

Semi Annual Report

Tundra Vietnam Fund

2015-01-01 - 2015-06-30

Comments from the CEO

Frontier markets have lacked a general trend during the first half of the year. The asset class measured as MSCI Frontier Markets xGCC Net returned 3% in SEK. The currency however contributed positively and the USD return amounted to -3%. Frontier markets hence underperformed emerging as well as developed markets (+10% and 9% respectively).

The global news flow was dominated by speculation in the timing of the next FED rate hike, the ECB and PBOC liquidity injections in order to help growth, the Greek debt issue and a substantial sell-off in the domestic Chinese equity market.

Nigeria conducted a presidential election in March. The opposition candidate Muhammadu Buhari ended as the winner. The fact that democratic elections could be held should be viewed as a step forward. It is also an example of the general political stabilisation taking place within frontier markets and which paves the way for continued economic growth. During the spring and summer, Buhari was however the source of disappointment. The reforms he had promised have not yet materialized and the criticism has gradually increased against the lack of speed. The low oil price prevailing during the first six months of the year has also been a challenge for oil exporting Nigeria. Unlike Nigeria, the Asian frontier markets have in general gained from the low oil price. Pakistan is one example of this. The country has in addition enjoyed lower inflation which has enabled rate cuts. During the spring, MSCI announced that Pakistan is considered for upgrading to emerging market status. This would spur foreign interest. Positive steps have also been taken in Vietnam as it was announced that the cap on foreign holdings of listed equity most likely will be scrapped. The top performing major frontier markets during the period January-June are Argentina (+15%) and Pakistan (+7%). Nigeria underperformed (-1%).

Merger and change of name

During February, the fund Tundra QuAsia was merged into Tundra Frontier Opportunities Fund. The merger was motivated by the fact that the former had not lived up to Tundra's return expectations and the limited demand among investors. We believe that Tundra Frontier Opportunities Fund has good chances to provide the investor with better risk adjusted return. During the spring, Tundra Pakistanfond changed name to Tundra Pakistan Fund. The change in name occurred on the back of Tundra's international expansion and rising demand for the company's funds overseas.

Inception of a unique fund

Tundra announced during the past six months that it will launch a new fund, Tundra Sustainable Frontier Fund. The fund will invest globally in frontier markets. It will be a unique fund as it will apply a sustainable approach as part of its stock selection. Companies breaching international norms or being active in sectors including pornography, alcohol, weapons, commercial gambling or tobacco will be excluded. The combination of a sustainable investment approach and frontier markets is unique. As part of this effort, Tundra recruited dedicated ESG analysts to the research team.

Jon Scheiber, CEO, Tundra Fonder

Fund managers Report

Objectives and investment policy

The fund is actively managed to create a financial exposure to the economic development of Vietnam and deliver as high return to unitholders as possible with respect to the Fund's risk level.

The Fund's performance

The fund rose 8.97 percent (fund share class A SEK) in the first half of 2015, compared to its benchmark FTSE Vietnam Index Total Return Net (SEK) which rose 3.05 percent during the same period.

The Fund's net assets development

Assets under management at June 30, 2015 amounted to SEK 152 million, which represents an increase of SEK 27 million compared with SEK 125 million at 31 December 2014.

The value of issued fund shares amounted to Class A 126 million and Class D SEK 3 million.
The value of redeemed fund shares amounted to Class A SEK 112 million and Class D SEK 0 million.

The value of the total change of fund shares during the period hence amounted to Class A SEK 13 million and Class D SEK 3 million.

Market comment

The Vietnamese equity market showed a positive trend against the background of continued high economic activity and falling inflation. Discussions about allowing higher foreign ownership in the equity market and hopes of new trade agreements with other countries had a positive impact on the market.

Risks in the Fund

The fund does not hedge its currency exposure, which may affect returns in the case of the Vietnamese currency, the dong, weakens. The Vietnamese central bank compares particularly its exchange rate with the US dollar, which creates an indirect link and risk also against the US dollar.

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.

Mattias Martinsson, CIO and Portfolio manager

Financial overview

Main Portfolio

	AUM SEK	NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2015-06-30	152 273 800	-	1 155 899,37	-	-	-
2014-12-31	125 181 518	120,90	1 035 453,54	-	20,90 1)	22,42 1)

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

Fund Share Class A SEK

		NAV	No. of issued Fund shares	Dividend	Performance, %	Performance- index, %
2015-06-30	-	131,75	1 133 388,00	-	8,97 1)	3,05 1)

Index: FTSE Vietnam (SEK)

1) 2015-04-13 Tundra Vietnam Fund changed to Tundra Vietnam **Fund Share Class A SEK**

Fund Share Class D USD

		NAV	No. of issued Fund shares	Dividend	Performance, %	Performance- index, %
2015-06-30	-	15,81	22 511,37	-	2,46 1)	5,70 1)

Index: FTSE Vietnam (USD)

1) Period 2015-04-13 - 2015-06-30

Balance Sheet

<i>In SEK</i>	<i>Note</i>	<i>2015-06-30</i>	<i>2014-12-31</i>
Assets			
Transferable securities		146 951 020	126 567 195
Total	1	146 951 020	126 567 195
Bank accounts		6 785 540	1 154 848
Pre-paid expenses and accrued income		592 713	44 362
Other Assets		0	1 285 818
Total		154 329 273	129 052 223
Liabilities			
Accrued expenses and deferred income		330 698	294 320
Other liabilities		1 724 775	3 576 385
Total		2 055 473	3 870 705
Total Net Asset	1,2	152 273 800	125 181 518

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.

