

MONTHLY LETTER JUNE 2015



TUNDRA  FONDER

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	3.1%	8.7%	28.8%	185.0%
Benchmark (MSCI Pakistan Net (EUR))	1.3%	9.7%	19.7%	120.2%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.9%
Pricing	Daily	Standard deviation	23.7%
Manager	Tundra Fonder AB	Standard deviation, benchmark	21.0%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	1.05
ISIN	SE0006 789 905	Information ratio	1.76
IBAN	SE925000000058648288185	Risk level	7 of 7 (refer to KIID for more info)
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	55.5 MEUR
Auditor	PWC		

* Risk indicators are based on monthly rolling 24 months of return data.

** The management fee includes variable custody fees, audit, legal and marketing expenses.

Best performers in June		Worst performers in June	
	Return (EUR)		Return (EUR)
Searle Pakistan	23.2%	Mcb Bank Ltd	-7.4%
Pak Elektron	19.5%	Pakistan Petrole	-4.8%
Netsol Technolog	18.6%	Tariq Glass	-4.2%
Kohinoor Text	16.2%	Bank Alfalah Ltd	-4.1%
Noon Pakistan	16.5%	Shifa In Hospita	-3.9%

Five largest holdings

Holding	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
K-Electric Ltd	4.5%	Pakistan	24.2	10.2	6.7%	9.3%
Engro Corp	4.4%	Pakistan	18.7	9.1	0.6%	4.9%
Meezan Bank Ltd	4.3%	Pakistan	9.1	9.2	6.0%	-3.7%
Mcb Bank Ltd	4.0%	Pakistan	11.3	10.5	5.7%	-7.4%
OGDC	3.8%	Pakistan	6.2	8.3	5.2%	-3.6%

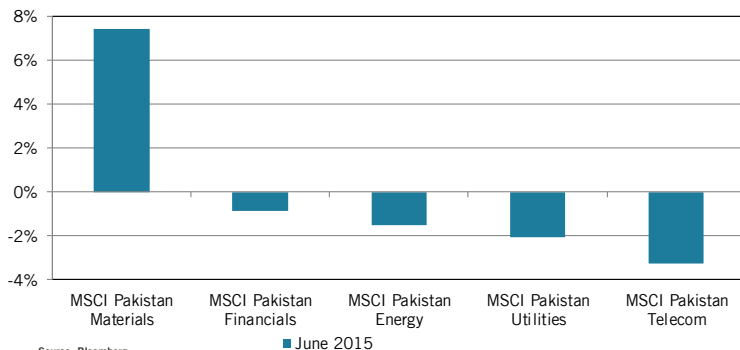
Source: Bloomberg, Tundra Fonder

Fund Objective

The objective of the fund is to provide investors financial exposure to economic development in Pakistan and to provide its unit holders with a maximum long-term return on their investment given the fund's level of risk. At least 90 percent of the net asset value of the fund will be invested in equities and equity-related transferable securities issued by companies that have their registered office in, or that conduct their principal operating activities in, Pakistan. The fund may invest up to 10 percent of the net asset value of the fund in equity and equity-related transferable securities issued by companies that do not have their registered office 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 may invest up to 10 percent of the net asset value in other funds.

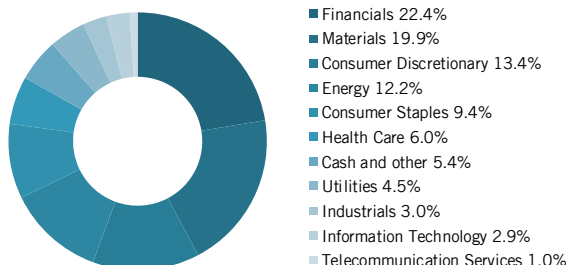
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)

