



TUNDRA FONDER

**EXTRACT PROSPECTUS  
UCITS FOR QUALIFIED INVESTORS IN SWITZERLAND**

Tundra Pakistan Fund  
Tundra Frontier Opportunities Fund

**9 February 2015**



In accordance with Chapter 4, Section 15 of the Swedish Investment Funds Act (2004:46), a current full prospectus of the fund and its operation shall be maintained in respect of each investment fund. This document constitutes the full prospectus of the above named funds. It has been prepared in accordance with the Investment Funds Act and the regulations of the Swedish Financial Supervisory Authority (Finansinspektionen).

It is the duty of any party interested in investing in either of the above named funds to ensure that the investment takes place in accordance with applicable legislation and other regulations. Foreign law may prevent investment by investors outside Sweden. The fund company, Tundra Fonder AB, has absolutely no responsibility to check whether an investment from abroad is made in accordance with the law of that

country. Disputes or claims related to the funds shall be settled in accordance with Swedish law and exclusively by a Swedish court.

There is no guarantee that an investment in either of the funds will not lead to losses. This is the case even if the performance of the financial markets is otherwise positive. Historical returns are no guarantee of future returns. Money invested in a fund may both increase or decrease in value and there is no certainty that an investor in a fund will retrieve all capital invested.

This full prospectus should not be regarded as a recommendation to buy units in either of the funds. It is the responsibility of each individual wishing to acquire units to conduct their own assessment of an investment in either of the funds, and of the associated risks.

The state of the origin of the Fund is Sweden. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 Para. 3,3bis and 3ter CISA. The representative in Switzerland is ACOLIN Fund Service AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is Bank Vontobel Ltd, Gotthardstrasse 43, CH-8022 Zurich. The Basic documents of the fund as well as the annual report may be obtained free of charge at the registered office of the Swiss Representative.

### Information about the fund company

The funds are managed by Tundra Fonder AB (the "Fund Company"). The Fund Company was formed in 2011 and has share capital of SEK 2,731,290. The company has its registered office in Stockholm at:

Eriksbergsgatan 10, 11430 Stockholm, Sweden

Telephone: +46 8 551 145 70

Fax: +46 8 551 145 71

Corporate registration number: 556838-6303

The Fund Company is regulated by the Swedish Financial Supervisory Authority (Finansinspektionen). Authorisation to conduct fund operations in accordance with the Swedish Investment Funds Act was granted by Finansinspektionen on 2 September 2011.

### Board of directors

Per Axman, Chairman

Pontus Kågerman, Partner Glimstedt.

Anders Böös, Member of the board, Investment AB Latour.

Johan Elmquist, Fundmanager

Mattias Martinsson, Dept CEO.

Erik Saers, CEO Swedish Trustee AB.

Göran Lindholm, CEO Ålands Ömsesidiga Insurance Company.

Leif Nordlund, CEO Redarnas Ömsesidiga Insurance Company.

### CEO, Dept CEO and senior executives

Jon Scheiber CEO.

Mattias Martinsson Dept CEO /Chief Investment Officer.

Alexander Rydström Head of Admin. AML&KYC

### Auditors

Registered accounting company PwC has been appointed as the auditor. Authorised public accountant Sussanne Sundvall has been appointed as the lead auditor.

### Engagement of third parties

The Fund Company has entered into an engagement with A-Sec Outsourcing AB, a company related to Invest System and Fonda System AB, whose Secura Portfolio and Fonda Fund Manager systems are used by both the Fund Company and A-Sec. A-Sec conducts various tasks that are part of the operations, including back

office, accounting services and the risk management function. In the opinion of the Fund Company this allows the operations to be conducted in a more cost-effective manner. In addition, A-Sec has better preparedness to be able to deal with illness and other absence from work than a smaller company such as the Fund Company. It is the belief of the Fund Company that this outsourcing therefore reduces the operating risk, which is to the benefit of unit holders.

The Fund Company has entered into agreements with PwC with regard to independent auditing of its business.

The Fund Company has entered into agreements with VIM/Trigger Fish AB regarding IT.

The Fund Company has also engaged PG Magnusson Law firm AB to maintain the function for compliance and to be the Fund Company's compliance officer.

### Custodian

The Fund Company has an agreement with Skandinaviska Enskilda Banken AB ("SEB") with regard to assignments as custodian institution for the funds. SEB has its registered office in Stockholm and its principal operating activities are banking and securities operations.

### Unit holder register

The Fund Company maintains a register of the holdings of all unit holders in the funds. Registration of units, which should be done immediately after a sale, is conclusive for the right to units in the fund to the consequent rights.

### The Fund Company manage the following UCITS Compliant funds

Tundra Pakistan Fund

Tundra Frontier Opportunities Fund.

## TUNDRA PAKISTAN FUND

The fund is an equity fund with a particular emphasis on investments in transferable securities issued by companies located in Pakistan, or that conduct their principal operating activities in Pakistan. The Fund Company's management of the fund is intended to generate financial exposure to economic development in Pakistan and to provide the unit holders with a maximum long-term return on their invested capital.

At least 90 percent of the fund's net asset value must be invested in equity or equity related transferable securities issued by companies that are located in, or conduct their principal operating activities in, Pakistan. The fund may invest up to ten percent of the fund's net asset value in equity or equity related transferable securities issued by companies that are not located in, or do not conduct their principal operating activities in, Pakistan. Notwithstanding the above restrictions, the fund may always hold the cash and cash equivalents necessary to conduct management of the fund, but to a maximum of 20 percent of the net asset value of the fund. The fund's assets may be invested in transferable securities, money-market instruments, fund units, derivative instruments and accounts with credit institutions. The fund may make use of derivative instruments, including OTC derivatives, to make the management more efficient.

