

MONTHLY LETTER DECEMBER 2015



TUNDRA  FONDER

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Tundra Frontier Opportunities Fund (class F, EUR)

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	-4.9%	-1.5%	-1.5%	30.8%
Benchmark (MSCI FM xGCC Net (EUR))	-3.3%	-4.8%	-4.8%	8.7%

Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	8.3%
Pricing	Daily	Standard deviation	11.9%
Manager	Tundra Fonder AB	Standard deviation, benchmark	12.4%
Benchmark index	MSCI FM xGCC Net (EUR)	Beta	0.74
ISIN	SE0006 789 897	Information ratio	0.84
IBAN	SE445000000058648209218	Risk level	7 of 7 (refer to KIID for more info)
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	39.7 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 December		Worst performers in December	
	Return (EUR)		Return (EUR)
Netsol Technolog	34.6%	Ypf Sa-D	-40.5%
Tbc Bank Jsc-Gdr	7.8%	Bbva Banco Franc	-38.6%
Avanceon Ltd	7.1%	Banco Macro Sa-B	-31.8%
Masan Group Corp	6.6%	Grupo Galicia-B	-28.3%
Hemas Holdings	4.9%	Cresud Sa	-23.2%

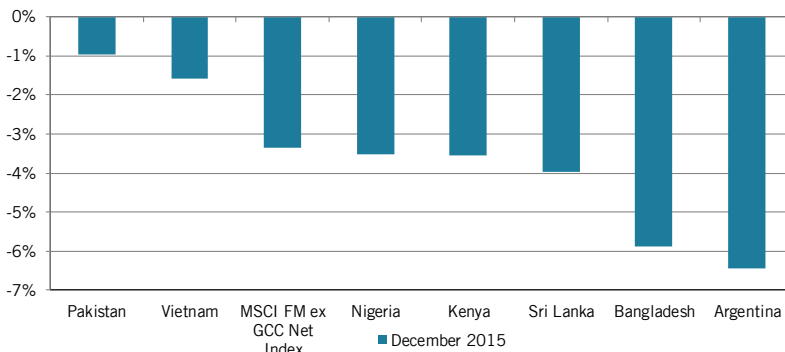
Five largest holdings						Return 1 month (EUR)
Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	
Zenith Bank Plc	6.0%	Nigeria	4.3	4.0	13.5%	-12.9%
Brac Bank Ltd	5.5%	Banglad.	13.2	10.8	6.3%	-0.7%
Active Fine Chem	5.3%	Banglad.	-	-	-	-4.4%
John Keells Hldg	4.3%	Sri L.	15.5	15.0	1.9%	-4.4%
Fpt Corp	4.0%	Vietnam	10.3	8.7	4.4%	-3.1%

Source: Bloomberg, Tundra Fonder

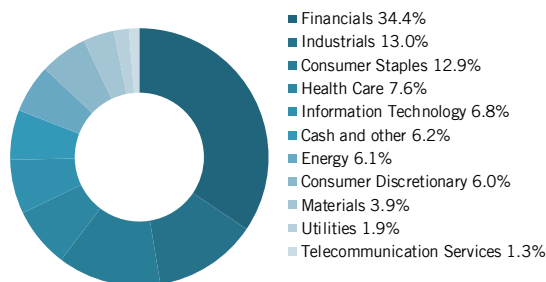
Fund Objective

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.

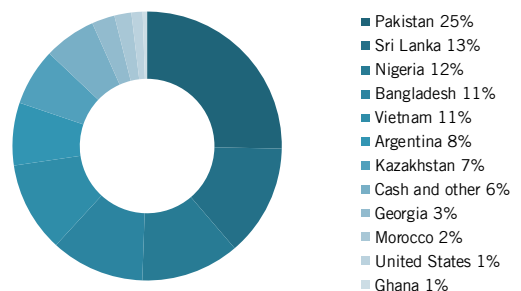
Major frontier markets (EUR, total return)



Tundra Frontier Opportunities: Sector allocation



Tundra Frontier Opportunities: Country allocation



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.

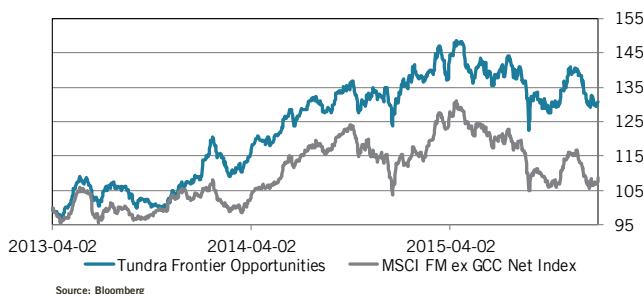
Monthly Market Comment

MSCI Frontier Markets xGCC Net (EUR) fell 3.3% in December, compared with the MSCI Emerging Markets Net (EUR), which fell 5.7%. Local stock markets were however very quiet. Almost the entire decline was due to the weakening of the US dollar (the reference currency for most frontier markets). As we move into 2016, conditions are very unusual. Many frontier countries import raw materials, their economies are mainly driven by domestic consumption and their debt is limited. The fundamental effect of the global turmoil on these countries and its companies is thus very limited. It has however resulted in redemptions from frontier and emerging market funds. The discount (in terms of P/E ratio) that investors assign to frontier markets relative to developed markets (MSCI World Index) is now at similar levels as during the Euro crisis in 2011 while growth prospects in most frontier markets (excluding the energy sector) gradually has improved throughout the past year. Continued multiple contraction against the backdrop of global market turbulence cannot be ruled out, but at some point our equity markets will reflect the underlying improving fundamentals. We look forward with confidence to an exciting 2016.

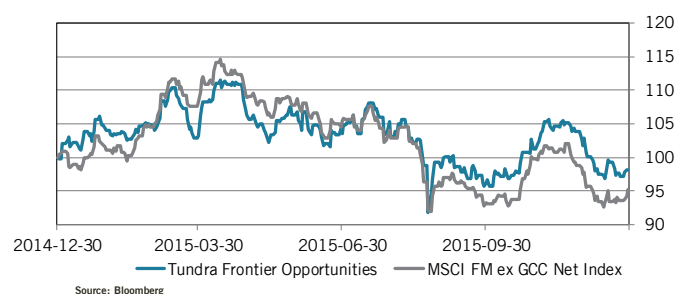
Monthly Fund Comment

The fund lost 4.9% during the last month, which was worse than the benchmark (-3.3%). For the full year, the fund ended down 1.5% compared with the benchmark index, which fell 4.8%. A large part of the relative underperformance in December came from the Nigerian portfolio where a number of the larger consumer shares (which the fund does not own) were up sharply in the last days of the year. The fund also lost some relative return due to our overweight in Kazakhstan as well as in Vietnam where two of our major holdings (the IT company FPT and the cement company BCC) performed poorly during the month. A slight underweight and good stock picking in Argentina partially offset this. Among individual holdings, the Pakistani IT company Netsol (1.5% of the fund) rose more than 30% during the month after winning a major software contract. During the month, the fund increased its position in Pakistan's Pak Elektron which is a leading supplier of equipment for construction of power plants and thus one of the major beneficiaries of the China Pakistan Economic Corridor project.

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%	5.5%	1.7%	-4.9%	-1.5%

Source: Bloomberg

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