr>
<tr>
<td>Maximum sector exposure</td>
<td>45%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Portfolio Turnover</th>
<th>Generally 75-125% p.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposure</td>
<td>Between 50% and 100% (75% on average) due to risk mitigation tool</td>
</tr>
<tr>
<td>Currency Hedging</td>
<td>No</td>
</tr>
<tr>
<td>Investment Return target</td>
<td>5% p.a. over reference markets over a full market cycle</td>
</tr>
<tr>
<td>Target Information Ratio</td>
<td>~1 over a full market cycle (3-5 years)</td>
</tr>
<tr>
<td>Holding Periods</td>
<td>3 to 24 months (average 12 months)</td>
</tr>
<tr>
<td>Liquidity constraint</td>
<td>&gt; 95% of the portfolio must be liquidated within 5 trading days</td>
</tr>
</tbody>
</table>
The portfolio is well diversified in **highly “pure” Frontier Markets** to fully exploit diversification benefits with an eye on **ESG factors** avoiding to engage in oil, mining, tobacco and gambling companies.

Source: Kallisto Partners, FTSE
## Aristea New Frontiers Equity Fund – Main Holdings

<table>
<thead>
<tr>
<th>Name</th>
<th>Country</th>
<th>Industry Sector</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoa Phat Group JSC</td>
<td>Vietnam</td>
<td>Materials</td>
<td>5.13%</td>
</tr>
<tr>
<td>The largest producers of construction steel and steel pipe and galvanized steel sheet in Vietnam</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Bank of Kuwait SAKP</td>
<td>Kuwait</td>
<td>Financials</td>
<td>4.76%</td>
</tr>
<tr>
<td>Commercial bank providing services through local branches, overseas branches and subsidiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vietnam Dairy Products JSC</td>
<td>Vietnam</td>
<td>Consumer Staples</td>
<td>4.69%</td>
</tr>
<tr>
<td>Also known as Vinamilk, it is the Vietnam’s largest dairy producer with more than 50% market share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile Telecommunications Co KSC</td>
<td>Kuwait</td>
<td>Communication Services</td>
<td>4.61%</td>
</tr>
<tr>
<td>A geographically diversified mobile telecommunications company, operating in Middle East and Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safaricom PLC</td>
<td>Kenya</td>
<td>Communication Services</td>
<td>4.55%</td>
</tr>
<tr>
<td>The leading telecommunications provider in Kenya and one of the most profitable companies in the region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maroc Telecom</td>
<td>Morocco</td>
<td>Communication Services</td>
<td>4.40%</td>
</tr>
<tr>
<td>The main telecommunication company in Morocco</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Halyk Savings Bank of Kazakhstan JSC</td>
<td>Kazakhstan</td>
<td>Financials</td>
<td>3.98%</td>
</tr>
<tr>
<td>The leading saving commercial bank in Kazakhstan with branches in Russia, Georgia and Uzbekistan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banca Transilvania SA</td>
<td>Romania</td>
<td>Financials</td>
<td>3.57%</td>
</tr>
<tr>
<td>Banking institution amongst the largest on Romania and the first Romanian bank to open a branch in Rome</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guaranty Trust Bank PLC</td>
<td>Nigeria</td>
<td>Financials</td>
<td>3.27%</td>
</tr>
<tr>
<td>A Nigerian financial institution offering diversified banking services through local subsidiaries in sub-Saharan Africa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vinhomes JSC</td>
<td>Vietnam</td>
<td>Real Estate</td>
<td>3.01%</td>
</tr>
<tr>
<td>The largest commercial real estate developer in Vietnam</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Top 10** 41.98%
Aristea New Frontiers Equity Fund – Valuations and Growth Rates

Our portfolio is well positioned to capture the great potential offered by Frontier Markets in terms of **growth** and **income**.

