MONTHLY LETTER
JULY 2015

TUNDRA FONDER

Monthly Letter July 2015
Tundra Pakistan Fund (class F, EUR)

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	4.1%	13.2%	3.1%	197.1%
Benchmark (MSCI Pakistan Net (EUR))	5.2%	15.3%	2.1%	131.6%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	10.2%
Pricing	Daily	Standard deviation	21.3%
Manager	Tundra Fonder AB	Standard deviation, benchmark	17.8%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	1.05
ISIN	SE0006 789 905	Information ratio	1.25
IBAN	SE9250000000058648288185	Risk level	7 of 7 (refer to KIID for more info)
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	66.5 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.*

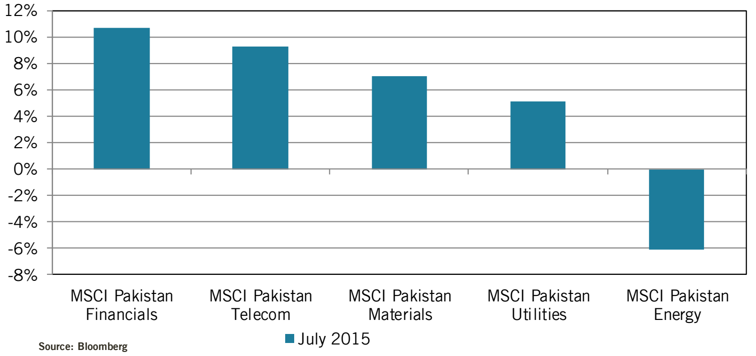
Best performers in July	Return (EUR)	Worst performers in July	Return (EUR)
Crescent Steel	67.0%	Pak Oilfields	-7.1%
Systems Ltd	35.9%	K-Electric Ltd	-4.8%
Netsol Technolog	32.9%	Pakistan Petrole	-4.7%
Tariq Glass	28.7%	Bata Pakistan	-3.1%
Engro Polymer	27.8%	Pak State Oil	-2.6%

Five largest holdings

Holding	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
United Bank Ltd	4.2%	Pakistan	10.1	9.4	6.8%	8.6%
Engro Corp	4.1%	Pakistan	20.4	10.2	0.6%	10.4%
Mcb Bank Ltd	3.8%	Pakistan	12.6	11.8	5.4%	12.8%
Habib Bank Ltd	3.6%	Pakistan	11.6	10.8	8.0%	9.9%
OGDC	3.6%	Pakistan	22.7	9.5	6.4%	-4.8%

Source: Bloomberg, Tundra Fonder

Pakistan sector indices (EUR, total return)



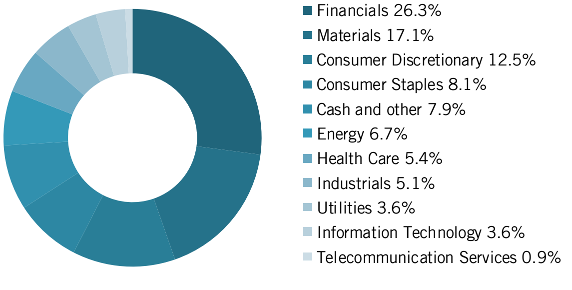
Source: Bloomberg

Fund Objective

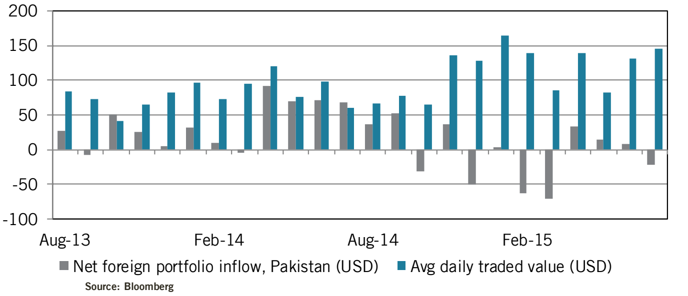
The objective of the fund is to provide investors financial exposure to economic development in Pakistan and to provide its unit holders with a maximum long-term return on their investment given the fund's level of risk. At least 90 percent of the net asset value of the fund will be invested in equities 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.