### *Risk profile*

Investing in equities always involves a market risk in the form the price of a share demonstrating variation. This risk is reduced in a fund as a result of the fund owning several shares (diversification) whose prices do not demonstrate exactly the same variations. The fund's focus on the Pakistani equity market means that the risk becomes concentrated to a limited market. Investment on the Pakistani stock market can be associated with considerably higher risk than a corresponding investment in developed markets, such as those in Western Europe. Since the fund invests a significant proportion of its net assets in a currency other than the Swedish krona, the fund is also affected by exchange rate fluctuations.

The fund may both increase and decrease in value and there is no certainty that a unit holder will retrieve the entire amount invested.

### *Particular risks associated with Pakistan*

The security situation in Pakistan means that the risks of an interruption in trading or substantial falls in liquidity are considerably greater than on most other emerging markets, such as for example Russia. A significant proportion of the foreign capital that exists in Pakistan is invested in the stock market. During autumn 2008 the stock market was practically closed for more than 3 months as an attempt was made to

stem large currency outflows. Only capital that can be unavailable for long periods should be invested in the funds.

### *Capital gains taxation in Pakistan*

Under current legislation, Pakistan charges capital gains tax on short-term trading. The capital gains tax is 12.5% on equity gains for holdings that have been retained for a period shorter than 12 months, and 10% for holdings that are owned for 12-24 months. For holdings retained for more than 24 months, the tax is 0%. This tax might be revised going forward. In accordance with the current legislation, this tax is calculated using the first-in-first-out (FIFO) method. The Fund Company has hired KPMG Pakistan as tax consultant and will daily calculate and make reserves for latent and realised tax in the fund jointly. This means that unit holders may not have to pay local Pakistani tax even if their net asset value has risen, and also that investors may pay local Pakistani tax even though their unit value has decreased. The tax was introduced on 1 July 2010 and was revised to current levels 1 July 2014. It has met with powerful criticism and has led to worsened liquidity on the stock market. It may therefore be changed, which represents an additional risk.

The fund will to a limited degree make use of derivatives, principally to facilitate large short-term flows into and out of the funds.

## TUNDRA FRONTIER OPPORTUNITIES FUND

The fund is an equity fund with particular emphasis in emerging markets and so-called frontier markets. The Fund Company's management of the Fund is intended to generate financial exposure to generate financial exposure to economic development in emerging markets and frontier markets. The aim of the Fund is to provide the Unit Holders with a maximum long-term return on their invested capital.

At least 80 percent of the net asset value of the fund must be invested in equities and equity-related transferable securities issued by companies that have their registered office in emerging markets and/or frontier markets, or that conduct their principal operating activities in emerging markets and/or frontier markets. Up to 20 percent of the net asset value of the fund may be invested in equities and equity-related transferable securities issued by companies that are classified by MSCI as Developed Markets. Emerging markets and frontier markets are defined as those countries that are not classified by MSCI as Developed Markets. Notwithstanding the above restrictions, the fund may always hold the cash and cash equivalents necessary to conduct management of the fund, but to a maximum of 20 percent of the net asset value of the fund. The Fund's assets may be invested in transferable securities, money-market instruments, fund units, derivative instruments and accounts with credit institutions. The fund may make use of derivative instruments, including OTC derivatives, to make the management more efficient.

### *Risk profile*

Investing in equities always involves a market risk in the form of the price of a share demonstrating variation. This risk is reduced in a fund as a result of the fund owning several shares (diversification) whose prices do not demonstrate exactly the same variations. Since the fund invests a significant proportion of its net assets in a currency other than the Swedish krona, the fund is also affected by exchange rate fluctuations. The fund may both increase and decrease in value and there is no certainty that a unit holder will retrieve the entire amount invested.

### *Capital gains taxation in Pakistan*

The fund may hold a substantial part of its assets in Pakistani equities. The capital gains tax is 12.5% on equity gains for holdings that have been retained for a period shorter than 12 months, and 10% for holdings that are owned for 12-24 months. For holdings retained for more than 24 months, the tax is 0%. This tax might be revised going forward. In accordance with the current legislation, this tax is calculated using the first-in-first-out (FIFO) method. The Fund Company has hired KPMG Pakistan as tax consultant and will daily calculate and make reserves for latent and realised tax in the fund jointly. This means that unit holders may not have to pay local Pakistani tax even if their net asset value has risen, and also that investors may pay local Pakistani tax even though their unit value has decreased. It also means previously reserved tax can be regained by the fund without change to the underlying value of the assets. The tax was introduced on 1 July 2010 and was revised to current levels 1 July 2014. It has met with powerful criticism and has led to worsened liquidity on the stock market. It may be changed, which represents an additional risk.

The fund will to a limited degree make use of derivatives, principally to manage large short-term inflows and outflows.

## SALES AND REDEMPTION OF FUND UNITS

Applications to subscribe for and redeem units in the funds can be made on any banking day through the Fund Company. Applications for subscription and redemption should be made in writing not later than 2.30 pm.

Subscription date and redemption date Tundra Frontier Opportunities Fund.

The subscription date for the Tundra Frontier Opportunities Fund is the day of the subscription request and on which cash settlement is received into the fund's bank account. The redemption date for the Tundra Frontier Opportunities Fund is the day on which the redemption request is received by the fund company.

Subscription date and redemption date Tundra Pakistan Fund.

The subscription date for the Tundra Pakistan Fund is the day following the day on which the subscription request is made and on which cash settlement is received into the fund's bank account. The redemption date for the Tundra Pakistan Fund is the first banking day subsequent to the day on which the redemption request is received by the fund company.

It is not possible to limit the subscription price for fund units when applying for subscription. Subscription takes place at a price unknown to the unit holder at the time of request.

It is not possible to limit the redemption price when applying for redemption. Redemption takes place at a price that is unknown at the time of application.

Fund units will be redeemed on the redemption date provided that cash is available in the fund. If this is not the case, funds will be made available through sale of the fund's assets, and redemption will be made as soon as possible. If such a redemption would be materially detrimental to the interests of other unit holders, the Fund Company may delay the redemption after notifying the Swedish Financial Supervisory Authority.

Information about the latest estimated price for fund units is available from the Fund Company. This is also published on the Fund Company's website at [www.tundrafonder.se](http://www.tundrafonder.se).

