

MONTHLY LETTER SEPTEMBER 2015



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	-6.6%	1.4%	16.2%	167.0%
Benchmark (MSCI Pakistan Net (EUR))	-8.5%	-5.2%	1.8%	90.5%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.5%
Pricing	Daily	Standard deviation	23.1%
Manager	Tundra Fonder AB	Standard deviation, benchmark	22.8%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	.94
ISIN	SE0006 789 905	Information ratio	2.45
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	122 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 September		Worst performers in September	
	Return (EUR)		Return (EUR)
Kohinoor Text	1.9%	Noon Pakistan	-19.9%
Meezan Bank	1.5%	Pak Elektron	-19.1%
Searle Pakistan	1.1%	Crescent Steel	-18.2%
Hascol Petrol.	0.0%	Aisha Steel Mill	-16.2%
Lucky Cement	-0.6%	Tpl Trakker Ltd	-16.1%

Five largest holdings

Holding	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
Pak State Oil	4.6%	Pakistan	3.3	8.5	3.2%	-13.6%
Engro Corp	4.5%	Pakistan	18.8	9.3	1.3%	-6.2%
Meezan Bank	4.0%	Pakistan	11.2	11.9	5.8%	1.5%
Packages Ltd	3.9%	Pakistan	-	12.4	1.7%	-1.4%
Mcb Bank Ltd	3.7%	Pakistan	10.4	9.6	6.8%	-8.9%

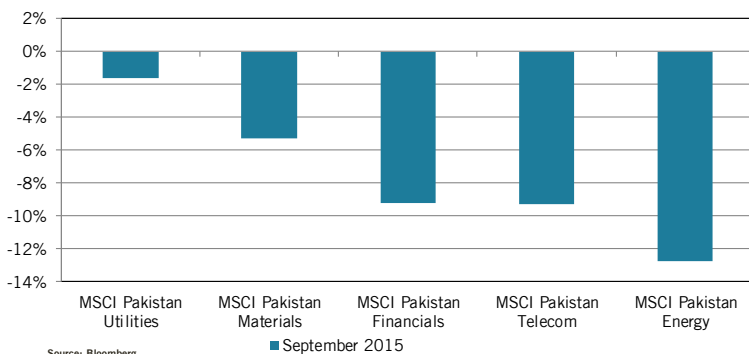
Source: Bloomberg, Tundra Fonder

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.

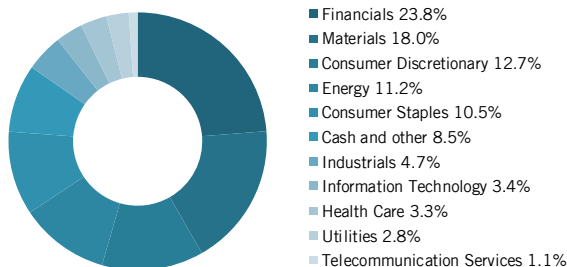
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)

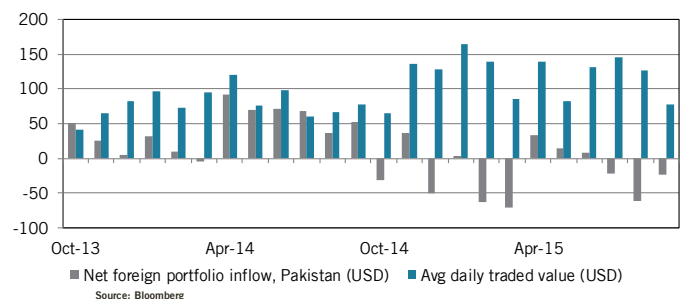


Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



Foreign flows and turnover (Karachi Stock Exchange)