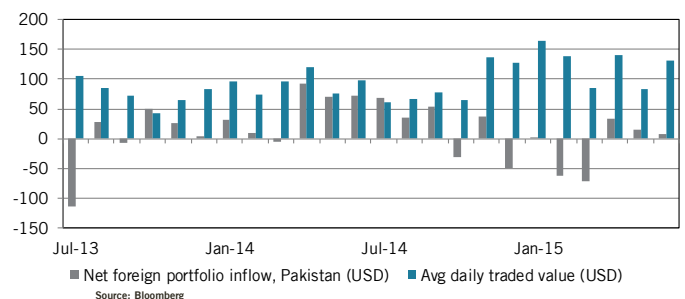


Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



Foreign flows and turnover (Karachi Stock Exchange)



Source: Bloomberg

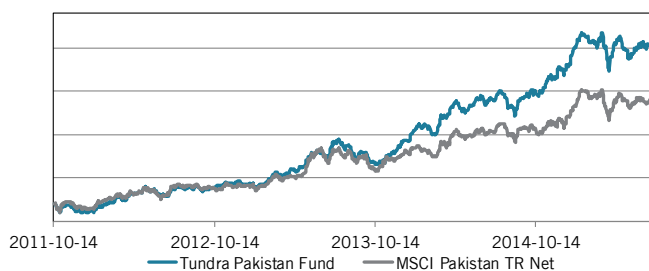
Monthly Market Comment

MSCI Pakistan Net (EUR) rose by 1.3% during June compared to MSCI Emerging Markets Net (EUR) which fell by 4.1%. Daily traded value surged to USD 131m from USD 83m in the last month. Foreigners remained net buyers to an amount of USD 7.69m. The budget revealed on 5th June was heavy in taxes in addition to an increase in capital gains taxes (CGT) rates and the holding period for tax free capital gains was also increased to more than four years. Previously, CGT only applied when shares were sold within a span of two years. Moreover, the tax exemption on bonus issues did not materialize and some other additional taxes were also imposed for tax year 2015. However, MSCI's announcement to add Pakistan to their review list for an upgrade to emerging markets and Moody's revising the country's credit rating helped improve market sentiment. MSCI's review decision is likely to put the country's capital market on the radar for both GEM and frontier funds for a period of two years, which will be very positive for the market. On the macro front, inflation for the month of May remained contained at 3.16%. Towards the end of the month, IMF's Board approved the 8th tranche, that resulted in an inflow of USD 506mn, adding stability to the fx reserves. The market continues to trade at attractive P/E of 8.3x, compared to its frontier and emerging peers at 9.2x and 11x respectively.

Monthly Fund Comment

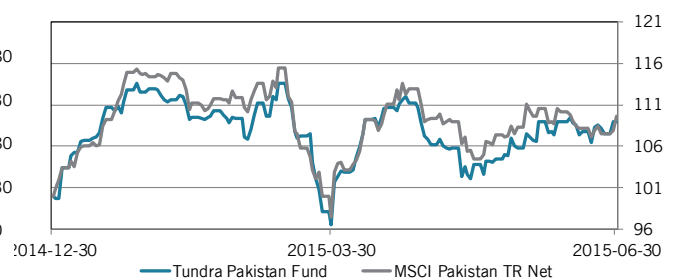
The fund rose 3.1% during the month, outperforming the benchmark index which rose by 1.3%. After a couple of months of dividend plays being in the lime light, our off-benchmark bets in Consumer (Efoods, Bata), Textiles (NCL, KTML), Utilities (KEL) and Health care (Searle) yielded positive returns for the fund. In addition, our underweight in Energy and Financials added to the relative performance. However, Materials (especially FFC) remained the negative contributor. No major changes were made during the month.

Tundra Pakistan Fund vs index (since inception)



Source: Bloomberg

Tundra Pakistan Fund vs index (year-to-date)



Source: Bloomberg

Tundra Pakistan Fund – Monthly return (EUR)

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011													
2012	7.3%	6.5%	6.6%	3.6%	0.7%	-4.8%	9.1%	2.1%	-3.3%	3.5%	3.3%	-1.3%	37.5%
2013	-0.9%	10.5%	0.4%	4.4%	12.6%	-2.8%	10.6%	-9.9%	-3.1%	0.5%	7.5%	7.7%	40.3%
2014	10.5%	-5.4%	12.4%	3.1%	6.1%	-0.7%	3.2%	-7.9%	8.7%	2.6%	5.3%	6.0%	51.2%
2015	13.3%	-3.6%	-7.1%	5.4%	-1.3%	3.1%							8.7%

