

Special Report: Emerging & Frontier Markets

Stockholm (HedgeNordic) – In its special industry report on Emerging Markets & Frontier Markets, HedgeNordic looks at the broad currents enveloping the asset class and takes a deep dive into many of the respective markets through wide-ranging interviews with industry professionals. Following a year of considerable gain, the asset class has been rocked by the election of Donald Trump, but perspectives diverge and opportunity still abounds. The report has benefitted from the insights of allocators and other professionals across the rich tapestry of Emerging and Frontier Markets that broadly suggest the asset class has good days ahead of it yet.

2017 - The Year of Emerging Markets?

Mathieu Nègre, Head of Global Emerging Equities with **Union Bancaire Privée**, argues EMs may be the new leader of global growth in 2017. **James Bannan & Hans-Henrik Skov**, PM's of the **Coeli Frontier Markets Fund**, make the case for so-called **Frontier markets** as an interesting investment option providing diversification benefits. **Glen Finegan**, Head of EM Equities with **Henderson Global Investors**, suggests a selective and risk-aware approach to EM equities, weighing risks and rewards using a long-term, bottom-up approach. Analyst **Hamlin Lovell** explores the possibility of low volatility in EMs via an interview with **Luca Sibani**, Head of Discretionary and Total Return Investments with **Epsilon SGR**, arguing it is possible to eliminate up to 80% of the broad EM bond benchmarks' volatility. Elsewhere, **Lovell** considers evidence that **2016 may have marked the turning point** for EMs, and looks at **hedge fund strategies**, suggesting a set of opportunities for generating risk-adjusted returns and the role of **Scandinavian** asset managers as trailblazers of the asset class.

Trump & Dump?

The specter of U.S. president-elect Trump features prominently across the report. EMs have responded negatively, with **GAM's** EM investment director, **Tim Love**, suggesting Mr. Trump's protectionism cannot be ignored. **John Malloy**, EM PM & **Cem Akyurek**, Ph.D., Head of Macro research with **RWC Partners**, explain how **EM FX** will be weakened amid a strengthening dollar. Meanwhile, **Ivailo Vesselinov**, Chief Strategist and **Damien Buchet**, Total Return Strategy CIO at **Finisterre Capital** explain why an unconstrained approach to EM debt is still an opportunity to provide attractive returns.

Inside Emerging Markets

Hong Kong-based asset manager **Fullgoal** and its Head of International Business **Michael Chow** eyes continued **China** growth, albeit at lower levels. **Hugo Bain**, Senior Investment Manager of **Pictet Asset Management**, explains **Russia's** economy has been heating up despite sanctions and the massive fall in oil prices. **Joel Kukemelk**, CFA, Fund Manager of **SEF-LHV Persian Gulf Fund**, delineates **Saudi Arabia's** key role as a cornerstone of EMs. **Jonathan Schiessl**, CIO and Lead Fund Manager and **Simon Finch**, Fund Manager respectively of **Ashburton India Equity Opportunities Fund**, write that demonetization is a crucial gambit in the elimination of corruption in **India**. As **Indonesian** Equities have seen a resurgence of foreign asset inflows in 2016, Finnish asset manager **JoM** and PM **Juuso Mykkänen** believe the time has come for companies to play-catch up with the domestic demand-driven economy. **Mattias Martinsson** of Swedish EM specialist **Tundra** sees great potential ahead for **Pakistan**. And **Henrik Kahm**, Portfolio Manager of the **FMG Iraq Fund**, suggests macroeconomic indicators now show signs of a turnaround in **Iraq**.

The Bigger Picture

Louise Hedberg, Head of Corporate Governance and Sustainability at **East Capital**, explains the challenges and opportunities of **sustainability** in emerging and frontier markets. Finally, HedgeNordic spoke to **Majdi Chammas** from **AP1** and **Samir Shah** from **Aberdeen Asset Management** to take their pulse on how institutional asset managers determine **allocations** to Emerging and Frontier markets.

The report is available [here](#).

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