Source: Bloomberg

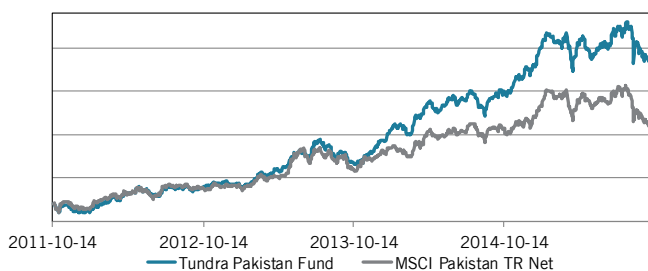
Monthly Market Comment

MSCI Pakistan Net (EUR) fell 8.5% during September compared to MSCI Emerging Markets Net (SEK) which fell by only 2.8%. Daily traded value further declined to USD 78m in September from USD 127m in August. As the global markets pass through a confidence crisis, Pakistan is also moving with the tide, resulting in increased volatility and lower turnover at the bourse. Foreigners remained net sellers worth USD 23m in September. On the contrary, macro-economic indicators only continue to improve. Pakistan successfully launched a Eurobond, and out of the total bids worth USD 1bn, USD 500mn was accepted, at the rate of 8.25%. Moreover, IMF also approved the 8th tranche for an immediate disbursement of USD 506m. Including these two inflows, reserves are likely to cross USD 20bn, and Pakistan's import cover now stands at more than 4x. There are reports of another CSF payment to the tune of USD 300m to be received during October. August inflation reading was another 12-year low at 1.7%, and SBP cut the discount rate by another 50bps, to 6.0% citing sluggish credit off-take and comfortable external account position as the main reasons. MSCI Pakistan trades at attractive forward P/E and P/B multiples of 7.4x and 1.4x.

Monthly Fund Comment

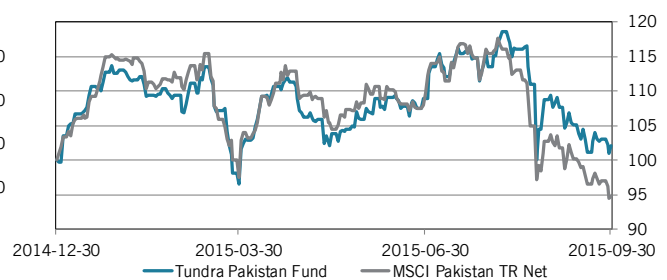
The fund lost 6.6% during the month, performing better than the benchmark which lost 8.5%. Declining oil price and low interest rates amid turmoil in the global markets made blue chip Energy and Financial stocks least attractive. A majority of our over outperformance stems from the underweight position in Energy (OGDC) and Financials (MCB and HBL). On the negative side, our off benchmark bets in Industrials (Pak Elektron), Staples (Shezan and Efoods) and Discretionary (CSAP and NML) were the main laggards. We have increased our exposure in Technology and Material companies.

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%	4.1%	-4.1%	-6.6%				1.4%

Source: Bloomberg

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	-2.9%	-3.4%	-5.5%	28.2%
Benchmark (MSCI FM xGCC Net (EUR))	-3.3%	-6.8%	-14.3%	6.4%

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)	8.5%
	Standard deviation	11.5%
	Standard deviation, benchmark	11.9%
	Beta	0.71
	Information ratio	1.08
	Risk level	7 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**	2.5%
	AuM	38.2 MEUR

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

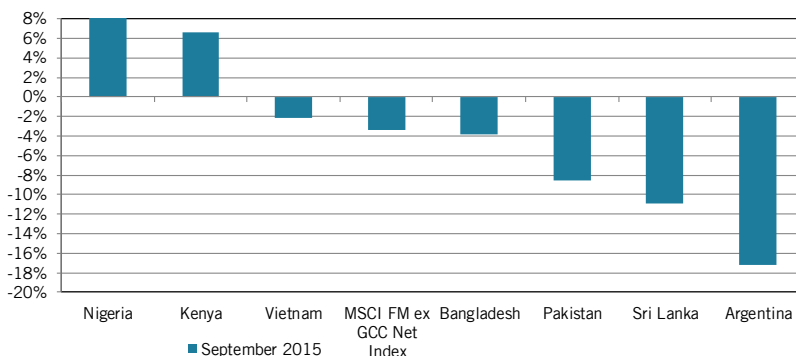
** The management fee includes variable custody fees, audit, legal and marketing expenses.

Best performers in September	Return (EUR)	Worst performers in September	Return (EUR)
United Bank Afr	34.5%	Ypf Sa-D	-29.0%
Zenith Bank Plc	10.7%	Kmg Ep	-19.4%
Diamond Bank	7.1%	Pak Elektron	-19.1%
Access Bank Plc	6.1%	Tpl Trakker Ltd	-16.1%
Guaranty Trust	5.9%	Netsol Technolog	-14.7%

Five largest holdings	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
Zenith Bank Plc	7.3%	Nigeria	5.5	5.1	1.5%	10.7%
Brac Bank Ltd	6.2%	Banglad.	20.6	10.6	4.3%	5.6%
Active Fine Chem	5.5%	Banglad.	-	-	0.9%	0.0%
Meezan Bank Ltd	4.1%	Pakistan	11.2	11.9	5.8%	1.5%
John Keells Hldg	4.0%	Sri Lank.	16.0	14.7	1.8%	-10.3%