Source: Bloomberg

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	-2.4%	4.4%	9.9%	37.8%
Benchmark (MSCI FM xGCC Net (EUR))	-2.1%	5.5%	5.7%	20.5%

Facts	Risk and costs*	
Inception date	2013-04-02	
Pricing	Daily	
Manager	Tundra Fonder AB	
Benchmark index	MSCI FM xGCC Net (EUR)	
ISIN	SE0006 789 897	
IBAN	SE445000000058648209218	
BIC	ESSESESS	
Custodian	SEB	
Auditor	PWC	
	Active risk (Tracking error)	8.7%
	Standard deviation	11.0%
	Standard deviation, benchmark	10.1%
	Beta	0.72
	Information ratio	0.58
	Risk level	7 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**	2.5%
	AuM	111.1 MEUR

* Risk indicators are based on monthly rolling 24 months of return data.

** The management fee includes variable custody fees, audit, legal and marketing expenses.

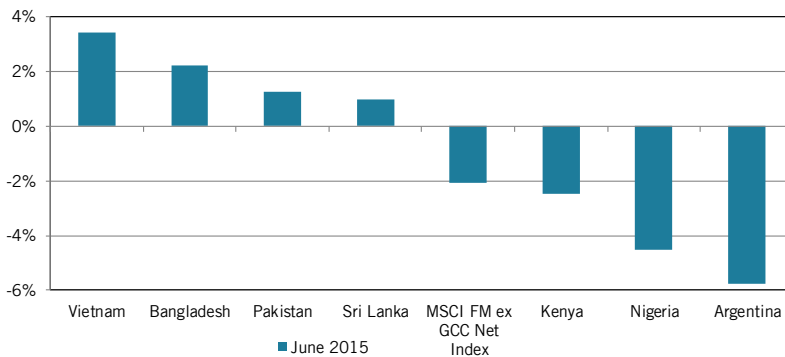
Best performers in June		Worst performers in June	
	Return (EUR)		Return (EUR)
Searle Pakistan	23.2%	Fbn Holdings Plc	-17.1%
Pak Elektron	19.5%	Ceylon Cold Stor	-12.2%
Netsol Technolog	18.6%	Zenith Bank Plc	-12.0%
Hoa Sen Group	17.4%	Access Bank Plc	-11.1%
Vingroup Jsc	13.8%	Bim Son Cement J	-10.2%

Five largest holdings

Holding	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
Guaranty Trust	3.8%	Nigeria	8.6	7.7	6.7%	-8.6%
Brac Bank Ltd	3.6%	Banglad.	19.7	10.1	5.1%	10.0%
Zenith Bank Plc	3.3%	Nigeria	6.3	5.8	9.2%	-12.0%
John Keells Hldg	3.0%	S. Lank.	-	-	1.7%	3.7%
Active Fine Chem	2.9%	Banglad.	-	-	0.8%	-7.8%

Source: Bloomberg, Tundra Fonder

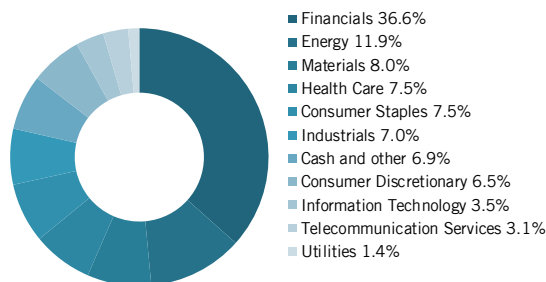
Major frontier markets (EUR, total return)