<table>
<thead>
<tr>
<th></th>
<th>Aristea New Frontiers</th>
<th>Peers Average*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price/Earnings (P/E)</td>
<td>9.63</td>
<td>9.70</td>
</tr>
<tr>
<td>Price/Book (P/B)</td>
<td>1.53</td>
<td>1.39</td>
</tr>
<tr>
<td>Price/Sales (P/S)</td>
<td>1.69</td>
<td>1.32</td>
</tr>
<tr>
<td>Price/Cash Flow (P/CF)</td>
<td>2.86</td>
<td>2.66</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>23.85</td>
<td>19.53</td>
</tr>
<tr>
<td>Earnings Growth (%)</td>
<td>10.96</td>
<td>13.03</td>
</tr>
<tr>
<td>Sales Growth (%)</td>
<td>9.57</td>
<td>8.49</td>
</tr>
<tr>
<td>Cash-Flow Growth (%)</td>
<td>0.01</td>
<td>17.60</td>
</tr>
<tr>
<td>Dividend-Yield (%)</td>
<td>5.24</td>
<td>5.28</td>
</tr>
</tbody>
</table>

Source: Morningstar

* Peer group: Morningstar Global Frontier Markets Equity UCITS compliant funds
Aristea New Frontiers Equity Fund – Historical Sector Breakdown
The portfolio must be **very liquid** to provide investors with a **daily liquidity product**. Liquidity monitoring is embedded in the stock selection process: **institutional flows contribute to create liquidity on the stocks on which they focus**.

**Constraint:** At least 90% of the portfolio must be liquidated within a week.

**Note:** Based on 30% of the 3 months median traded volume

**Source:** Bloomberg
Position sizing is not driven by market cap (but by ranking, liquidity, stock idiosyncratic risk), therefore the portfolio is more diversified among different dimensional classes compared to passive investments.

Source: Kallisto Partners, DWS, Bloomberg
Aristea New Frontiers is among the few funds offering a high «Pure Frontier Markets» exposure.

Source: Morningstar, Kallisto Partners
* Peer group: Morningstar Global Frontier Markets Equity UCITS compliant funds
Aristea New Frontiers Equity Fund – Peer Group Comparison*

**Performance vs Risk** since the fund was able to invest in all markets (30/06/2017 – 30/06/2020)

Source: Morningstar, Bloomberg

* Peer group: Morningstar Global Frontier Markets Equity UCITS compliant funds
The investment strategy implemented in the Fund combines the strategy and the risk mitigation-tool objectives over the long term.

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<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
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<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
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<th>Nov</th>
<th>Dec</th>
<th>YTD</th>
<th>Bench.</th>
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<tbody>
<tr>
<td>2020</td>
<td>-0.34%</td>
<td>-6.65%</td>
<td>-22.90%</td>
<td>8.03%</td>
<td>6.47%</td>
<td>0.66%</td>
<td>11.06%</td>
<td>-0.70%</td>
<td>-2.28%</td>
<td>0.10%</td>
<td>-1.64%</td>
<td>1.64%</td>
<td>0.88%</td>
<td>-16.96%</td>
</tr>
<tr>
<td>2019</td>
<td>4.21%</td>
<td>1.36%</td>
<td>-0.66%</td>
<td>0.04%</td>
<td>-0.64%</td>
<td>0.14%</td>
<td>0.16%</td>
<td>0.70%</td>
<td>-2.82%</td>
<td>0.10%</td>
<td>-1.64%</td>
<td>1.64%</td>
<td>0.88%</td>
<td>2.31%</td>
</tr>
<tr>
<td>2018</td>
<td>7.86%</td>
<td>-1.62%</td>
<td>1.70%</td>
<td>-2.43%</td>
<td>-8.25%</td>
<td>-1.88%</td>
<td>0.39%</td>
<td>-2.37%</td>
<td>-2.32%</td>
<td>-4.10%</td>
<td>0.70%</td>
<td>-3.45%</td>
<td>-15.39%</td>
<td>-23.59%</td>
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<tr>
<td>2017</td>
<td>1.83%</td>
<td>0.97%</td>
<td>3.34%</td>
<td>1.77%</td>
<td>4.53%</td>
<td>-0.60%</td>
<td>1.20%</td>
<td>0.84%</td>
<td>1.04%</td>
<td>1.29%</td>
<td>1.71%</td>
<td>2.63%</td>
<td>22.50%</td>
<td>28.46%</td>
</tr>
<tr>
<td>2016</td>
<td>7.93%</td>
<td>1.53%</td>
<td>-1.19%</td>
<td>0.35%</td>
<td>-1.83%</td>
<td>-3.38%</td>
<td>2.33%</td>
<td>-4.79%</td>
<td>-3.94%</td>
<td>28.46%</td>
<td>22.50%</td>
<td>2.31%</td>
<td>-16.96%</td>
<td>-24.76%</td>
</tr>
</tbody>
</table>

