

# NEW FRONTIERS EQUITY

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The Aristeia New Frontiers Fund has registered a YTD performance of -9.2% in USD compared to -17.8% for the benchmark. The two crises in Argentina and Turkey have not substantially affected the fund performance. Both countries have been hit by strong currency depreciations, Argentina after the unexpected ask IMF for help, Turkey after geopolitical tensions with the US. The local factors, representing the main drivers of growth, and the low intra-country correlations have prevented a contagion effect in the Frontier Markets.

Our active strategy allowed the fund to significantly outperform the benchmark by + 8.6% YTD. In accordance with our behavioural finance studies, we promptly reduced the exposure in Argentina in favour of countries and stocks that are less vulnerable to short-medium term capital outflows.

Even in this scenario characterised by uncertainty for global equity markets, we are observing an increasing interest in Frontier Markets, supported by attractive valuations and strong macroeconomic fundamentals.