Source: Bloomberg, Tundra Fonder

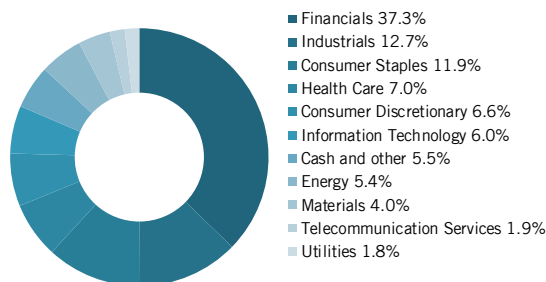
Major frontier markets (EUR, total return)



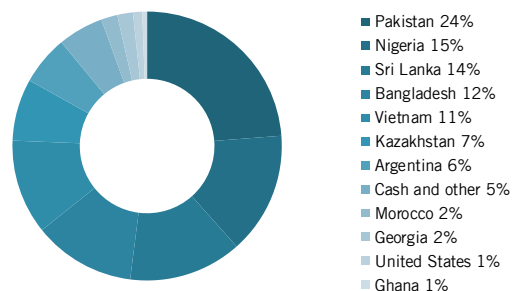
Fund Objective

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



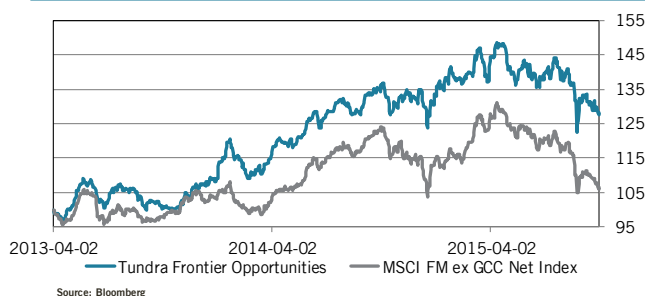
Monthly Market Comment

MSCI Frontier Markets xGCC Net (EUR) fell 3.3% during the month, compared to MSCI Emerging Markets Net (EUR), which fell 2.8%. It was a month during which we sensed the final phase of a surrender, characterised by irrational movements where the oil exporter Nigeria were the winner of the month, even though the price of oil (brent) fell 10% and despite speculation of a relatively immediate devaluation. At the same time oil importers Pakistan and Sri Lanka underperformed with declines of 8.5% and 10.9% respectively. We observed a certain fatigue of the sellers towards the end of the month. Combined with attractive valuations it could be a sign that the market has bottomed out at least for the short term.

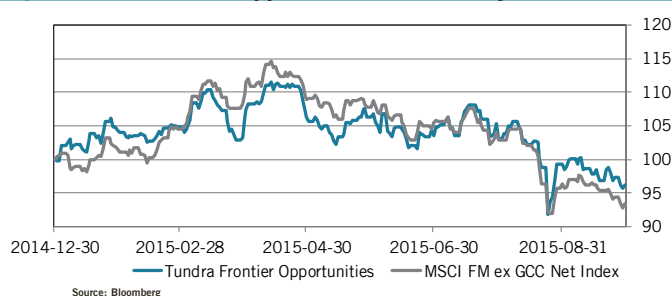
Monthly Fund Comment

The fund (EUR) fell 2.9% during the month, in line with market trends. At the country level our underweight in Argentina was the largest individual positive contribution, while underweight in Kenya and overweight in Kazakhstan provided the single largest negative contributions on a country level. Good stock selection in most markets, particularly Bangladesh, where our sub-portfolio rose in a falling market and had a positive effect on performance. Among individual stocks, one of the fund's larger holdings, Brac Bank in Bangladesh, stood out with a rise in an otherwise declining market. Several of the largest positive contributions came from Nigeria, including for instance United Bank for Africa (UBA). Also, the other Nigerian bank holdings such as Zenith Bank, Diamond Bank and Access Bank rose during the month. Individual holdings making negative contribution, beyond our Argentinian holdings were primarily found in our Pakistani small caps.

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%	-0.7%	-4.2%	-2.9%				-3.4%

Source: Bloomberg

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Risks

Investments in financial instruments are associated with risk and an investment may both increase and decrease in value or even become worthless. Historical returns are no guarantee of future returns. International investments, particularly those on new markets in developing and growth countries (such as Eastern Europe (including Russia), Asia, Latin America and Africa), are normally associated with a higher level of risk than investments in Swedish or other developed markets' securities. These risks include both political and economic uncertainty in other countries as well as currency fluctuations. These risks are particularly high on new markets since these countries may have relatively unstable governments and immature markets and economies.