Tundra Pakistan Fund: Sector allocation



Foreign flows and turnover (Karachi Stock Exchange)



Source: Bloomberg

Fund return is for time periods starting prior to June 12th 2013 based on the A share class in SEK converted to EUR using Bloomberg currency data in order to provide maximum performance history. The value of money invested in a fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Past performance is no guarantee for future returns. The value of invested capital may vary substantially due to the composition of the fund and the investment process used by the fund manager. The Full Prospectus, KIID etc. are available on our homepage (www.tundrafonder.se). You can also contact us to receive the documents free of charge.

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Tundra Pakistan Fund (class F, EUR)

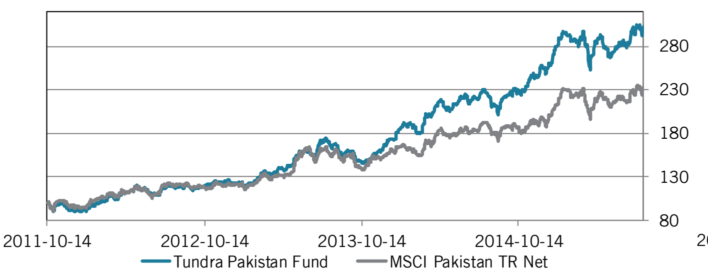
Monthly Market Comment

MSCI Pakistan Net (EUR) gained 5.2% during July'15 compared to MSCI Emerging Markets Net (EUR) which fell by 5.5%. Daily traded value increased to USD 146m in July from USD 131m in the previous month. Foreigners turned net sellers worth USD 21.28m. July was a good month for Pakistan both in terms of macros and politics. Inflation reading came in as a positive surprise at 3.16% for June despite the usual Ramadan effect on food prices, and SBP decided to keep the interest rates unchanged with Target rate at 6.5% and discount rate at 7%. Moreover, foreign exchange reserves also continued to strengthen, touching an all time high of USD 18.7bn (SBP reserves now 4x import cover). Exports growth, however, still remains lackluster mainly due to energy woes. Pakistan also received Coalition Support Fund (CSF) payment from the US, amounting to USD 337mn towards the end of the month. The Judicial Commission of Pakistan finally revealed its 2013 Election inquiry report which was in favour of the ruling party. The report claimed that the "2013 elections were in large part organized and conducted fairly and in accordance with law". PTI Chairman Imran Khan accepted the verdict gracefully, hence settling the dust around the political landscape of the country. The market continues to trade at attractive PER of 8.6x, compared to its Frontier and Emerging peers at 11.3x and 10.7x respectively.

Monthly Fund Comment

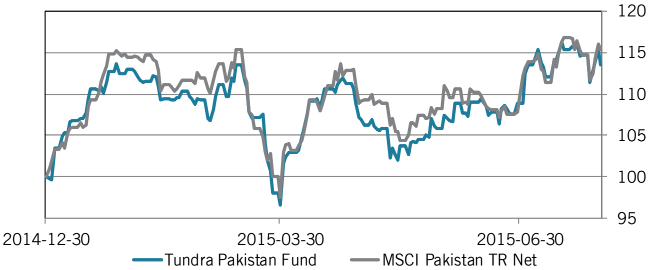
The fund rose 4.3% Net (EUR) during the month, broadly in line with the benchmark index which gained 5.2% Net (EUR). We had all the sectors attributing positively except for Financials and Utilities during July. Positive contributors were our overweight in Textiles, Consumer Staples, Healthcare, Information Technology and Materials while our underweight in Energy and Fertilizer names also fared well for the fund. Our underperformance was mainly from underweight in Financials stocks (mainly MCB and HBL) and Utilities. The fund increased it's exposure in Materials, Financials and IT stocks 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										-4.9%	-1.8%	-3.9%	-10.2%
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%	4.3%						13.2%

