

# MONTHLY LETTER DECEMBER 2015



TUNDRA  FONDER

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After a year of speculation, the Fed decision to raise the policy rate by 25bps was finally announced. It was the first rate hike since June 2006 as well as the first change to the policy rate since December 2008. The sell wave the market for such a long time had been foreseeing did however not occur. Instead, frontier markets rose during the second half of December. MSCI Frontier Markets xGCC Net ended December at -0.1% in USD terms. The appreciating Swedish Krona however resulted in negative return in SEK terms, -3.4%.

Frontier markets outperformed relative to emerging markets during the month. The latter fell 5.7% in SEK terms and for some emerging markets, the selloff was dramatic – South Africa fell no less than 13.6%, Russia 13.4% and Brazil 9.2%.

The market development among individual frontier markets was unusually correlated and few countries deviated substantially. Among the major markets, Kazakhstan (-10.4%), Argentina (-6.5%) and Bangladesh (-5.9%) were among the underperformers. In Argentina, the newly elected President Macri kicked off his mandate period by letting the country's currency float resulting in a 28% weakening vs the SEK.

The African markets continued its negative performance. The third largest market on the continent, Nigeria, fell 3.5% during the month in SEK terms but ended virtually flat in USD (0.3%). The oil exporting country did not get any help from the oil price as Brent fell 18.3% (USD) during December. As a countermeasure Nigeria launched a fiscal stimulus package for 2016 whereby spending were hiked by a fifth.

Among the positive news during the month were the surprise visit by India's Prime Minister, Modi, in Lahore for a meeting with

Pakistan's Prime Minister Sharif. It was the first visit by an Indian Prime Minister in the country since 2004. In addition, the Pakistani market enjoyed a substantial reduction in the current account deficit (0.8% of GDP during the first five months of fiscal year 2015/16) and the currency reserve hitting an all-time high (USD 21bn). Pakistan fell 1.0% in SEK(+2.3% in USD) in December and hence outperformed frontier markets.

Vietnam also outperformed (-1.6%). The country is among those which have coped best with the weak global economy. During the last few days of December, the GDP growth for Q4 was announced, +7.0%. The full year growth hence amounted to 6.7%, a historically high level of growth.

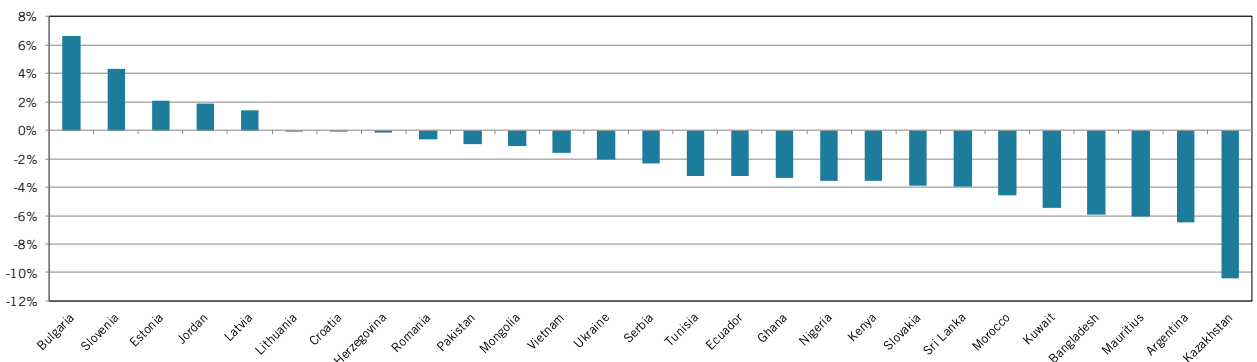
2015 marked the first time since MSCI initiated frontier market indices during which the asset class fell for two consecutive years (USD terms). Since Juli 2014 frontier markets has lost a quarter of its market value. In SEK terms, frontier markets fell 7.4% during 2015.

It does not come as a surprise that oil exporters were among the underperformers during the past year. Kazakhstan fell 38.4% while Nigeria retreated 17.8% in SEK terms. Outperforming major frontier markets were Argentina (+8.7%; new market friendly president), Vietnam (-3.6%; strong economic growth and steps to abolish investment restrictions for foreign investors) and Pakistan (-5.7%; speculations on an upgrade by MSCI to emerging market status, falling inflation and a lower oil price).