Key Figures

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

Note

Not 1 Financial Instruments, Portfolio

2015-06-30

Securities

Branch	Quantity	Value	%
Transferable Securities			
Category 1			
CNG VIETNAM JSC, Vietnam, VND	209 500	2 313 773	1,52
INTERNATIONAL GA ORD, Vietnam, VND	113 000	544 661	0,36
PETROVIETN DRILLING, Vietnam, VND	373 080	7 433 701	4,88
PV GAS SOUTHERN ORD, Vietnam, VND	168 421	1 387 075	0,91
PV TRANS ORD, Vietnam, VND	308 000	1 402 735	0,92
Energy		13 081 945	8,59
BIM SON CEMENT JSC, Vietnam, VND	673 000	3 831 335	2,52
DONGHAI JOINT STOCK, Vietnam, VND	165 000	1 534 242	1,01
HATIEN 1 CEMENT JSC, Vietnam, VND	677 000	5 858 242	3,85
HOA PHAT GROUP JSC, Vietnam, VND	810 750	8 892 597	5,84
HOA SEN GROUP, Vietnam, VND	465 460	7 507 842	4,93
NAM KIM STEEL JSC, Vietnam, VND	94 970	540 657	0,36
PETROLIMEX PETROCHEM, Vietnam, VND	131 000	1 635 728	1,07
Material		29 800 643	19,57
CII ORD, Vietnam, VND	486 000	4 371 479	2,87
FECON FOUNDATION ORD, Vietnam, VND	240 000	2 040 343	1,34
GEMAGEPT ORD, Vietnam, VND	246 870	2 913 886	1,91
HOANG HUY INVESTMENT, Vietnam, VND	78 000	698 635	0,46
PETROSETCO ORD, Vietnam, VND	471 240	3 094 084	2,03
VINASUN ORD, Vietnam, VND	240 000	3 242 687	2,13
Industry		16 361 114	10,74
DRC ORD, Vietnam, VND	118 800	2 389 660	1,57
SOUTHERN RUBBER INDU, Vietnam, VND	166 000	2 457 064	1,61
TNG Investment & Trading JSC, Vietnam, VND	207 833	1 987 737	1,31
Durable goods		6 834 461	4,49
KINH DO CORP ORD, Vietnam, VND	4	65	0,00
MASAN GROUP ORD, Vietnam, VND	375 940	11 557 060	7,59
VINAMILK ORD, Vietnam, VND	95 950	4 369 885	2,87
Staples		15 927 011	10,46
DHG PHARMA ORD, Vietnam, VND	70 000	2 085 506	1,37
JAPAN VN, Vietnam, VND	120 000	368 901	0,24
TRAPHACO ORD, Vietnam, VND	145 000	4 512 588	2,96
Health care		6 966 995	4,58
BAOVIET HOLD ORD, Vietnam, VND	113 000	1 758 353	1,15
DAT XANH ORD, Vietnam, VND	1 009 404	6 244 482	4,10
FLC GROUP JSC, Vietnam, VND	632 400	2 064 116	1,36
HAGL ORD, Vietnam, VND	976 000	7 037 967	4,62

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KINHBAC CITY ORD, Vietnam, VND	906 000	5 329 712	3,50
VIETINBANK ORD, Vietnam, VND	458 000	3 337 417	2,19
VINGROUP JSC ORD, Vietnam, VND	717 031	11 837 800	7,77
VNDIRECT ORD, Vietnam, VND	704 700	3 744 347	2,46
Financial		41 354 196	27,16
FPT CORP, Vietnam, VND	575 000	10 824 139	7,11
IT		10 824 139	7,11
PETROVIET NHON TRACH, Vietnam, VND	664 500	5 800 516	3,81
Utilities		5 800 516	3,81
Total Category 1		146 951 020	96,50
Total transferable securities		146 951 020	96,50
Total financial instruments		146 951 020	96,50
Other assets and liabilities		5 322 780	3,50
Total Net Asset		152 273 800	100,00

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 Asset

	<i>2015-01-01- 2015-06-30</i>	<i>2014-05-06- 2014-12-31</i>
Net asset, start of the year	125 181 518	0
No. of issued fund shares	0	368 811 607
No. of redeemed fund shares	0	-250 009 781
	125 181 518	118 801 826
Fund share class A SEK		
No. of issued fund shares	125 850 363	-
No. of redeemed fund shares	-111 909 110	-
	13 941 253	
Fund share class D USD		
No. of issued fund shares	2 948 146	-
No. of redeemed fund shares	0	-
	2 948 146	
Net result according to income statement	10 202 883	6 379 692
Net Asset, at end of the period	152 273 800	125 181 518

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