### Commission and fees

Fees shall be paid from the fund's assets to the Fund Company for its management, as well as expenses for custody, supervision and auditing.

Payments to the Fund Company are made in the form of a fixed fee and a performance fee.

## NAV

The fund company practice Swedish Investment Fund Associations recommendations for handling error in NAV. When the limits are exceeded, the correction be made and compensation paid. Below is the volatility limits for KIID category and how large the error must be in order to be deemed material.

KIID category	Volatility = or ≥ (%)	Volatility < (%)	Limits error (% NAV)
1-2	0	2	≥0,1
3	2	5	≥0,2
4	5	10	≥0,3
5-7	10	-	≥0,5

## Current fees

### Fixed fees

Tundra Pakistan Fund, Tundra Frontier Opportunities Fund, fees are payable per year of the funds' net asset value

Entry charge:	0%
Exit charge:	0%
Management fee:	2,5%

### Maximum fees

Below are the maximum fees that the Fund Company, in accordance with the statutes for each fund, may charge for the sale and redemption of fund units and for the fund management (including expenses for custody, supervision and auditing).

*Tundra Pakistan Fund, Tundra Frontier Opportunities Fund,*

Sale fee:	5.0%
Entry Charge:	1.0%
Management fee incl. Custody, supervision and auditing:	3.0%

## EXTRAORDINARY CIRCUMSTANCES

The funds may be closed for entry and exit in those cases where extreme circumstances have arisen whereby a valuation of a fund's assets cannot be conducted in a manner that assures the equal right of the unit holders.

## TAX RULES FOR THE FUNDS

A Swedish investment fund is subject to tax but is not tax liable for income from assets included in the fund. Instead those Unit Holders, both natural persons and legal entities, that have full tax liability in Sweden are taxed through a notional income reported to the Swedish Tax Agency as a statement of income and taxation and that is included in the self-assessment return. The basis for the notional income is the value of the Unit Holder's holding at the start of the calendar year. The notional income amounts to 0.4 percent of the basis amount. For natural persons the notional income is listed under the income tax schedule for capital, and for legal entities under the income tax schedule for business.

## CHANGES TO THE FUND RULES

Changes to the fund rules of those funds managed by the Fund Management Company must be adopted by the Fund Management Company's board of directors. The changes must be submitted to the Financial Supervisory Authority for approval. Following approval by the Financial Supervisory Authority, the ruling shall be made available at the Fund Management Company and at the Custodian Institution. Unit Holders shall also be made aware in the manner determined by the Financial Supervisory Authority. Changes may affect the investment strategies of the funds, the structure of their fees and charges, and their risk profiles.



### LIABILITY FOR DAMAGES

The Fund Management Company shall compensate unit holders for loss arising as a consequence of a violation by the Fund Management Company of the Swedish Investment Funds Act (SFS 2004:46) or the Fund Rules of each fund. The liability for damages of the Fund Management Company is governed under Chapter 2, Section 21 of the Investment Funds Act. The liability of the Fund Management Company and the Custodian Institution is also governed by the Fund Rules for each fund (see Section 16 of the Fund Rules for each fund).

### DISTRIBUTION

Tundra Fonder AB has entered into agreements with distributors to sell and market the fund company's funds.

### MARKETING IN OTHER COUNTRIES.

Tundra Fonder AB has entered into agreements with distributors in other countries. These distributors provide the end customer with all information concerning sales/ redemptions and information of the funds.

The funds distributed in:

Switzerland: Open Funds (Introducers) Bank Vontobel (Paying Agent)

Norway : Nordnet

Finland: EUFEX, Nordnet.

### TRANSFER OR CESSATION OF THE FUNDS

The Fund Company may, following authorisation by the Financial Supervisory Authority, transfer the management of a fund or the funds to another fund manager. This change should be announced on the company's homepage as soon as possible following authorisation and may be completed no earlier than three months after the announcement, unless the Financial Supervisory Authority has permitted otherwise.

If the Financial Supervisory Authority withdraws the Fund Company's authorisation to conduct fund operations, or the Fund Company enters into liquidation or is declared bankrupt, the management of the fund or funds will immediately be taken over by the custodian institution. The custodian institution shall, in such circumstances, as soon as possible transfer the management of the fund or funds to another fund company or to a securities company with the necessary authorisation if this is approved by the Financial Supervisory Authority. Otherwise the fund or funds shall be wound up through the sale of assets, with the net

balance being distributed to the unit holders.

Announcement of this shall be published be announced on the company's homepage and be made available at the custodian institution and at the Fund Company. During the period that the fund or funds are managed by the custodian institution, sales and redemptions of fund units will not be possible.

### HISTORICAL PERFORMANCE IN EUR

Fund	2012	2013	2014
Tundra Pakistan Fund EUR	37,44%	41,28%	51,76%
Tundra Frontier Opportunities EUR			21,33%

This is a translated copy from the Swedish original. If any conflict occurs in the translation the Swedish will prevail.

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## Fund Rules Tundra Pakistan Fund

### § 1. THE NAME OF THE FUND AND ITS LEGAL POSITION

The name of the fund is the Tundra Pakistan Fund, hereinafter referred to as the “Fund”. Business is conducted pursuant to the Swedish Act on Investment Funds (2004:46), hereinafter referred to as the “LVF”, these Fund Rules, the Articles of Association of the Fund Management Company and those regulations otherwise issued in accordance with laws and statutes.

The Fund is a securities fund pursuant to the LVF and is intended for the general public. The Fund is not a legal entity and may therefore not be brought before a court. The assets of the Fund are owned jointly by the fund unit holders. The Fund may neither acquire rights nor assume obligations. Assets included in the fund may not be subject to distraint and the fund unit holders are not responsible for the fund's obligations. The Fund Management Company represents the Fund and the holders of units in the Fund, hereinafter referred to as the “Unit Holders”, in all matters regarding the Fund.