The redemption from frontier mutual funds continued. According to EPFR data for November, USD 200m was redeemed. Year-to-date USD 2bn has left the asset class through mutual funds.

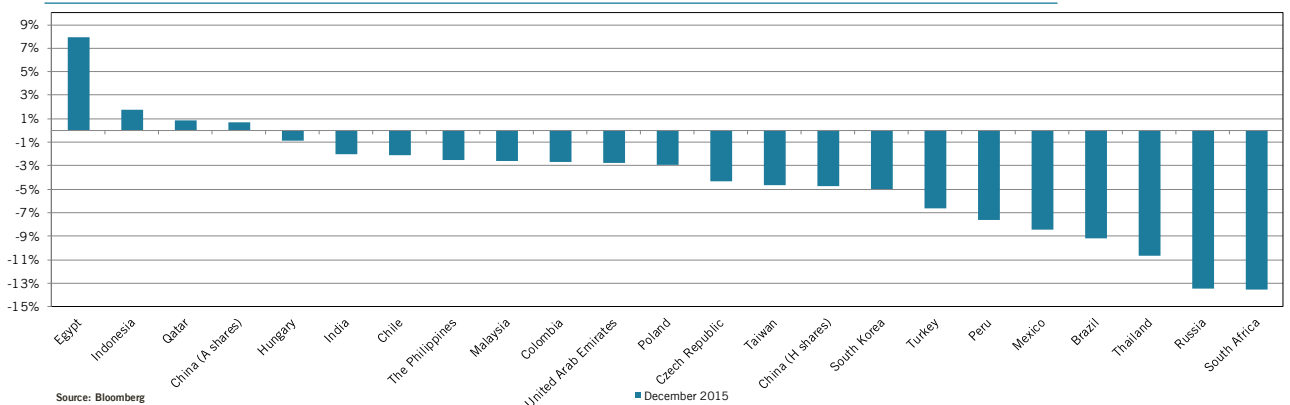
*All return numbers are based on data as of December 30th 2015.*

### Return frontier markets (SEK, total return)



Source: Bloomberg

### Return emerging markets (SEK, total return)



Source: Bloomberg

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## Tundra Frontier Opportunities Fund (class A, SEK)

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	144.5	-4.8%	-4.2%	-4.2%	44.5%
Benchmark (MSCI FM xGCC Net (SEK))	4841.3	-3.4%	-7.2%	-7.2%	20.1%

Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	8.6%
Inception price	100.00	Standard deviation	12.7%
Pricing	Daily	Standard deviation, benchmark	13.1%
Manager	Tundra Fonder AB	Beta	0.76
Benchmark index	MSCI FM xGCC Net (SEK)	Information ratio	0.86
Bank account	SEB 5851-1078355	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0004211282	Management fee/year	2.5%
PPM	861229		
Bloomberg	TUNDFRO SS		
AuM	364.5 MSEK		

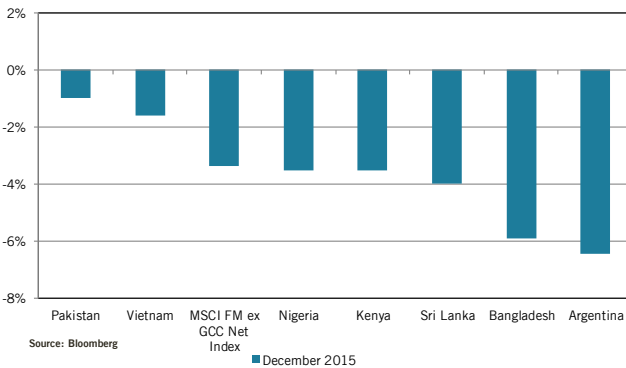
\* Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since inception

Best performers in December		Worst performers in December	
	Return (SEK)		Return (SEK)
Netsol Technology	34.2%	Ypf Sa-D	-40.7%
Tbc Bank Jsc-Gdr	7.4%	Bbva Banco Franc	-38.8%
Avanceon Ltd	6.8%	Banco Macro Sa-B	-32.0%
Masan Group Corp	6.3%	Grupo Galicia-B	-28.5%
Hemas Holdings	4.5%	Cresud Sa	-23.5%

