Aristea - New Frontiers Equity Fund

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In the third quarter of 2021 the fund gained +2.11%.

Looking at performances YTD, Frontier Markets are the best performing equity asset class: the Aristea New Frontiers Equity Fund has returned +17.12%, while Developed Markets +12.62% and Emerging Markets +1.06%, according to FTSE Total Return Indices (Figure 1).

It is important to highlight that Frontier Markets seem to have faced recent global events with little or no consequences. The intensified grip by the Chinese regulator on some of the nation's leading industries in July, growing concerns about the US rising inflation and how central bankers will respond to it and Evergrande's debt crisis, have had a significant impact on both Emerging and Developed Markets. On the other side, Frontier Markets have been following their own smooth path.

Frontier Markets have indeed kept attracting new investment flows. In an environment with rising inflation and political uncertainty, unique Frontier Markets' characteristics, such as high dividend yields, might offer a hedge for investors. Our portfolio's dividend yield now stands at 4.59%, fairly higher than Emerging Markets (3.20%) and more than twice that of Developed Markets (2.15%). This makes us very confident that the strong momentum on Frontier Markets will remain for the foreseeable future.

Figure 1: Aristea New Frontiers Equity Fund (USD) vs FTSE World Index TR and FTSE Emerging Index TR

Source: FTSE, Bloomberg