Source: Bloomberg

Monthly Letter July 2015
Tundra Frontier Opportunities Fund (class F, EUR)

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	-0.7%	3.8%	4.7%	37.3%
Benchmark (MSCI FM xGCC Net (EUR))	-2.4%	2.9%	-1.7%	17.6%

Facts	
Inception date	2013-04-02
Pricing	Daily
Manager	Tundra Fonder AB
Benchmark index	MSCI FM xGCC Net (EUR)
ISIN	SE0006 789 897
IBAN	SE4450000000058648209218
BIC	ESSESESS
Custodian	SEB
Auditor	PWC

Risk and costs*	
Active risk (Tracking error)	8.7%
Standard deviation	10.0%
Standard deviation, benchmark	10.0%
Beta	0.62
Information ratio	0.58
Risk level	7 of 7 (refer to KIID for more info)
Management fee/year (all inclusive)**	2.5%
AuM	102.7 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 July

	Return (EUR)
Netsol Technolog	32.9%
Islami Bank Bang	30.1%
Renata Ltd	27.2%
Vietnam Js Comm	18.3%
Access Engineeri	16.8%

Worst performers in July

	Return (EUR)
Kumba Iron Ore L	-30.1%
Equity Group Hol	-18.7%
Zenith Bank Plc	-15.4%
United Bank Afr	-14.4%
Access Bank Plc	-14.4%

Five largest holdings

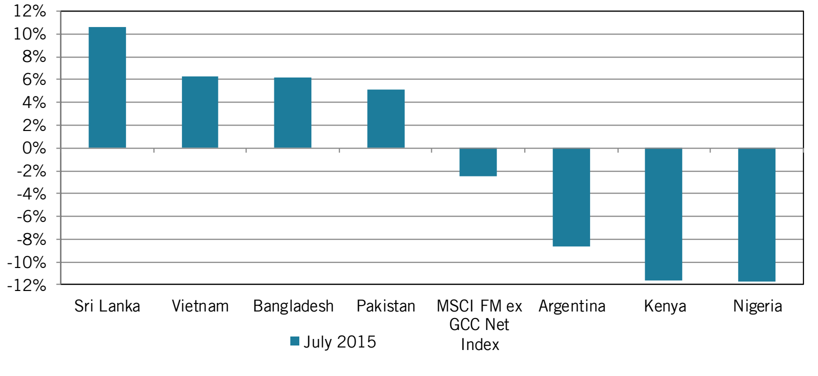
Holding	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
Brac Bank Ltd	4.1%	Banglad.	-	-	5.2%	4.5%
Zenith Bank Plc	4.0%	Nigeria	5.2	5.0	10.8%	-15.4%
John Keells Hldg	3.7%	S. Lanka	-	-	1.6%	12.9%
Meezan Bank Ltd	3.3%	Pakistan	10.3	10.9	6.3%	14.4%
Active Fine Chem	3.3%	Banglad.	-	-	0.9%	6.9%

Source: Bloomberg, Tundra Fonder

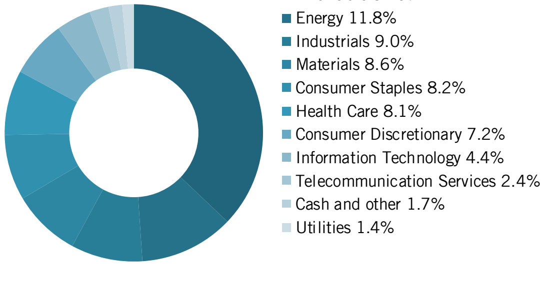
Fund Objective

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.