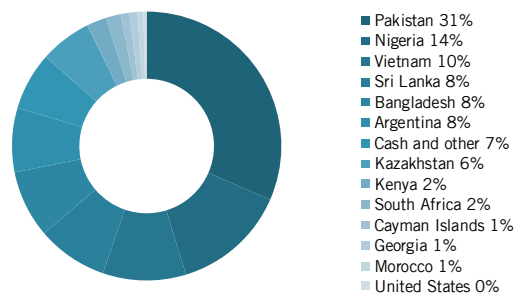
Fund Objective

The Fund intends to give financial exposure to economic development in emerging markets and frontier markets through equities. The Fund Management Company particularly focuses on those markets that have large population and low GDP. Therefore countries which are part of the MSCI Frontier Markets index (such as for example Kuwait) but that have an important weight are less likely to be considered for an investment. The Benchmark of the Fund is MSCI Frontier Markets ex GCC Index. 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. 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. Given the risk profile of the fund the Fund Management Company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Tundra Frontier Opportunities: Sector allocation



Tundra Frontier Opportunities: Country allocation



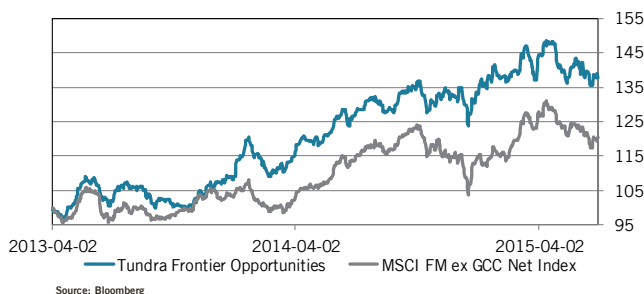
Monthly Market Comment

MSCI Frontier Markets xGCC Net (EUR) fell 2.1% during June, compared to MSCI Emerging Markets Net (EUR) which fell 4.1%. It was an overall weak month in frontier markets. Argentina which is hoping for significantly reduced influence from the Kirchner family after this autumn's presidential elections fell 5.8% after the leading candidate Daniel Scioli (FPV coalition) announced a Kirchner loyal vice President candidate. The two strongest coalitions, FPV and Cambiemos (lead by Scioli and Mauricio Macri respectively), currently have 33% and 30% of votes respectively. To win in the first round 45% is required, alternatively 40% but a 10% gap down to the closest contender. The first round is held on October 25th and a possible second round will be held no later than November 25th. The equity market is hoping for Macri. The Vietnamese market was one of few that rose (+3.4%) during the month. This was a reaction to a full-fledged proposal to eliminate a large part of current foreign ownership restrictions. This would be very positive as it is likely to lead to strong foreign portfolio inflows and most likely a higher weight for Vietnam in frontier indices.

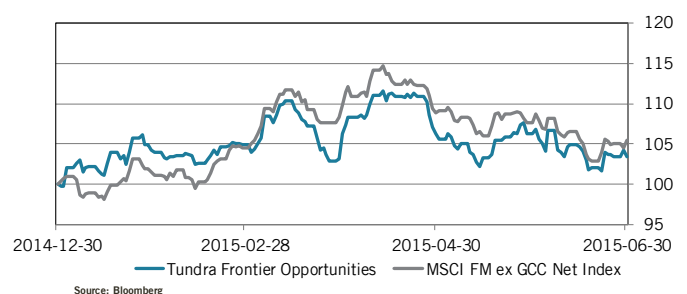
Monthly Fund Comment

The fund fell 2.4% during the month which was in line with the benchmark. Our overweights in Pakistan (+/-0%) and Vietnam as well as our underweight in Argentina contributed positively. Weak stock selection during the month however contributed negatively to relative performance. No major changes in the portfolio were made during the month.

Tundra Frontier Opportunities vs index (since inception)



Tundra Frontier Opportunities vs index (year-to-date)



Tundra Frontier Opportunities Fund – Monthly return (EUR)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013				0.4%	7.8%	-5.8%	4.8%	-4.5%	-0.5%	1.4%	3.9%	2.2%	9.1%
2014	6.4%	-4.5%	4.0%	3.8%	5.5%	0.6%	3.5%	-0.9%	4.7%	-2.5%	-0.3%	0.7%	22.5%
2015	4.3%	0.5%	1.3%	0.6%	0.2%	-2.4%							4.4%

Source: Bloomberg

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