tcm investment funds

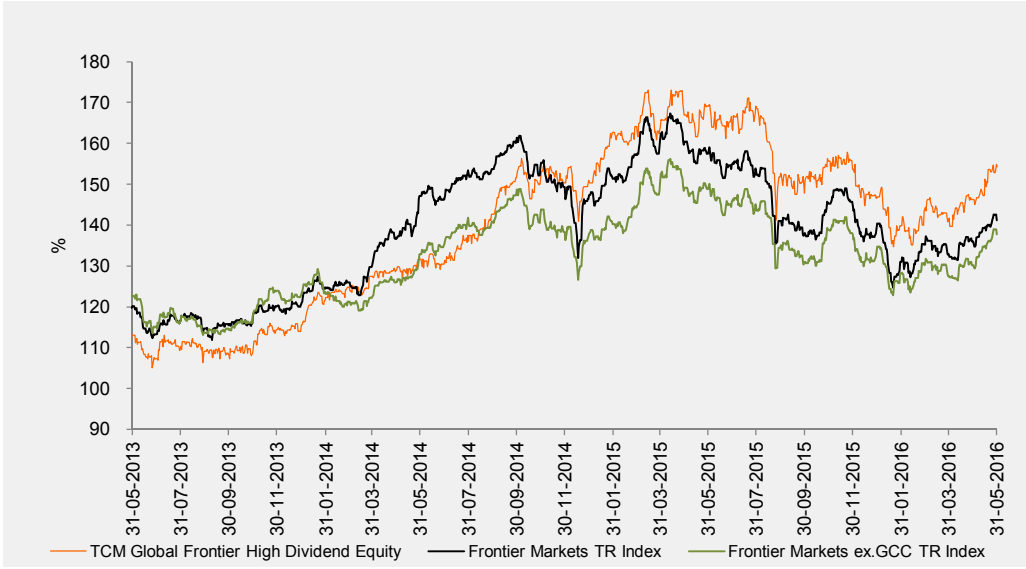
specialists in frontier and emerging markets

Factsheet
May 2016

The Fund Manager writes

In May the fund share price rose 5.44% and thereby it outperformed the iShares Frontier 100 ETF which gained 4.95%, both measured in euro and based on total return.
Within our universe, the market in Nigeria was in the spotlights were the All Share Index rose 13.74% measured in euro. The abandoning of low fixed fuel prices was seen as a prelude to a long awaited devaluation, which turned investors positive. The market in Pakistan was positive as well. The Karachi All Share Index increased by more than 5% in euro. The latest figures show that the economic growth amounts to 4.7%, the strongest in eight years' time. Inflation is under control (3.3%), whereby the Central Bank lowered the interest rate by a quarter of a percent to 5.75%.
Frontier Markets (+3.73%) outperformed the Emerging markets (-1.11%) in May, measured in euro. Looking at valuations we can see that the PE in Frontier Markets (11) is still well below the PE of Emerging Markets (13.3) and Developed Markets (20.3). The discount in Frontier Markets is near an all-time extreme, according to Citi. The PE of the fund is currently 8.37.
Currently we have 70 (equally weighted) stocks in portfolio, which are spread over 17 different countries. The countries with the largest weightings are now Pakistan (19.15%), Vietnam (14.96%) and Nigeria (11.62%). In these markets we currently find the most interesting high dividend stocks, which meet our quality requirements. The country weightings are thus mainly determined by the relative attractiveness of the market as a whole relative to other countries. Consequently, the fund differs significantly from the benchmark index. On May 20 the fund payed a gross interim dividend in cash of 0.38 euro per share.
Within the portfolio we have bought a few new positions, for example, Access Engineering in Sri Lanka. The company is active in the construction of roads and bridges and trades at 8.8 times expected earnings with a dividend yield of 4.35%. Among the winners this month were mostly Nigerian stocks: Access Bank (+43,95%), United Bank for Africa (+43,64%) and Dangote Sugar Refinery (+25,17%). The losers this month were Cal Bank (-8.32%) and Ecobank (-7.01%) both in Ghana, all measured in euro and based on total return.

Fund Performance



Return in euro's*	2016	1 mnth	3 mnths	2015	2014	2013	2012**	Since inception**
TCM Global Frontier High Div. Eq.*	4,95%	5,44%	7,36%	-2,31%	30,13%	16,49%	-0,80%	54,18%
Frontier Markets TR Index	0,58%	3,73%	4,41%	-4,74%	21,75%	20,49%	0,38%	41,09%
Frontier Markets ex.GCC TR Index	2,34%	5,74%	5,73%	-2,46%	11,81%	18,94%	3,70%	37,67%
iShares Frontier 100 ETF	0,72%	4,95%	4,94%	-7,81%	17,65%	18,39%	-2,77%	30,22%

* Based on Total Return

** Data from the start date of the fund: 15-11-2012

Fund Profile

TCM Global Frontier High Dividend Equity is a subsidiary fund of Intereffekt Investment Funds N.V. (IIF), established with a so-called umbrella structure. 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. In principle, the fund will pay out dividend twice a year with an expected dividend yield of approximate 5-6% per annum.

tcm
global frontier
high dividend
equity

Key figures

Net Asset Value: Euro 13.15

Stock Price: Euro 13.21

Fund Capital: Euro 22.6 million

Shares outstanding: 1,715,832

Inception: 15 November 2012

Structure: Open end

Aim: High dividend income as well as long term capital appreciation

Dividend: appr. 5-6% per annum, payment frequency semi-annually

Historical cash dividends since inception of the fund:
2016-05: euro 0.38 gross dps
2015-11: euro 0.38 gross dps
2015-05: euro 0.37 gross dps
2014-11: euro 0.33 gross dps
2014-05: euro 0.30 gross dps
2013-11: euro 0.30 gross dps

Benchmark: Frontier Markets Index (Total Return)

Management Fee: 0.9% p.a.

