## Bloomberg

## 12/22/2021 18:27:38 [BFW] Bloomberg First Word

## Vietnam, Kazakhstan Among Resilient Markets: Asia Frontier Fund

## By Faseeh Mangi

(Bloomberg) -- With low government debt levels, high foreign exchange reserves, and structurally strong GDP growth, these countries, along with Uzbekistan and Bangladesh, should better withstand any major shifts in global macro-economic trends, Thomas Hugger and Ruchir Desai, co-fund managers for AFC Asia Frontier Fund write in a note.

- "2022 will possibly be a year of transition from liquidity-fueled stock market rallies to potentially higher interest rates and higher inflation. We believe these themes will occupy the minds of investors, at least in the first half of 2022"
- With valuations of Asian frontier markets still cheap, any hiccups in global investor sentiment linked to a path toward monetary policy normalization should be viewed as a buying opportunity as most of the countries are in the midst of a structural and long-term growth phase, according to the report
- Fund poised for best year since 2016, returns +15% YTD till November
- Current country allocation: Mongolia 23%, Vietnam 13%, Uzbekistan 11%

To contact the reporter on this story: Faseeh Mangi in Karachi at fmangi@bloomberg.net

To contact the editors responsible for this story: Jeanette Rodrigues at jrodrigues26@bloomberg.net Anto Antony

This report may not be modified or altered in any way. The BLOOMBERG PROFESSIONAL service and BLOOMBERG Data are owned and distributed locally by Bloomberg Finance LP ("BFLP") and its subsidiaries in all jurisdictions other than Argentina, Bermuda, China, India, Japan and Korea (the ("BFLP Countries"). BFLP is a wholly-owned subsidiary of Bloomberg LP ("BFLP"). BLP provides BFLP with all the global marketing and operational support and service for the Services and distributes the Services either directly or through a non-BFLP subsidiary in the BLP Countries. BFLP, BLP and their affiliates do not provide investment advice, and nothing herein shall constitute an offer of financial instruments by BFLP, BLP or their affiliates.