The Fund has the following share classes:

- A. None dividend paying share class in SEK
- B. Dividend paying share class in SEK
- C. None dividend paying share class in EUR
- D. None dividend paying share class in USD
- E. None dividend paying share class in NOK
- F. None dividend paying share class in EUR.

For share class B, an initial minimum investment of SEK 500 000 per investor is required.

For share class F, an initial minimum investment of EUR 100 000 per investor is required.

### § 2. THE FUND MANAGER

The fund is managed by Tundra Fonder AB, corporate registration number 556838-6303, hereinafter referred to as the “Fund Management Company”.

### § 3. CUSTODIAN INSTITUTION AND ITS FUNCTION

The Fund Company has appointed Skandinaviska Enskilda Banken AB, corporate registration number 502032-9081, hereinafter referred to as the “Custodian Institution”, as the custodian institution for the Fund. The Custodian Institution implements the Fund Management Company's decisions with regard to the Fund and receives and retains the Fund's assets. In addition the Custodian Institution ensures that decisions taken by the Fund Management Company

with regard to the Fund are not in contravention of the provisions of the LVF, the regulations of the Swedish Financial Supervisory Authority (Finansinspektionen) or the Fund Rules. The Custodian Institution shall act independently of the Fund Management Company and exclusively in the interests of the Unit Holders.

### § 4. CHARACTERISTICS OF THE FUND

The Fund is a global equity fund with a particular emphasis on investments in emerging markets and so-called frontier markets.

The Fund Management Company's management of the Fund is intended to generate financial exposure to economic development in emerging markets and frontier markets and to provide the Unit Holders with a maximum long-term return on their invested capital.

### § 5. THE FUND'S INVESTMENT STRATEGY

The Fund's assets may be invested in transferable securities, money-market instruments, fund units, derivative instruments and accounts with credit institutions. At least 80 percent of the net asset value of the Fund must be invested in equities and equity-related transferable securities issued by companies that have their registered office in emerging markets and/or frontier markets, or that conduct their principal operating activities in emerging markets and/or frontier markets. Up to 20 percent of the net asset value of the Fund may be invested in equities and equity-related transferable securities issued by companies that are classified by MSCI as Developed Markets. Emerging markets and frontier markets are defined as those countries that are not classified as Developed Markets by MSCI. Notwithstanding the above restrictions, the Fund may always hold the cash and cash equivalents necessary to conduct management of the Fund, but to a maximum of 20 percent of the net asset value of the Fund.

The Fund's assets may be invested in derivative instruments with such underlying assets as those specified in 5:12, first paragraph, of the LVF.

Investments in the Fund have a special investment strategy in emerging markets and frontier markets. The investment strategy is global and diversified and thus not limited to any particular sector.

The fund may invest up to 10 percent of the net asset value in other funds.

## Appendix 1 – Fund Rules Tundra Pakistan Fund

### § 6. SPECIAL PROVISIONS REGARDING THE MARKETS IN WHICH THE FUND'S ASSETS MAY BE INVESTED

The Fund's assets may be invested in a regulated marketplace or equivalent market outside the EEA. In addition trade may take place on a market within or outside the EEA that is regulated and open to the general public.

### § 7. SPECIAL INVESTMENT STRATEGY

The Fund invests in derivative instruments, including such OTC derivatives as stated in 5:12 second paragraph LVF, as part of its investment strategy.

The Fund may invest in such transferable securities and money-market instruments as referred to in 5:5 LVF.

### § 8. VALUATION

The net asset value of the Fund is calculated by deducting from the assets those liabilities related to the Fund.

The Fund's assets comprise:

- Financial instruments.
- Cash and equivalents.
- Accrued interest.
- Accrued dividends.
- Sales not settled.
- Other assets and receivables related to the Fund.

The financial instruments included in the Fund are valued based on current market value, meaning the last price paid, or, if this is not available or is less than the last bid price or higher than the last ask price, the latest mid-price (the average of the bid and ask prices). If such prices are not considered current, or are misleading in the assessment of the Fund Management Company, the Fund Management Company may determine the value on an objective basis. Such basis may, for example, be indicative bid prices from market makers, if these are appointed for the issuer, valuations provided by independent parties, IPO prices at another value, or knowledge that a transaction in the asset has been conducted at a particular price with an independent party. For those transferable securities and money market instruments referred to in 5:5 LVF, a market value is determined according to the following: market price from an active market, if such market price is not available the market value should be determined according to one of the methods below: on the basis of recently conducted transactions between informed parties which are independent of each other and has an interest in the transaction taking place, if such are available, or

using the market price from an active market for another financial instrument which in all relevant aspects is similar, in case a market price cannot be determined according to any of the alternatives above, or if this is obvious to be misleading, a market value should be determined through the use of a valuation method established on the market, e.g. cash flow analysis. Market valuation of units and shares in funds shall be based on reported values from each fund manager at the reporting point closest in time to the date when the value of the Fund is established as below. If the Fund Management Company regards this value to be misleading, the Fund Management Company shall estimate the value on an objective basis. One example of such an objective basis is to use the latest available estimate of results from the fund manager with regard to the current valuation period and apply this to the latest available reported price.

The market value of OTC derivatives shall be based on commonly used valuation models such as Black & Scholes and Black 76. The value may not be based on reported values from a counterparty.

Financial instruments and other assets quoted in foreign currency are translated into Swedish kronor based on the current market listing for that currency.

The Fund's liabilities comprise:

- Payments to the Fund Management Company.
- Payments to the Custodian Institution.
- Acquisitions not settled.
- Tax liabilities.
- Other liabilities related to the Fund.

The value of one fund unit is the net asset value of the Fund as above divided by the total number of outstanding fund units having regard to the conditions attaching to each class.