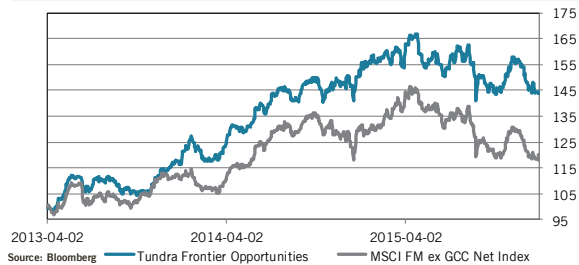
Five largest holdings						
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Zenith Bank Plc	6.0%	Nigeria	4.3	4.0	13.5%	-13.2%
Brac Bank Ltd	5.5%	Banglad.	13.2	10.8	6.3%	-1.0%
Active Fine Chem	5.3%	Banglad.	-	-	-	-4.6%
John Keells Hldg	4.3%	Sri Lanka	15.5	15.0	1.9%	-4.7%
Fpt Corp	4.0%	Vietnam	10.3	8.7	4.4%	-3.4%

Source: Bloomberg, Tundra Fonder

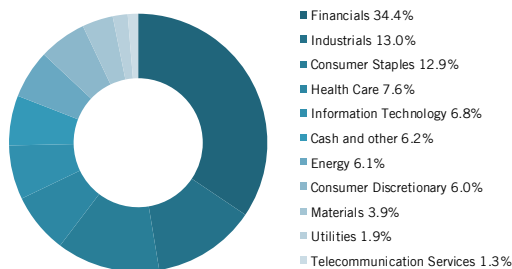
### Major frontier markets (SEK, total return)



### Tundra Frontier Opportunities vs index (since inception)



### Tundra Frontier Opportunities: Sector allocation



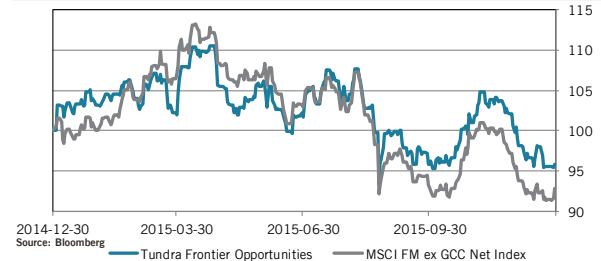
### The market

MSCI Frontier Markets xGCC Net (SEK) fell 3.4% in December, compared with the MSCI Emerging Markets Net (SEK), 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) which declined more than 3% during the month vs the Swedish Krona. 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.

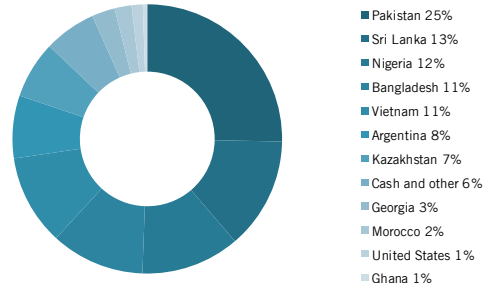
### The fund

The fund lost 4.8% during the last month, which was worse than the benchmark (-3.4%). For the full year, the fund ended down 4.2% compared with the benchmark index, which fell 7.2%. 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 (year-to-date)



### Tundra Frontier Opportunities: Country allocation



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## Tundra Nigeria & Sub-Sahara Fund (class A, SEK)

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Nigeria & Sub-Sahara Fund	66.9	-7.6%	-23.6%	-23.6%	-33.1%
Benchmark (S&P Africa Frontier TR Index (SEK))	11393.9	-4.9%	-15.5%	-15.5%	-12.7%

Facts		Risk and costs*	
Inception date	2013-05-20	Active risk (Tracking error)	4.5%
Inception price	100	Standard deviation	20.7%
Pricing	Daily	Standard deviation, benchmark	20.8%
Manager	Tundra Fonder AB	Beta	0.97
Benchmark index	S&P Africa Frontier TR Index(SEK)	Information ratio	-1.43
Bank account	SEB 5851-1101667	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0005188091	Management fee/year	2.5%
PPM	878223		
Bloomberg	TUNDNIG SS		
AuM	13.9 MSEK		

\*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since inception.

