

Semi Annual report

# **Tundra Vietnam Fund**

515602-6824

**2017-01-01 - 2017-06-30**

## **Fund manager's report**

### **The Fund's performance**

The fund grew by 10.36% (Fund share class A SEK) in the first half of 2017 compared to the benchmark FTSE Vietnam Index TR (SEK) which grew by 1.76% in the same period. Our overweights in Energy, Consumer Discretionary, Health Care, and Information Technology were the main contributors to the positive relative performance of the fund. In addition, our underweight in Real Estate, Financials, and Industrial also added to the outperformance. Among negative contributors, underweight in Consumer Staple and Materials had a negative effect on the fund.

### **The Fund's net assets development**

Assets under management at June 30, 2017 amounted to SEK 510.2 million, which represents an increase of SEK 95.4 million compared with SEK 414.9 million at 31 December 2016.

The value of issued fund shares amounted to Class A SEK 96.4 million, Class C SEK 0 and Class D SEK 27.2 million.

The net value of new fund units issued during the period hence amounted to Class A SEK 72.2 million, Class C SEK 0 million and Class D SEK 0. The value of the total change of fund shares during the period hence amounted to Class A SEK 24.2 million, Class C SEK 0 and Class D SEK 27.2 million.

### **Market**

The market gained 1.8% during the first half of 2017. The market reached a 9-year high by the end of first half led by robust economic growth and increased foreign direct and portfolio investments. Foreigners have poured in USD 405mn in Vietnam's market during first half of 2017. In addition to portfolio investment, FDI has also been on an upward trajectory as shown by committed FDI of USD 19.2bn (+55% Y/Y). Despite decline in oil production, Vietnam's GDP grew by 5.7% during first half. Lower energy and commodity prices, resulted in increased profitability of the companies as cost of production came down. As Central Bank loosened up its regulations regarding NPLs treatment for the banking sector, market witnessed increased margin lending to the local investors. This is translated into improved daily traded value, to stand at ~USD 200mn. Vietnam also launched its first derivatives product, Futures counter, to become operational in August 2017.

### **Outlook**

As the new government seems keen to introduce policy reforms in the capital markets, it is likely to bode well in attracting foreign and local investors to the market. Low interest rates amid low inflation, infrastructure development and improving industrialization as an aftermath of FDI should lead to increased consumer spending. The fund is positioned to get the benefits of better economic prospects and thus overweight in Consumer Discretionary, Materials and Information Technology. As government is planning to divest from SOEs alongwith new IPOs in the pipeline, the fund is on a lookout as new opportunities come across.

### **Derivatives**

According to the fund statutes, the fund has the right to trade in options, futures and other derivatives, and the right to lend securities. The fund had no exposure to derivatives, or similar instruments during the period.

## Financial overview

### Main portfolio

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2017-06-30	510 179 247	-	3 053 921,98	-	-	-
2016-12-31	414 863 068	-	2 740 521,71	-	-	-
2015-12-31	202 084 179	-	1 583 672,83	-	-	-
2014-12-31	125 181 518	120,90	1 035 453,54	-	20,90 1)	22,42 1)

Index: FTSE Vietnam TR (SEK)

1) Period 2014-05-06 - 2014-12-31

### Fund Share Class A SEK

		NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2017-06-30	-	167,08	2 511 394,79	-	10,36	1,76
2016-12-31	-	151,39	2 369 652,61	-	18,65	7,01
2015-12-31	-	127,59	1 355 520,97	-	5,53 2)	-5,84 2)

Index: FTSE Vietnam TR (SEK)

2) Since 2015-04-13 Tundra Vietnam Fund was replaced by Tundra Vietnam Fund Fund Share Class A

### Fund Share Class C EUR

		NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2017-06-30	-	17,34	6,48	-	9,61	1,22
2016-12-31	-	15,82	6,48	-	2,46 3)	-0,83 3)

Index: FTSE Vietnam TR (EUR)

3) Period 2016-06-30 - 2016-12-31

**Fund Share Class D USD**

		NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2017-06-30	-	19,79	542 520,71	-	19,15	9,98
2016-12-31	-	16,61	370 862,62	-	9,85	-0,82
2015-12-31	-	15,12	228 151,87	-	-2,01 4)	-5,17 4)

Index: FTSE Vietnam TR (USD)