### § 9. SUBSCRIPTIONS AND REDEMPTIONS OF FUND UNITS

Sales and redemptions of fund units may take place on any banking day through the Fund Management Company. Subscriptions and redemptions must be made in writing. Subscription and redemption charges are presented under § 11. As stated under § 10 below, the Fund may, for one or more banking days, be temporarily closed for sales and redemptions. Subscription takes place at the price established on the banking day the request for subscription and cash settlement are received into the Fund's bank account, the "Subscription Date". Requests for subscription and cash settlement must be received by the Fund Management Company no later than 2.30 pm on the Subscription Date for subscription to take place on the Subscription Date.

## Appendix 1 – Fund Rules Tundra Pakistan Fund

Otherwise subscription will take place on the subsequent Subscription Date.

It is not possible to limit the subscription price when making a subscription request. Subscription takes place at a price unknown to the Unit Holder at the time of request. Redemption takes place at the price established on the banking day on which the redemption request is received by the Fund Management Company, the "Redemption Date".

Redemption takes place at a price unknown at the time of request. It is not possible to limit the redemption price when making a redemption request. Fund units will be redeemed on the Redemption Date provided that cash is available in the Fund. If this is not the case, funds will be made available through sale of the Fund's assets, and redemption will be made as soon as possible. If such redemption would be materially detrimental to the interests of other Unit Holders, the Fund Management Company may delay the redemption after notifying the Swedish Financial Supervisory Authority.

Information about the latest estimated price for fund units is available from the Fund Management Company. This is also published daily on the Fund Management Company's website at [www.tundrafonder.se](http://www.tundrafonder.se).

### § 10. EXTRAORDINARY CIRCUMSTANCES

The Fund may be closed for sales and redemptions in those cases where extraordinary circumstances have arisen whereby a valuation of the Fund's assets cannot be conducted in a manner that assures the equal right of the Fund's Unit Holders.

### § 11. CHARGES AND FEES

#### 11.1 Subscriptions and redemptions

For subscriptions of fund units, the Fund Management Company has the right to levy a maximum charge of five percent of the total sale price. This charge is payable to the Fund Management Company. For redemptions the Fund Management Company has the right to levy a charge corresponding to a maximum of one percent of the total redemption value. However, this charge may only be levied if the redemption takes place within six months of the date of the Unit Holder's acquisition of units in the Fund. This charge is payable to the Fund Management Company.

#### 11.2 Fixed ongoing charges

A charge shall be paid from the Fund's assets to the Fund Management Company for the management of the Fund. This charge includes expenses for the Custodian Institution's storage of the assets held by the Fund, supervision and auditors. The charge is payable at an amount corresponding to a maximum of 3.0 percent per year of Fund's net asset value. The charge is calculated daily and is paid on the last banking day of each month. The charge is rounded down to the nearest whole krona (SEK).

#### 11.3 Other charges etc

Brokerage fees and other transaction expenses, such as local taxes, and subscription and redemption charges for the Fund's purchases and sales of financial instruments, are paid by the Fund.

### § 12. DIVIDENDS

Share class A, C, D, E and F do not pay dividend. Share class B is distributing.

The board of directors of the Fund Management Company decides annually on the dividend payable to the Unit Holders of the distributing unit class. The distributable amount shall, where applicable, be calculated from the fund's positive earnings according to the income statement for the financial year and any remaining balance of the distributable amount from previous financial years.

The dividend is paid during the month of April in the year following the end of the financial year. The dividend is payable to Unit Holders that on a distribution date set by the Fund Management Company are registered for distributing fund units. The distribution is paid into the bank account previously indicated by the Unit Holder.

The dividend will not affect the value of the non-distributing units in the fund. However, the dividend does change the ratio between the value of the distributing fund units and the non-distributing fund units. The ratio changes yearly in conjunction with each dividend payment.

### § 13. FINANCIAL YEAR OF THE FUND

The financial year of the Fund is the calendar year.

### § 14. ANNUAL AND HALF-YEARLY REPORTS, CHANGES TO THE FUND RULES

The Fund Management Company shall present annual and half-yearly reports for the Fund. These shall be made available at the Fund Management Company within four and two months respectively of the end of the reporting period and be made available at the Custodian Institution. The annual report and half-yearly report shall be sent to those Unit Holders that have requested to receive this information.

The Fund Management Company shall take decisions with regard to changes to the Fund Rules. Upon approval of the changes by the Financial Supervisory Authority, the revised Fund Rules shall be made available at the Fund Management Company and Custodian Institution and shall be published as applicable in the manner determined by the Financial Supervisory Authority.

### § 15. PLEDGING AND TRANSFER

The Fund Management Company must be notified in writing of the transfer of Fund Units. It is the responsibility of the Unit Holder to ensure that the

## Appendix 1 – Fund Rules Tundra Pakistan Fund

notification carries authorised signatures. The notification of transfer must include details of the transferring party and the acquiring party. The transfer of Fund Units requires the authorisation of the Fund Management Company. Authorisation can be provided on condition that the new Unit Holder has undergone customary checks in accordance with the regulations relating to measures to prevent money laundering and the financing of terrorism, and is not regarded as inappropriate as a client. The Fund Management Company must be notified in writing of the pledging of Fund Units. This notification must disclose (i) the identity of the Unit Holder (pledging party), (ii) the identity of the pledge holder, (iii) the fund units covered by the pledge, and (iv) any limitation on the scope of the pledge. The notification must be signed by the Unit Holder. The Fund Management Company shall note this information in the unit holder register and inform the Unit Holder (pledging party) in writing of this registration. Information regarding the pledge shall be removed from the unit holder register upon written request from the pledge holder.