* The benchmark performance shown is derived from a combination of the MSCI Frontier Markets Index from the Fund's inception to 31 December 2017 and the FTSE Frontier Index from 1 January 2018 to current reporting period.
**Aristea New Frontiers Equity Fund – Information**

Investment Strategy: **Active Frontier Markets Equity**  
Investment Manager: **Banor Capital Limited**  
Advisor to Investment Manager: **Kallisto Partners**  
Brokers: **Goldman Sachs, Renaissance Capital, EFG Hermes, Tradition**  
ISDA Counterparty: **Goldman Sachs**  
Management Company: **Casa4funds SA, Luxembourg**  
Custodian Bank andListing Agent: **BNP Paribas Securities Services (Lux)**  
Auditors: **Deloitte S.A.**  
Administrator: **BNP Paribas Securities Services (Lux)**  
Website: [www.aristeasicav.com](http://www.aristeasicav.com)

Inception Date: **7 June 2016**

NAV pricing frequency and Subscription/Redemption: **Daily (ex Fridays)**  
Prior Notice for Subscription/Redemption: **0 days**

<table>
<thead>
<tr>
<th>Share Class</th>
<th>Currency Hedged</th>
<th>ISIN</th>
<th>Bloomberg Ticker</th>
<th>Management Fee</th>
<th>Performance Fee</th>
<th>Min. Initial Investment</th>
<th>Initial NAV</th>
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<td>N</td>
<td>LU1313167980</td>
<td>ANFEICU LX</td>
<td>1.50%</td>
<td>10.00% (1)</td>
<td>$ 100,000</td>
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<td>I – EUR</td>
<td>N</td>
<td>LU1313168012</td>
<td>ANFEICE LX</td>
<td>1.50%</td>
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<td>S – USD</td>
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<td>-</td>
<td>$1,000,000</td>
<td>1,000.00</td>
</tr>
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</table>

(1) calculated on the outperformance vs FTSE Frontier Index in USD with HWM - Ticker Bloomberg: FTSEFII Index  
(2) calculated on the outperformance vs FTSE Frontier Index in EUR with HWM - Ticker Bloomberg: FTSEFII Index
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United Kingdom: 5th Floor, Eagle House, 108-110 Jermyn Street, London SW1Y 6EE
Tel: +44 (0) 203 287 1428
info.london@kallistopartners.com

www.kallistopartners.com
Appendix
Frontier Markets – A New Asset Class

In recent years Frontier Equity Markets became a separate and distinct asset class from their “big brothers”, the Emerging Markets. Data regarding the evolution and level – in terms of managed assets and number – of specialised European mutual funds, suggest that the development of this new asset class is today where the Emerging Markets’ industry was 15 years ago, before the boom that followed their identification as a separate asset class, which resulted in great inflows.

Despite the recent increase in interest and flows to Frontier Markets, total AUM are far from motivated levels compared to Emerging Markets. A UCITS Frontier fund will provide European investors with innovative long-term solutions for their portfolios.