### Best performers in December

	Return (SEK)
Uchumi Supermark	25.6%
Nation Media Grp	18.7%
Forte Oil Plc	16.0%
Cal Bank	15.4%
Unilever Ghana	3.0%

### Worst performers in December

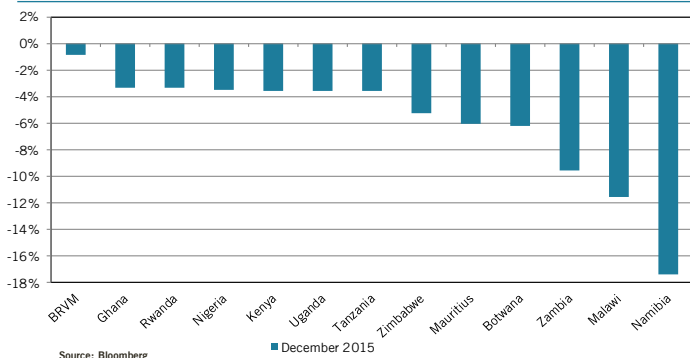
	Return (SEK)
Uac Of Nigeria	-23.3%
Arm Cement Ltd	-15.5%
United Bank Afr	-14.5%
Mtn Group Ltd	-14.2%
Transnational Co	-13.3%

### Five largest holdings

Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Zenith Bank Plc	9.2%	Nigeria	4.3	4.0	13.5%	-13.2%
Guaranty Trust	8.6%	Nigeria	5.3	5.0	9.6%	-12.8%
United Bank Afr	7.7%	Nigeria	2.1	2.2	11.2%	-14.5%
Stanbic Ibtcc Hol	4.6%	Nigeria	7.8	5.6	7.3%	-8.0%
Standard Charter	4.5%	Ghana	2.1	10.3	1.6%	-3.8%

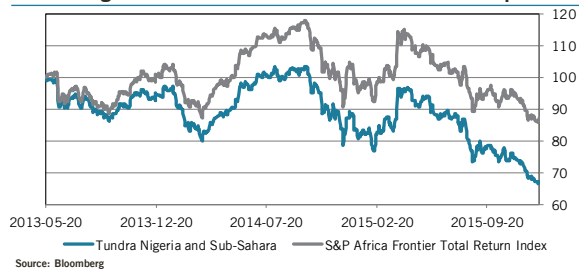
Source: Bloomberg, Tundra Fonder

### African markets (SEK, total return)



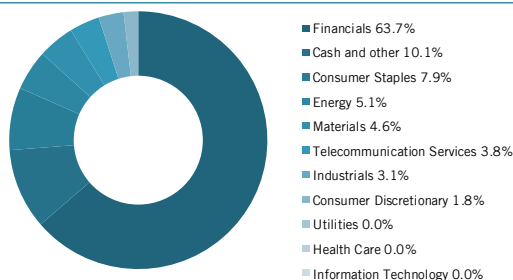
Source: Bloomberg

### Tundra Nigeria & Sub-Sahara Fund vs index (since inception)



Source: Bloomberg

### Tundra Nigeria & Sub-Sahara Fund: Sector allocation



### The market

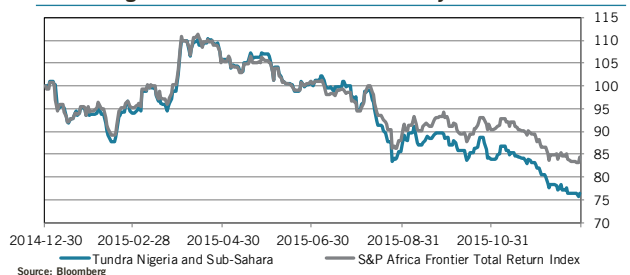
S&P Africa Frontier Total Return Index decreased 4.9% in December and finished the year at -15.5%. The performance in December was worse compared to other frontier markets (MSCI Frontier Markets xGCC Net -3.4%). Nigeria retreated -3.5% in December (-17.8% YTD). Kenya also fell 3.5%, ending the year at -12.4%. Looking back at 2015, it was not a good year for Sub-Sahara where basically all markets fell (in SEK). The worst performers were Zambia and Namibia giving up 37.4% and 33.9% respectively. The only exchanges finishing the year in positive territory were BRVM (+16.1%) and Botswana (+6.5%). (all changes in SEK)

The largest part of the weak market performances in SSA can be attributed to falling commodity prices spreading to the currencies of the exporting countries, for example the Zambian Kwacha loosing more than 70% vs USD. Other countries, like Zimbabwe and Ghana, lost investor confidence due to their own political mistakes, and apart from the equity market falling the Ghana Cedi lost almost 20% vs USD (Zimbabwe use the USD since 2009). Worries about the effects of the lower oil price also drove the Nigerian market lower and made president Buharis' task a lot harder. But Nigeria's reluctance to devalue the currency and instead limit the access to USD has also brought negative consequences to a country heavily reliant on imports for a lot of basic necessities in the consumer space.