4) Period 2015-04-13 - 2015-12-31

## Balance Sheet

<i>In SEK</i>	<i>Note</i>	<i>2017-06-30</i>	<i>2016-12-31</i>
<b>Assets</b>			
Transferable securities		463 107 572	392 100 273
<b>Total</b>	<b>1</b>	<b>463 107 572</b>	<b>392 100 273</b>
Bank accounts		47 953 194	25 954 675
Pre-paid expenses and accrued income		892 943	492 045
Other assets		4	-
<b>Total assets</b>		<b>511 953 713</b>	<b>418 546 993</b>
<b>Liabilities</b>			
Accrued expenses and deferred income		1 047 665	904 201
Other liabilities		726 801	2 779 724
<b>Total liabilities</b>		<b>1 774 466</b>	<b>3 683 925</b>
<b>Total Net Assets</b>	<b>1,2</b>	<b>510 179 247</b>	<b>414 863 068</b>

## **Accounting principles and valuation of financial instruments**

Amounts in SEK unless otherwise stated

### **Accounting principles**

The Fund applies the Mutual Funds Act, 2004: 46 and the Financial Supervisory Authority of accounting for mutual funds 2013: 9 and follows the Swedish Fund Associations guidelines.

### **Valuation of financial instruments**

The financial instruments are valued at market value according to the following order.

1. The financial instruments traded in an active market will be valued on the closing price at the balance sheet date if it is not a trading day, the most recent trading day prior to the closing date.
2. If the financial instrument is not traded in an active market, the market value is derived from information from similar transactions that have taken place under market conditions.
3. Unless method 1 or 2 can be used, or misleading the market value determined by an established market valuation model.

### **Key Figures**

The Fund follows the Swedish Fund Associations guidelines of key performance indicators

## Notes

### Note 1 Financial instruments

As of June 30th 2017.

#### Holdings

Sector	Number held	Value SEK	Share%
<b>Transferable securities</b>			
<b>Category 1</b>			
CNG VIETNAM JSC, Vietnam, VND	605 290	7 184 240	1,41
PETROVIETN DRILLING, Vietnam, VND	4	21	0,00
PV GAS SOUTHERN ORD, Vietnam, VND	923 421	6 165 093	1,21
PV TRANS ORD, Vietnam, VND	2 176 500	12 068 887	2,37
<b>Energy</b>		<b>25 418 241</b>	<b>4,98</b>
BIM SON CEMENT JSC, Vietnam, VND	2 330 935	13 054 928	2,56
DONGHAI JOINT STOCK, Vietnam, VND	429 980	5 183 212	1,02
HATIEN 1 CEMENT JSC, Vietnam, VND	1 293 804	10 845 368	2,13
HOA PHAT GROUP JSC, Vietnam, VND	2 873 418	34 104 851	6,68
HOA PHAT GROUP RIGHT, Vietnam, VND	2 873 418	2 280 762	0,45
HOA SEN GROUP, Vietnam, VND	1 430 006	17 185 028	3,37
NAM KIM STEEL JSC, Vietnam, VND	9	110	0,00
PETROLIMEX PETROCHEM, Vietnam, VND	286 150	2 961 184	0,58
PVFCCO ORD, Vietnam, VND	960 000	8 367 707	1,64
VIETNAM ELEC EQUIP, Vietnam, VND	1 284 300	11 146 787	2,18
<b>Material</b>		<b>105 129 938</b>	<b>20,61</b>
CII ORD, Vietnam, VND	773 000	10 665 711	2,09
FECON FOUNDATION ORD, Vietnam, VND	240 000	2 465 803	0,48
GEMAGEPT ORD, Vietnam, VND	370 305	6 407 352	1,26
PETROSETCO ORD, Vietnam, VND	27 240	123 769	0,02
POWER CONSTRUCTION, Vietnam, VND	687 505	9 180 065	1,80
VIETNAM ELECTRIC CAB, Vietnam, VND	72 140	1 538 549	0,30
<b>Industrials</b>		<b>30 381 248</b>	<b>5,96</b>
DRC ORD, Vietnam, VND	594 570	7 068 030	1,39
DRY SELL & STORAGE B, Vietnam, VND	626 500	12 594 697	2,47
PHU NHUAN JEWELRY JSC, Vietnam, VND	280 000	11 320 143	2,22
SAIGON GENERAL SERVI, Vietnam, VND	350 730	6 829 668	1,34
SOUTHERN RUBBER INDU, Vietnam, VND	1 034 640	7 118 698	1,40
THANH CONG TEXTILE G, Vietnam, VND	103 950	1 268 492	0,25
TNG Investment & Trading JSC, Vietnam, VND	1 117 676	4 891 762	0,96
<b>Consumer discretionary</b>		<b>51 091 490</b>	<b>10,01</b>
AGRICULTURE PRINTING, Vietnam, VND	135 700	2 999 808	0,59
KIDO FROZEN FOODS JS, Vietnam, VND	200 000	4 413 817	0,87
KINH DO CORP ORD, Vietnam, VND	4	69	0,00
MASAN GROUP CORP, Vietnam, VND	2 110 910	32 884 132	6,45
VIETNAM DAIRY PRODUC, Vietnam, VND	539 500	31 536 612	6,18
<b>Consumer staples</b>		<b>71 834 438</b>	<b>14,08</b>