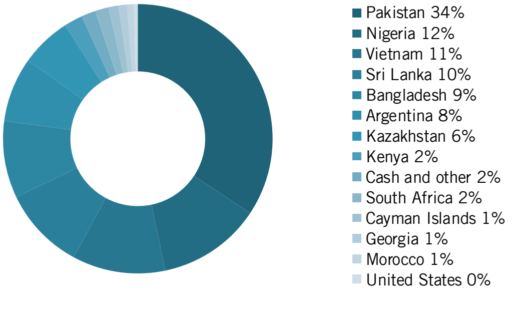
Major frontier markets (EUR, total return)



Tundra Frontier Opportunities: Sector allocation



Tundra Frontier Opportunities: Country allocation



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Tundra Frontier Opportunities Fund (class F, EUR)

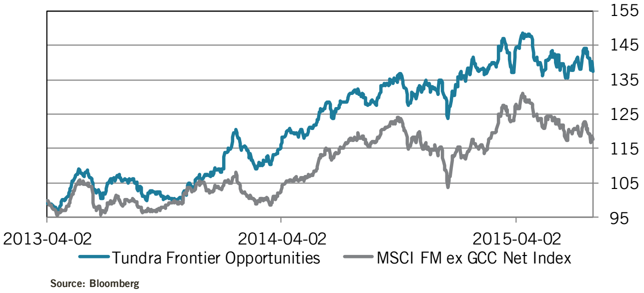
Monthly Market Comment

MSCI FMxGCC Net (EUR) fell 1.4% during the month, compared with the MSCI Emerging Markets Net (EUR), which fell 5.5%. It was a tough month for the more cyclical and commodity-dependent markets. Both Nigeria and Kazakhstan belonged to the losers with declines of 10% and 8% respectively. In addition Kenya was weak after the pressure on the Kenyan shilling intensified and the central bank somewhat unexpectedly raised interest rates a further 150 basis points in July after a similar increase in June. Commodity importers made strong gains during the month with Sri Lanka (+13%), Bangladesh (+8%) and Pakistan (+7%) among the winners. Vietnam also remained strong as a result of inflows into the stock market in the wake of earlier announcements of added room for foreigners to own Vietnamese shares and on hopes of an early announcement of the trade agreement Trans Pacific Partnership. It is worth noting that over the weekend just after the end of the month complications in the negotiations were announced, which means a probable delay of the agreement. The Vietnamese market will bear that burden in the early part of the month.

Monthly Fund Comment

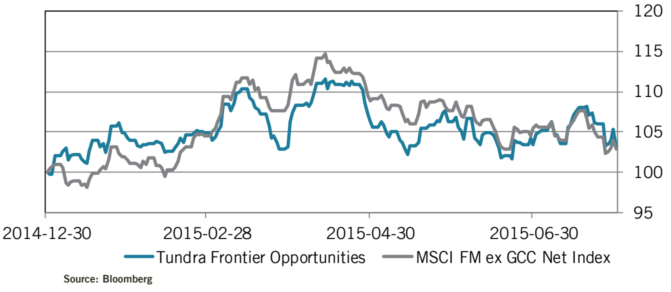
The fund fell 0.4% during the month, significantly outperformning the market as a whole. The bulk of the outperformance was related to our country allocations, where our underweights in Argentina, Nigeria and Kenya, as well as overweights in Sri Lanka, Pakistan and Bangladesh served us well during the month. Lack of Romanian exposure and underweight in Morocco contributed negatively to performance during the month. Our stock picking contributed only marginally to the outperformance. In July the fund sold its remaining exposure in two smaller Pakistani cement companies after sharp price increases. We note that the valuations now have normalized, while we see some risk that expectations of demand increases are on the high side. We reduced our exposure in Nigerian Guaranty Bank and instead increased our position in Zenith Bank from the same country as we believe the latter offers better value from current levels.

Tundra Frontier Opportunities vs index (since inception)



Source: Bloomberg

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



Source: Bloomberg

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%	-0.4%						3.8%

Source: Bloomberg

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