

Semi Annual Report  
**UCITS FUND**

**Share Class F EURO**

THIS IS AN EXTRACT FOR SWITZERLAND

## **Tundra Pakistan Fund**

**2015-01-01 - 2015-06-30**

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.

*More detailed information about our funds and their investment policy etc is available in each fund's key investor information document and prospectus, available at [www.tundrafonder.se](http://www.tundrafonder.se) or from the management company free of charge. We recommend that you contact us or retrieve information from our website about the funds before making an initial investment. This half-year report presents A class units denominated in SEK, ie the ordinary fund unit class being traded. The half-year reports for unit class C listed in EUR and unit class D are covered in this half-year report.*

*This half-year report has been prepared in accordance with the Investment Funds Act (SFS 2004: 46) and the Swedish Financial Supervisory Authority's regulations on investment funds (FFFS 2013: 9).*

*Costs were calculated for the period December 31, 2015 to June 30, 2015. The fund's assets and liabilities are measured at market value. The fund's holdings of financial instruments are measured at the closing price on June 30, 2015. If such prices are not available, or if they are misleading in the opinion of the management company, the valuation may be conducted on an objective basis in accordance with generally accepted valuation principles. The market view presented in the half-year report is an expression of the portfolio manager's opinion in June 2015.*

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*Investment fund units can fall as well as rise in value. Historical performance is not a guarantee of future returns. It is not certain that all your money invested will always be returned upon sale of the units.*

## **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 Pakistan and deliver as high return to unitholders as possible with respect to the Fund's risk level.

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

The fund rose 8,50 percent (fund share class EUR) in the first half of 2015. The fund's benchmark MSCI Pakistan Daily Net Total Return (EUR) rose by 8,75 per cent during the same period. The fund's investments in consumer staples and healthcare were the main contributors to relative performance while our underweights in utilities and fertilizers had a negative effect on the fund's relative performance.

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

Assets under management at June 30, 2015 amounted to SEK 498 million, which represents a decrease of SEK-108 million compared with SEK 606 million at 31 December 2014.

### **Market comment**

The Pakistani stock market rose by 6.60 percent during the first six months. After a weak start to the year where significant outflows from a failing hedge fund with significant investments in frontier markets the the Pakistani equity market rose on the back of an improving macroeconomic picture with falling inflation and lower oil prices. The signing of the so called China Pakistan Economic Corridor in April 2015 where China will invest up to USD 46 billion in infrastructure investments was a significant milestone which improved sentiment towards the equity market.

### **Risks in the Fund**

The Fund continues to hold a significant underweight in the energy sector, which in the case of oil prices suddenly strengthens greatly affect the relative performance negatively. The Fund does not protect the holdings of currency movements which may affect returns in Swedish Krona adversely in case the Pakistani rupee weakens.

### **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**

	<b>AUM SEK</b>	<b>NAV</b>	<b>No. of issued fund shares</b>	<b>Dividend</b>	<b>Performance, %</b>	<b>Performance index, %</b>
2015-06-30	497 912 779	-	1 717 627,87	-	-	-
2014-12-31	605 825 404	-	2 226 701,79	-	-	-
2013-12-31	253 853 989	-	1 507 948,17	-	-	-
2012-12-31	329 418 838	115,80	2 844 852,13	0,02	32,34	25,43
2011-12-31	6 510 211	87,52	74 388,49	-	-12,48 1)	-8,58 1)

1) Period 2011-10-14-2011-12-31

**Fund Share Class F EUR**

		<b>NAV</b>	<b>No. of issued fund shares</b>	<b>Dividend</b>	<b>Performance, %</b>	<b>Performance index, %</b>
2015-06-30		31,40	600,39	-	8,50	8,75
2014-12-31	-	28,94	5 446,09	-	51,76	28,7
2013-12-31	-	19,07	691,20	-	10,62 1)	-2,67 1)

Index: MSCI Pakistan Net (EUR)

1) Period 2013-06-12 - 2013-12-31

## Balance Sheet

<i>In SEK</i>	<i>Note</i>	<i>2015-06-30</i>	<i>2014-12-31</i>
<b>Assets</b>			
Transferable securities		489 000 904	538 710 304
<b>Total</b>	<b>1</b>	<b>489 000 904</b>	<b>538 710 304</b>
Bank accounts		11 665 815	82 286 913
Pre-paid expenses and accrued income		3 225 816	2 193 659
Other assets		0	143 541
<b>Total</b>		<b>503 892 535</b>	<b>623 334 417</b>
<b>Liabilities</b>			
Accrued expenses and deferred income		5 419 106	10 524 304
Other liabilities		560 650	6 984 709
<b>Total</b>		<b>5 979 756</b>	<b>17 509 013</b>
<b>Total Net Asset</b>	<b>1,2</b>	<b>497 912 779</b>	<b>605 825 404</b>