### § 16. LIMITATION OF LIABILITY

The Fund Management Company and/or the Custodian Institution shall not be liable for damage arising as a consequence of Swedish or foreign legislation, acts of Swedish or foreign governmental authorities, acts of war, terrorism, strikes, blockades, boycotts, lockouts, electricity shortages, IT-related failure not due to negligence by the Fund Management Company or the Custodian Institution, failure of general communications or other similar circumstances. The reservation with respect to strikes, blockades, boycotts, and lockouts shall apply notwithstanding that the Fund Management Company and/or the Custodian Institution is the subject of, or executes, such measure. Should the Fund Management Company and/or the the Custodian Institution be prevented from making payments or taking other measures on account of circumstances stated in the paragraph above, the said measures may be postponed until the obstacle has been removed. In the event of the Fund Management Company and/or the Custodian Institution, as a result of such circumstance, being prevented from effecting or receiving payment, the Fund Management Company and/or the Custodian Institution shall not be liable to pay interest. The Fund Management Company shall not be held liable for loss or damage caused by Unit Holders or others breaking the law, rules, regulations or these Fund Rules. The Unit Holder is hereby made aware that the Unit Holder is responsible for ensuring that documentation sent to the Fund Management Company is correct and has authorised signatures and that the Fund Management Company is informed of changes that take place in any information submitted. The Fund Management Company shall not be liable under any circumstance for

indirect damage or other consequential damage.

The Fund Management Company and/or the Custodian Institution shall not be liable for damage caused by custodian banks, or other contractors engaged with normal care by the Fund Management Company and/or the Custodian Institution. Nor shall the Fund Management Company and/or the Custodian Institution be held liable for damage that arises to the Fund or Unit Holders or others as a consequence of restrictions on disposition that may be applied to the Fund Management Company and/or the Custodian Institution with regard to financial instruments and other assets.

The Fund Management Company and/or the Custodian Institution shall not be liable for damage under other circumstances where normal care has been exercised.

The liability for damages of the Fund Management Company and/or the Custodian Institution is regulated in accordance with § 2:21 of the LVF.

### § 17. RESTRICTIONS ON THE RIGHT TO SELL ETC

The Fund is not registered under the United States Securities Act of 1933, the United States Investment Company Act of 1940, or any other applicable law of the United States. Therefore fund units may not be offered, sold or in any other way distributed to persons in the United States of America. Nor may units in the fund be offered, sold or in any other way distributed to physical or legal persons if this would, in the opinion of the Fund Management Company, confer a risk of

breach of Swedish or foreign law or regulation, the Fund Management Company being required to implement special registration or other measures, or being exposed to significant disadvantage of a tax or financial nature, and this cannot reasonably be demanded of the Fund Management Company, or the Fund incurring damage or expense that is not in the interests of the Unit Holders. Persons wishing to acquire units in the Fund must disclose to the Fund Management Company their national domicile and, at the request of the Fund Management Company, confirm that this is not affected by the restrictions described above. Unit Holders are also required, when necessary, to inform the Fund Management Company of any changes to their national domicile.

If the Fund Management Company believes that it does not have the right to offer, sell or otherwise distribute fund units in accordance with the first paragraph, the Fund Management Company retains the right to refuse to proceed with requests to buy units in the Fund, and, where necessary, and without agreement in advance, to redeem the fund units of the Unit Holder on his behalf and to pay the amount due.

## Fund Rules Tundra Frontier Opportunities Fund

### § 1. THE NAME OF THE FUND AND ITS LEGAL POSITION

The name of the fund is the Tundra Frontier Opportunities Fund, hereinafter referred to as the “Fund”. Business is conducted pursuant to the Swedish Act on Investment Funds (2004:46), hereinafter referred to as the “LVF”, these Fund Rules, the Articles of Association of the Fund Management Company and those regulations otherwise issued in accordance with laws and statutes.

The Fund is a securities fund pursuant to the LVF and is intended for the general public. The Fund is not a legal entity and may therefore not be brought before a court. The assets of the Fund are owned jointly by the fund unit holders. The Fund may neither acquire rights nor assume obligations. Assets included in the fund may not be subject to distraint and the fund unit holders are not responsible for the fund's obligations. The Fund Management Company represents the Fund and the holders of units in the Fund, hereinafter referred to as the “Unit Holders”, in all matters regarding the Fund.

The Fund has the following share classes:

- A. None dividend paying share class in SEK
- B. Dividend paying share class in SEK
- C. None dividend paying share class in EUR
- D. None dividend paying share class in USD
- E. None dividend paying share class in NOK
- F. None dividend paying share class in EUR.

For share class B, an initial minimum investment of SEK 500 000 per investor is required.

For share class F, an initial minimum investment of EUR 100 000 per investor is required.

### § 2. THE FUND MANAGER

The fund is managed by Tundra Fonder AB, corporate registration number 556838-6303, hereinafter referred to as the “Fund Management Company”.

### § 3. CUSTODIAN INSTITUTION AND ITS FUNCTION

The Fund Company has appointed Skandinaviska Enskilda Banken AB, corporate registration number 502032-9081, hereinafter referred to as the “Custodian Institution”, as the custodian institution for the Fund. The Custodian Institution implements the Fund Management Company's decisions with regard to the Fund and receives and retains the Fund's assets. In addition the Custodian Institution ensures that decisions taken by the Fund Management Company with regard to the Fund are not in contravention of the provisions of the LVF, the regulations of the Swedish Financial Supervisory Authority (Finansinspektionen) or the Fund

Rules. The Custodian Institution shall act independently of the Fund Management Company and exclusively in the interests of the Unit Holders.

### § 4. CHARACTERISTICS OF THE FUND

The Fund is a global equity fund with a particular emphasis on investments in emerging markets and so-called frontier markets. The Fund Management Company's management of the Fund is intended to generate financial exposure to economic development in emerging markets and frontier markets and to provide the Unit Holders with a maximum long-term return on their invested capital.

### § 5. THE FUND'S INVESTMENT STRATEGY

The Fund's assets may be invested in transferable securities, money-market instruments, fund units, derivative instruments and accounts with credit institutions. At least 80 percent of the net asset value of the Fund must be invested in equities and equity-related transferable securities issued by companies that have their registered office in emerging markets and/or frontier markets, or that conduct their principal operating activities in emerging markets and/or frontier markets. Up to 20 percent of the net asset value of the Fund may be invested in equities and equity-related transferable securities issued by companies that are classified by MSCI as Developed Markets. Emerging markets and frontier markets are defined as those countries that are not classified as Developed Markets by MSCI. Notwithstanding the above restrictions, the Fund may always hold the cash and cash equivalents necessary to conduct management of the Fund, but to a maximum of 20 percent of the net asset value of the Fund. The Fund's assets may be invested in derivative instruments with such underlying assets as those specified in 5:12, first paragraph, of the LVF.