### The fund

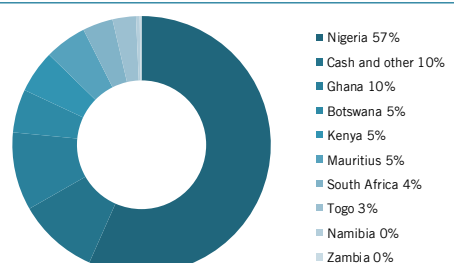
The Fund retreated 7.6% in December, worse than the benchmark's -4.9%. Most of the underperformance came from overweights in Nigerian banks, while the underweights in Kenyan banks gave the largest positive contribution. The fund finished the year 23.6% lower than at the start of the year. Poor returns from investments in the Telecom sector amounts to almost half of the underperformance vs the benchmark, the rest from poor choices in the Energy and Consumer Staples sectors in Nigeria. From a country perspective, Nigeria and Zimbabwe gave the largest negative relative contributions and the underweight in Kenya and overweight in Botswana gave the largest positive contribution. In December, we sold part of the holding in in Access Bank and instead bought a new name in the financial sector (more on that in later updates). (all changes in SEK)

### Tundra Nigeria & Sub-Sahara Fund vs index (year-to-date)



Source: Bloomberg

### Tundra Nigeria & Sub-Sahara Fund: Country allocation



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Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	276.8	-1.1%	2.8%	2.8%	176.8%
Benchmark (MSCI Pakistan Net (SEK))	5695.6	-1.0%	-5.7%	-5.7%	95.4%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.1%
Inception price	100.00	Standard deviation	23.2%
Pricing	Daily	Standard deviation, benchmark	24.5%
Manager	Tundra Fonder AB	Beta	0.89
Benchmark index	MSCI Pakistan Net (SEK)	Information ratio	2.13
Bank account	SEB 5851-1076190	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0004211308	Management fee/year	2.5%
PPM	705806		
Bloomberg	TUNDPK SS		
AuM	1215.8 MSEK		

\*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since inception

### Best performers in December

	Return (SEK)
Netsol Technolog	34.2%
Ferozsons Labs	16.2%
Tariq Glass	12.0%
Dg Khan Cement	11.7%
Maple Leaf Cemen	9.6%

### Worst performers in December

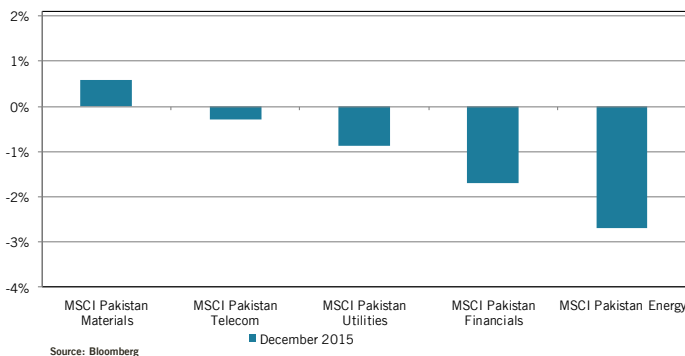
	Return (SEK)
Pak Oilfields	-12.0%
Noon Pakistan	-11.9%
Mughal Iron & St	-11.0%
Engro Polymer	-10.8%
Hascol Petroleum	-10.8%

### Five largest holdings

Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Pak State Oil	5.0%	Pakistan	9.7	6.3	4.0%	3.1%
Mcb Bank Ltd	4.7%	Pakistan	-	-	7.5%	2.0%
United Bank Ltd	4.5%	Pakistan	7.3	7.1	8.5%	-3.8%
Packages Ltd	3.8%	Pakistan	14.5	13.0	2.2%	-4.3%
Meezan Bank Ltd	3.4%	Pakistan	9.0	-	-	-3.5%