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

Amounts in SEK unless otherwise stated

### **Accounting principles**

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

### **Valuation of financial instruments**

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

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

### **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	%
<b>Transferable securities</b>			
<b>Category 1</b>			
OIL & GAS DEV ORD, Pakistan, PKR	1 350 000	19 762 434	3,97
PAK OIL FIELDS ORD, Pakistan, PKR	432 600	14 241 014	2,86
PAK PETROLEUM, Pakistan, PKR	750 000	9 999 783	2,01
PAK STATE OIL ORD, Pakistan, PKR	605 328	19 025 377	3,82
<b>Energy</b>		<b>63 028 608</b>	<b>12,66</b>
AISHA STEEL MILLS PR, Pakistan, PKR	244 300	156 570	0,03
ENGRO CORPORATION ORD, Pakistan, PKR	950 800	22 904 286	4,6
ENGRO POLYMER ORD, Pakistan, PKR	8 000 000	6 373 948	1,28
FATIMA FETILZER COMPANY ORD, Pakistan, PKR	4 512 500	14 274 721	2,87
FAUJI BIN QASIM ORD, Pakistan, PKR	1 030 000	4 649 349	0,93
FAUJI CEMENT ORD, Pakistan, PKR	2 000 000	5 659 402	1,14
GHANI GLASS ORD, Pakistan, PKR	124 000	876 047	0,18
KOHAT CEMENT ORD, Pakistan, PKR	290 000	4 716 697	0,95
LUCKY CEMENT ORD, Pakistan, PKR	363 200	15 301 820	3,07
MAPLE LEAF CMNT ORD, Pakistan, PKR	1 000 000	6 393 480	1,28
PACKAGES ORD, Pakistan, PKR	300 000	14 332 839	2,88
PIONEER CEMENT ORD, Pakistan, PKR	1 009 500	6 975 502	1,4
<b>Material</b>		<b>102 614 661</b>	<b>20,61</b>
PAK ELEKTRON LTD, Pakistan, PKR	2 300 000	15 525 797	3,12
<b>Industry</b>		<b>15 525 797</b>	<b>3,12</b>
BATA PAKISTAN ORD, Pakistan, PKR	29 242	8 884 891	1,78
HASCOL PETROLEUM LTD, Pakistan, PKR	1 100 000	10 277 097	2,06
HUM NETWORK LTD, Pakistan, PKR	2 547 500	3 359 689	0,67
KOHINOOR TEXTILE MIL, Pakistan, PKR	1 425 500	7 483 937	1,5
NISHAT CHUNIAN ORD, Pakistan, PKR	4 795 200	14 333 872	2,88
NISHAT MILLS ORD, Pakistan, PKR	1 494 400	13 892 580	2,79
TARIQ GLASS ORD, Pakistan, PKR	200 000	952 023	0,19
THAL LTD, Pakistan, PKR	425 869	9 892 624	1,99
<b>Durable goods</b>		<b>69 076 713</b>	<b>13,87</b>
ENGRO FOODS ORD, Pakistan, PKR	1 255 000	15 467 502	3,11
HABIB SUGAR ORD, Pakistan, PKR	2 235 000	7 610 358	1,53
NATIONAL FOODS P ORD, Pakistan, PKR	392 250	10 845 079	2,18
NOON PAKISTAN NVS, Pakistan, PKR	1 189 125	4 258 102	0,86
SHEZAN INTL ORD, Pakistan, PKR	137 326	10 209 329	2,05
<b>Staples</b>		<b>48 390 370</b>	<b>9,72</b>
FEROZESONS LABORATORIES, Pakistan, PKR	155 750	8 029 907	1,61
SEARLE ORD, Pakistan, PKR	698 066	18 164 462	3,65



SHIFA HOSPITAL LTD, Pakistan, PKR	240 000	4 883 981	0,98
<b>Halt care</b>		<b>31 078 350</b>	<b>6,24</b>
ALLIED BANK ORD, Pakistan, PKR	1 205 633	9 805 965	1,97
ASKARI BANK ORD, Pakistan, PKR	1 444 218	2 492 925	0,5
BANK AL FALAH ORD, Pakistan, PKR	6 360 000	13 007 250	2,61
EFU LIFE, Pakistan, PKR	500 000	7 955 228	1,6
HABIB BANK LTD ORD, Pakistan, PKR	770 100	13 461 925	2,7
M C B ORD, Pakistan, PKR	1 030 130	20 885 097	4,19
MEEZAN BANK, Pakistan, PKR	6 650 555	22 191 038	4,46
NATIONAL BANK OF PAKISTAN ORD, Pakistan, PKR	2 100 000	9 090 445	1,83
UNITED BANK LTD ORD, Pakistan, PKR	1 207 500	16 772 803	3,37
<b>Financial</b>		<b>115 662 676</b>	<b>23,23</b>
AVANCEON LTD, USA, PKR	2 754 000	7 492 663	1,5
NETSOL TECHNOLOG ORD, Pakistan, PKR	2 037 650	7 619 930	1,53
<b>IT</b>		<b>15 112 592</b>	<b>3,04</b>
P T C L A ORD, Pakistan, PKR	3 046 500	5 077 700	1,02
<b>Telecom</b>		<b>5 077 700</b>	<b>1,02</b>
KARACHI ELECTRIC ORD, Pakistan, PKR	34 197 000	23 433 436	4,71
<b>Transferable securities</b>		<b>23 433 436</b>	<b>4,71</b>
<b>Total Category 1</b>		<b>489 000 904</b>	<b>98,21</b>
<b>Total transferable securities</b>		<b>489 000 904</b>	<b>98,21</b>
<b>Total financial instruments</b>		<b>489 000 904</b>	<b>98,21</b>
<b>Other assets and liabilities</b>		<b>8 911 875</b>	<b>1,79</b>
<b>Total Net Asset</b>		<b>497 912 779</b>	<b>100</b>

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

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

**Not 2 Changes in Net Asset**

	<i>2015-01-01- 2015-06-30</i>	<i>2014-01-01- 2014-12-31</i>
Net asset Main fund, start of the year	605 825 404	253 853 989
<b>Fund share class F EUR</b>		
No. of issued fund shares	26 240	962 176
No. of redeemed fund shares	-1 428 611	-105 193
	<b>-1 402 371</b>	<b>856 983</b>
Net result according to income statement	32 513 486	193 745 992
<b>Net Asset, at end of the period</b>	<b>497 912 779</b>	<b>605 825 404</b>

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