Investments in the Fund have a special investment strategy in emerging markets and frontier markets. The investment strategy is global and diversified and thus not limited to any particular sector.

The fund may invest up to 10 percent of the net asset value in other funds.

### § 6. SPECIAL PROVISIONS REGARDING THE MARKETS IN WHICH THE FUND'S ASSETS MAY BE INVESTED

The Fund's assets may be invested in a regulated marketplace or equivalent market outside the EEA. In addition trade may take place on a market within or outside the EEA that is regulated and open to the general public.

## Appendix 2 – Fund Rules Tundra Frontier Opportunities Fund

### § 7. SPECIAL INVESTMENT STRATEGY

The Fund invests in derivative instruments, including such OTC derivatives as stated in 5:12 second paragraph LVF, as part of its investment strategy.

The Fund may invest in such transferable securities and money-market instruments as referred to in 5:5 LVF.

### § 8. VALUATION

The net asset value of the Fund is calculated by deducting from the assets those liabilities related to the Fund.

The Fund's assets comprise:

- Financial instruments.
- Cash and equivalents.
- Accrued interest.
- Accrued dividends.
- Sales not settled.
- Other assets and receivables related to the Fund.

The financial instruments included in the Fund are valued based on current market value, meaning the last price paid, or, if this is not available or is less than the last bid price or higher than the last ask price, the latest mid-price (the average of the bid and ask prices). If such prices are not considered current, or are misleading in the assessment of the Fund Management Company, the Fund Management Company may determine the value on an objective basis. Such basis may, for example, be indicative bid prices from market makers, if these are appointed for the issuer, valuations provided by independent parties, IPO prices at another value, or knowledge that a transaction in the asset has been conducted at a particular price with an independent party. For those transferable securities and money market instruments referred to in 5:5 LVF, a market value is determined according to the following: market price from an active market, if such market price is not available the market value should be determined according to one of the methods below:

on the basis of recently conducted transactions between informed parties which are independent of each other and has an interest in the transaction taking place, if such are available, or using the market price from an active market for another financial instrument which in all relevant aspects is similar, in case a market price cannot be determined according to any of the alternatives above, or if this is obvious to be misleading, a market value should be determined through the use of a valuation method established on the market, e.g. cash flow analysis.

Market valuation of units and shares in funds shall be based on reported values from each fund manager at the reporting point closest in time to the date when the

value of the Fund is established as below. If the Fund Management Company regards this value to be misleading, the Fund Management Company shall estimate the value on an objective basis. One example of such an objective basis is to use the latest available estimate of results from the fund manager with regard to the current valuation period and apply this to the latest available reported price.

The market value of OTC derivatives shall be based on commonly used valuation models such as Black & Scholes and Black 76. The value may not be based on reported values from a counterparty.

Financial instruments and other assets quoted in foreign currency are translated into Swedish kronor based on the current market listing for that currency.

The Fund's liabilities comprise:

- Payments to the Fund Management Company.
- Payments to the Custodian Institution.
- Acquisitions not settled.
- Tax liabilities.
- Other liabilities related to the Fund.

The value of one fund unit is the net asset value of the Fund as above divided by the total number of outstanding fund units having regard to the conditions attaching to each class.

### § 9. SUBSCRIPTIONS AND REDEMPTIONS OF FUND UNITS

Sales and redemptions of fund units may take place on any banking day through the Fund Management Company. Subscriptions and redemptions must be made in writing. Subscription and redemption charges are presented under § 11. As stated under § 10 below, the Fund may, for one or more banking days, be temporarily closed for sales and redemptions. Subscription takes place at the price established on the banking day the request for subscription and cash settlement are received into the Fund's bank account, the "Subscription Date". Requests for subscription and cash settlement must be received by the Fund Management Company no later than 2.30 pm on the Subscription Date for subscription to take place on the Subscription Date. Otherwise subscription will take place on the subsequent Subscription Date.

It is not possible to limit the subscription price when making a subscription request. Subscription takes place at a price unknown to the Unit Holder at the time of request.

Redemption takes place at the price established on the banking day on which the redemption request is received by the Fund Management Company, the "Redemption Date". Redemption takes place at a price unknown at the time of request. It is not possible to limit the redemption price when making a redemption

## Appendix 2 – Fund Rules Tundra Frontier Opportunities Fund

request. Fund units will be redeemed on the Redemption Date provided that cash is available in the Fund. If this is not the case, funds will be made available through sale of the Fund's assets, and redemption will be made as soon as possible. If such redemption would be materially detrimental to the interests of other Unit Holders, the Fund Management Company may delay the redemption after notifying the Swedish Financial Supervisory Authority. Information about the latest estimated price for fund units is available from the Fund Management Company. This is also published daily on the Fund Management Company's website at [www.tundrafonder.se](http://www.tundrafonder.se).

### § 10. EXTRAORDINARY CIRCUMSTANCES

The Fund may be closed for sales and redemptions in those cases where extraordinary circumstances have arisen whereby a valuation of the Fund's assets cannot be conducted in a manner that assures the equal right of the Fund's Unit Holders.

### § 11. CHARGES AND FEES

#### 11.1 Subscriptions and redemptions

For subscriptions of fund units, the Fund Management Company has the right to levy a maximum charge of five percent of the total sale price. This charge is payable to the Fund Management Company.

For redemptions the Fund Management Company has the right to levy a charge corresponding to a maximum of one percent of the total redemption value. However, this charge may only be levied if the redemption takes place within six months of the date of the Unit Holder's acquisition of units in the Fund. This charge is payable to the Fund Management Company.

