NEW FRONTIERS EQUITY

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In the last quarter the Aristea New Frontiers Fund was not significantly affected by the sharp decline in developed financial markets. In fact, Europe and United States suffered a loss of around -14% due to the interest rate hike by the FED, concerns over the slowdown in developed economies and the trade war between the United States and China. Despite the negative performance in absolute terms, this period was confirmed that Frontier Equities Markets represents a significant diversification opportunity for a global portfolio.

In 2018, the Fund registered a performance of -15.4% in USD, compared to -23.6% for the benchmark. Our active strategy allowed the fund to end the year with a significant outperformance of + 8.2%. In accordance with our behavioural finance studies, we have invested in countries and stocks that are less vulnerable to short-medium term capital outflows such as Vietnam, Saudi Arabia, Kuwait and Nigeria.

Despite uncertainties related to the global economy, we are confident in Frontier Markets Equities. In fact, most of these economies continue to growth at rates between 4% and 7%. Our studies begin to identify excellent entry opportunities in specific countries and companies.