TRAPHACO ORD, Vietnam, VND	123 600	5 712 206	1,12
<b>Health care</b>		<b>5 712 206</b>	<b>1,12</b>
BANK FOR FOREIGN TRADE, Vietnam, VND	1 120 900	16 006 448	3,14
MILITARY COM BANK, Vietnam, VND	1 084 860	9 375 555	1,84
SAIGON SECURITIES IN, Vietnam, VND	2 666 000	27 341 520	5,36
VIETNAM JS COMM BANK, Vietnam, VND	1 830 250	13 746 838	2,69
VNDIRECT ORD, Vietnam, VND	1 616 700	12 952 409	2,54
<b>Financials</b>		<b>79 422 770</b>	<b>15,57</b>
FPT CORP, Vietnam, VND	1 722 907	31 664 517	6,21
<b>Information technology</b>		<b>31 664 517</b>	<b>6,21</b>
PETROVIET NHON TRACH, Vietnam, VND	431 159	4 565 738	0,89
PLPC ORD, Vietnam, VND	639 970	4 866 098	0,95
<b>Utilities</b>		<b>9 431 835</b>	<b>1,85</b>
DAT XANH ORD, Vietnam, VND	9	58	0,00
KINHBAC CITY ORD, Vietnam, VND	3 540 000	22 124 351	4,34
NOVALAND, Vietnam, VND	175 000	4 413 817	0,87
VINGROUP JSC ORD, Vietnam, VND	1 672 116	26 482 663	5,19
<b>Real estate</b>		<b>53 020 888</b>	<b>10,39</b>
<b>Sum Category 1</b>		<b>463 107 572</b>	<b>90,77</b>
<b>Total transferable securities</b>		<b>463 107 572</b>	<b>90,77</b>
<b>Total securities</b>		<b>463 107 572</b>	<b>90,77</b>
<b>Other assets and liabilities</b>		<b>47 071 675</b>	<b>9,23</b>
<b>Total net assets</b>		<b>510 179 247</b>	<b>100,00</b>

The Fund's holdings of securities have been classified into the following categories:

1. Transferable securities admitted on a regulated market or an equivalent market outside the EEA.
2. Other financial instruments trading on a regulated market or an equivalent market outside the EEA.
3. Transferable securities that are the subject of regular trading in other markets that are regulated and open to the public.
4. Other financial instruments that are regularly traded on any other market that is regulated and open to the public.
5. Transferable securities within one year from the issue are being admitted to trading on a regulated market or an equivalent market outside the EEA.
6. Transferable securities within one year from the issue will become subject to regular trading on any other market.
7. Other financial instruments.

## **Note 2 Changes in net assets**



	<i>2017-01-01- 2017-06-30</i>	<i>2016-01-01- 2016-12-31</i>
Net assets start of year	414 863 068	202 084 179
<b>Fund Share Class A SEK</b>		
Issued fund units	96 434 552	398 655 027
Redeemed fund units	-72 191 579	-245 465 213
<b>Sum</b>	<b>24 242 973</b>	<b>153 189 814</b>
<b>Fund Share Class C EUR</b>		
Issued fund units	-	943
Redeemed fund units	-	-
<b>Sum</b>	<b>-</b>	<b>943</b>
<b>Fund Share Class D USD</b>		
Issued fund units	27 220 504	25 845 319
Redeemed fund units	-	-6 687 433
<b>Sum</b>	<b>27 220 504</b>	<b>19 157 886</b>
Net result according to income statement	43 852 702	40 430 246
<b>Net assets at end of period</b>	<b>510 179 247</b>	<b>414 863 068</b>