#### 11.2 Fixed ongoing charges

A charge shall be paid from the Fund's assets to the Fund Management Company for the management of the Fund. This charge includes expenses for the Custodian Institution's storage of the assets held by the Fund, supervision and auditors. The charge is payable at an amount corresponding to a maximum of 3.0 percent per year of Fund's net asset value. The charge is calculated daily and is paid on the last banking day of each month. The charge is rounded down to the nearest whole krona (SEK).

#### 11.3 Other charges etc

Brokerage fees and other transaction expenses, such as local taxes, and subscription and redemption charges for the Fund's purchases and sales of financial instruments, are paid by the Fund.

### § 12. DIVIDENDS

Share class A, C, D, E and F do not pay dividend. Share class B is distributing.

The board of directors of the Fund Management Company decides annually on the dividend payable to

the Unit Holders of the distributing unit class. The distributable amount shall, where applicable, be calculated from the fund's positive earnings according to the income statement for the financial year and any remaining balance of the distributable amount from previous financial years.

The dividend is paid during the month of April in the year following the end of the financial year. The dividend is payable to Unit Holders that on a distribution date set by the Fund Management Company are registered for distributing fund units. The distribution is paid into the bank account previously indicated by the Unit Holder.

The dividend will not affect the value of the non-distributing units in the fund. However, the dividend does change the ratio between the value of the distributing fund units and the non-distributing fund units. The ratio changes yearly in conjunction with each dividend payment.

### § 13. FINANCIAL YEAR OF THE FUND

The financial year of the Fund is the calendar year.

### § 14. ANNUAL AND HALF-YEARLY REPORTS, CHANGES TO THE FUND RULES

The Fund Management Company shall present annual and half-yearly reports for the Fund. These shall be made available at the Fund Management Company within four and two months respectively of the end of the reporting period and be made available at the Custodian Institution. The annual report and half-yearly report shall be sent to those Unit Holders that have requested to receive this information. The Fund Management Company shall take decisions with regard to changes to the Fund Rules. Upon approval of the changes by the Financial Supervisory Authority, the revised Fund Rules shall be made available at the Fund Management Company and Custodian Institution and shall be published as applicable in the manner determined by the Financial Supervisory Authority.

### § 15. PLEDGING AND TRANSFER

The Fund Management Company must be notified in writing of the transfer of Fund Units. It is the responsibility of the Unit Holder to ensure that the notification carries authorised signatures. The notification of transfer must include details of the transferring party and the acquiring party. The transfer of Fund Units requires the authorisation of the Fund Management Company. Authorisation can be provided on condition that the new Unit Holder has undergone customary checks in accordance with the regulations relating to measures to prevent money laundering and the financing of terrorism, and is not regarded as inappropriate as a client. The Fund Management Company must be notified in writing of the pledging of Fund Units. This notification must disclose (i) the



## Appendix 2 – Fund Rules Tundra Frontier Opportunities Fund

identity of the Unit Holder (pledging party), (ii) the identity of the pledge holder, (iii) the fund units covered by the pledge, and (iv) any limitation on the scope of the pledge. The notification must be signed by the Unit Holder. The Fund Management Company shall note this information in the unit holder register and inform the Unit Holder (pledging party) in writing of this registration. Information regarding the pledge shall be removed from the unit holder register upon written request from the pledge holder.

### § 16. LIMITATION OF LIABILITY

The Fund Management Company and/or the Custodian Institution shall not be liable for damage arising as a consequence of Swedish or foreign legislation, acts of Swedish or foreign governmental authorities, acts of war, terrorism, strikes, blockades, boycotts, lockouts, electricity shortages, IT-related failure not due to negligence by the Fund Management Company or the Custodian Institution, failure of general communications or other similar circumstances. The reservation with respect to strikes, blockades, boycotts, and lockouts shall apply notwithstanding that the Fund Management Company and/or the Custodian Institution is the subject of, or executes, such measure. Should the Fund Management Company and/or the the Custodian Institution be prevented from making payments or taking other measures on account of circumstances stated in the paragraph above, the said measures may be postponed until the obstacle has been removed. In the event of the Fund Management Company and/or the Custodian Institution, as a result of such circumstance, being prevented from effecting or receiving payment, the Fund Management Company and/or the Custodian Institution shall not be liable to pay interest. The Fund Management Company shall not be held liable for loss or damage caused by Unit Holders or others breaking the law, rules, regulations or these Fund Rules. The Unit Holder is hereby made aware that the Unit Holder is responsible for ensuring that documentation sent to the Fund Management Company is correct and has authorised signatures and that the Fund Management Company is informed of changes that take place in any information submitted. The Fund Management Company shall not be liable under any circumstance for indirect damage or other consequential damage. The Fund Management Company and/or the Custodian Institution shall not be liable for damage caused by custodian banks, or other contractors engaged with normal care by the Fund Management Company and/or the Custodian Institution. Nor shall the Fund Management Company and/or the Custodian Institution be held liable for damage that arises to the Fund or Unit Holders or others as a consequence of restrictions on disposition that may be applied to the Fund Management Company and/or the

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The liability for damages of the Fund Management Company and/or the Custodian Institution is regulated in accordance with § 2:21 of the LVF.

### § 17. RESTRICTIONS ON THE RIGHT TO SELL ETC

The Fund is not registered under the United States Securities Act of 1933, the United States Investment Company Act of 1940, or any other applicable law of the United States. Therefore fund units may not be offered, sold or in any other way distributed to persons in the United States of America. Nor may units in the fund be offered, sold or in any other way distributed to physical or legal persons if this would, in the opinion of the Fund Management Company, confer a risk of breach of Swedish or foreign law or regulation, the Fund Management Company being required to implement special registration or other measures, or being exposed to significant disadvantage of a tax or financial nature, and this cannot reasonably be demanded of the Fund Management Company, or the Fund incurring damage or expense that is not in the interests of the Unit Holders.

Persons wishing to acquire units in the Fund must disclose to the Fund Management Company their national domicile and, at the request of the Fund Management Company, confirm that this is not affected by the restrictions described above. Unit Holders are also required, when necessary, to inform the Fund Management Company of any changes to their national domicile.

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