Source: Morningstar
A strong middle class is the real source of economic growth, since it provides a stable consumer base that drives productive investments (Brueckner, 2018; Kharas, 2017; Uner and Gungordu, 2016; Kravets and Sandikci, 2014). Moreover, it stimulates social interactions and reduces transaction costs through increasing volumes of business. Frontier Markets have long since become Middle Income countries (early 2000s), and are now on the verge to reach the Upper Middle/High end.\(^1\)

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\(^1\) “Frontier Markets – A Rising Reality”, Kallisto Partners, Jun 2019
Frontier Markets – A False Myth

Since many frontier countries are exporters of raw materials, many investors believe that frontier stock markets are driven by commodity prices. An analysis of stock market returns relative to commodity prices show that Frontier Markets are not commodity-driven markets.

- Exporter of some commodities but importer of others
- Importer of down-stream products as they lack of internal processing capacity
- Major resource producers are typically not listed on local stock exchanges: they are nationally owned or global companies listed in US, Canada or UK

Note: Data based on 5 years rolling monthly returns
Sources: FTSE, Bloomberg
Frontier Markets – Belt and Road Initiative

The **Belt and Road Initiative** includes many Frontier Markets, both as core members and not.

According to World Bank studies, the median impact of BRI on GDP is expected to be **3.44% for all BRI economies**, while it increases to **4.70% for BRI core countries**.

This list countries is led by Frontier Markets, with increments in real GDP up to **7.01% for Cambodia**, **6.52% for Vietnam**, **6.47% for Kazakhstan**, **6.43% for Pakistan**, **5.66% Kuwait**, **4.72% for Lithuania**, **4.57% for Kenya** and **3.46% for Tanzania**.

Our proprietary model identified a significant decrease in the institutional investors' interest in the Argentinian market during May 2019. This made the market vulnerable to negative news and therefore too risky.

We therefore started selling our Argentinian positions and liquidated all of them by the end of May 2019, successfully avoiding the crash of the Argentinian market in August 2019 following political turmoil.

Source: Bloomberg
Aristea New Frontiers Equity Fund – Structure

The Investment Manager – Banor Capital Ltd
✓ Banor Capital Ltd is the London-based asset management company responsible for Aristea SICAV.
✓ Established in 2010 by Massimiliano Cagliero (also CEO of Banor SIM Spa - Milano), and partners.
✓ The investment management team has been working together for well over a decade.
✓ The team is comprised of four investment managers, three traders & portfolio analysts, one risk manager, three salespersons, and one administrator.
✓ Banor is part of a group with assets under influence of over EUR 7.5 bln.

The Advisor – Kallisto Partners
✓ Banor relies on Kallisto Partners for research, modelling and risk management of Frontier equities, implemented in the New Frontiers Equity Fund.
✓ Kallisto Partners is an independent financial boutique specialised on equity investment in early-stage Markets, with a main focus on Frontier Markets.
✓ More than 15 years’ experience in Emerging and Frontier Markets, advising institutional investors since 2005.
✓ The principals have more than 30 years of collective investment experience.

The Fund – Aristea SICAV New Frontiers Equity Fund
✓ Aristea SICAV is a Luxemburg UCITS IV umbrella fund regulated by CSSF. The New Frontiers Equity Fund is one of the five sub-funds currently under the SICAV.
✓ Authorised for distribution in the major European markets and listed on the Allfunds platform.
The combination of the strategy and the risk mitigation tool has been implemented in the Aristea New Frontiers Equity Fund since its launch in June 2016. The fund was able to invest in all markets since July 2017.

Source: Kallisto Partners, FTSE
Aristea New Frontiers Equity Fund – Turnover and Trading Impact

Portfolio turnover ranges between **100% and 125%**.

Trading costs (including execution commissions, taxes and duties) ranges between **0.30% and 0.40%**.

- Turnover is calculated as the sum of the absolute value of all purchases and the absolute value of all sales divided by the average net assets of the fund.

- The trading cost is calculated as the sum of execution commissions, taxes and duties divided by the sum of the absolute value of purchases and sales.

- The trading impact is calculated as the sum of execution commissions, taxes and duties divided by the sum of the average net assets of the fund.

Source: Kallisto Partners
Aristea New Frontiers Equity Fund – Investors Base

The fund’s investor base is well diversified, with a **substantial share represented by anchor investors**.
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Performance values are calculated without taking account of tax expenses due in the home country of the investors.