Performance Fee: 10% of the outperformance of the benchmark

Ongoing Charges Figure: 1.70% (Budget 2016)

ISIN Code: NL0010278073
Bloomberg Ticker: TCMGF NA

Fund Ratings:
Morningstar Rating ™

★★★★★

(3 years, 31-05-2016)

Citywire manager rating

citywire AA

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

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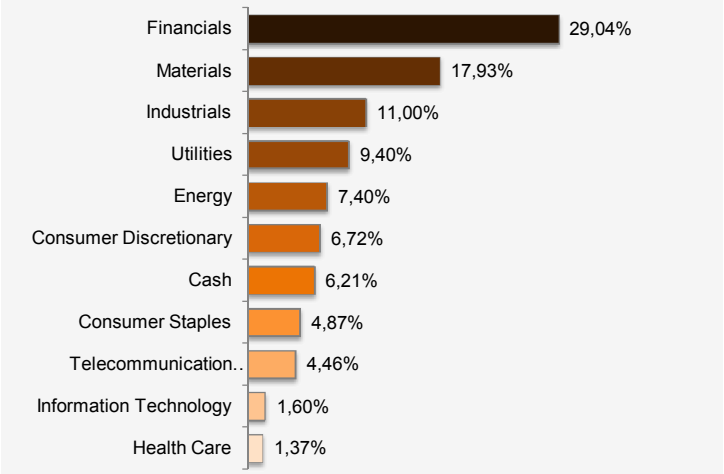
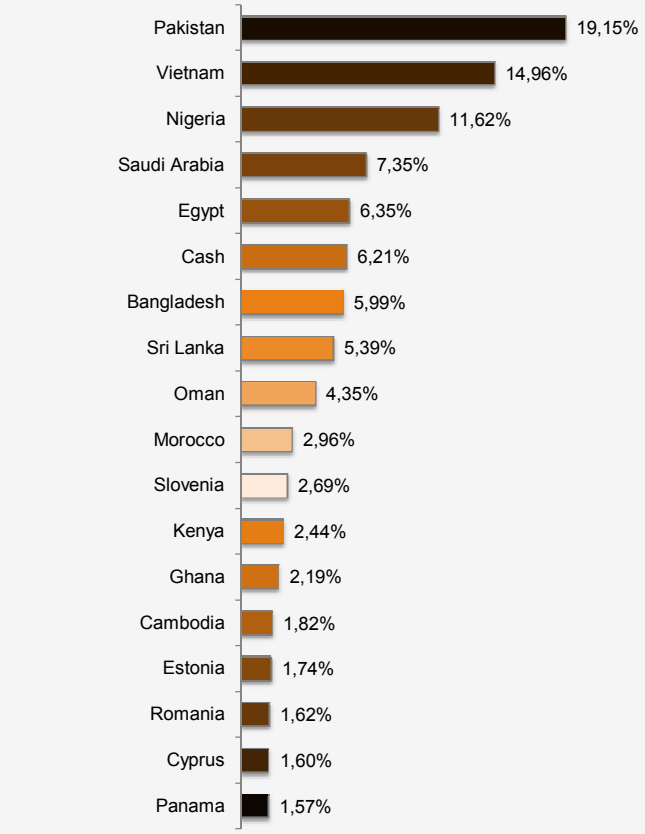
Sector Allocation



Top 10 Holdings

Position	Weightings
Petrovietnam Gas Joint Stock	2,17%
United Bank For Africa Plc	2,02%
Alexandria Containers & Good	1,99%
Access Bank Plc	1,87%
Guaranty Trust Bank	1,86%
Zenith Bank Plc	1,83%
Nagacorp Ltd	1,82%
Hub Power Company	1,78%
Ho Chi Minh City Infrastruct	1,74%
Olympic Entertainment Group	1,74%
Total weightings Top 10	18,81%

Country Allocation



Fund Characteristics

Characteristic	Fund	Benchmark
Number of Positions	70	121
Dividend Yield in %*	8	4,5
Price/Earnings Ratio *	8,37	11,01
Price to Book Ratio *	1,41	1,4

* source: Bloomberg/IIF

Investment Limits

	Fund	Benchmark
GCC-Region limit	max. 35%	27,4%
Country limit	max. 20%	19,2%
Sector limit	max. 30%	51,8%
Company limit (equally weighted)	1-2%	6,5%

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

Contact Information:

Intereffekt Investment Funds N.V.
Sewei 2, 8501 SP, JOURE, The Netherlands

Tel.: 0031 (0) 513 - 48 22 22
Email: info@intereffektfunds.nl

www.intereffektfunds.com
@intereffekt

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