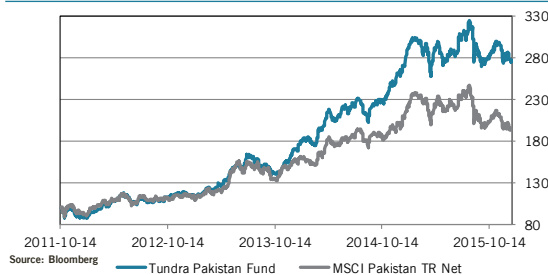
Source: Bloomberg, Tundra Fonder

### Pakistan sector indices (SEK, total return)

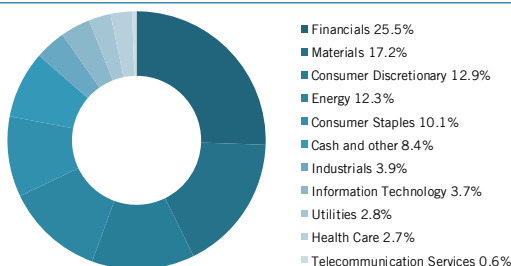


Source: Bloomberg

### Tundra Pakistan Fund vs index (since inception)



### Tundra Pakistan Fund: Sector allocation



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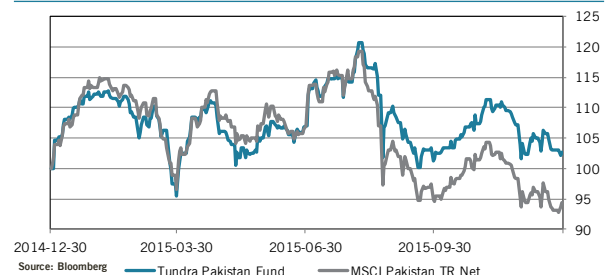
### The market

MSCI Pakistan Net (SEK) fell by 1.0 % during December compared to MSCI Emerging Markets Net (SEK) which fell by 5.7%. Foreigners remained net sellers to the tune of USD 34m while average daily value traded declined to USD 61m compared to USD 66m during the month of November. Inflation number revealed was in-line with estimates at 2.7% and depicted an increase due to the phase-out of the high base effect from last year. Oil prices continued to slide further during the month, which led to a correction in oil sector stocks. Towards the end of the month, Prime Minister announced a relief package for the industrial sector in the shape of a power tariff cut, which is anticipated to help primarily the textile exporters, as Pakistan's textile exports continue to dwindle. The IMF Board approved the 10th tranche of USD 500m, which was received towards the end of the month, taking total foreign exchange reserves to over USD 21bn (4.5x import cover). 2016 looks promising for Pakistan with a positive macro back drop, considerable reduction in the political noise, potential transition from frontier to the emerging market classification, expected initiation of power and infrastructure projects and the port city development at Gwadar under the China Pakistan Economic Corridor. The market is currently trading at 7.9x CY16 earnings, a discount to MSCI Frontier Markets P/E of 9.0x.

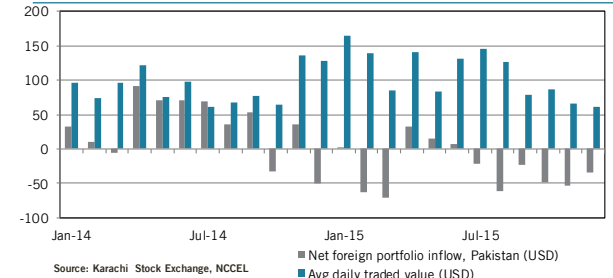
### The fund

The fund declined 1.1% during the month, performing in-line with the benchmark index. However during 2015, fund was up 2.8% Net (SEK) largely outperforming the index which declined 5.7%. Positive performance during the year is mainly attributed to our overweight in off benchmark bets in Healthcare (Feroz and Searle) and Consumer (Efoods and Noon Pak) while our underweight in index heavy Energy and Financials added to the outperformance. Underweights in Utilities (HUBC) and Materials (FFC), however, contributed negatively for the fund's relative performance. The fund added exposure to the refinery sector during December.

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



### Foreign flows and daily turnover on the Karachi Stock Exchange



Source: Karachi Stock Exchange, NCCCL

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Rysslandsfond	75.6	-13.3%	9.8%	9.8%	-24.4%
Jmf-index (MSCI Russia Net (SEK))	3056.4	-13.4%	5.9%	5.9%	-20.8%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	9.9%
Inception price	100,00	Standard deviation	26.7%
Pricing	Daily	Standard deviation, benchmark	30.7%
Manager	Tundra Fonder AB	Beta	0.83
Benchmark index	MSCI Russia Net (SEK)	Information ratio	0.18
Bank account	SEB 5851-1076212	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0004211274	Management fee/year	2.5%
PPM	741637		
Bloomberg	TUNDRYS SS		
AuM	12.3 MSEK		

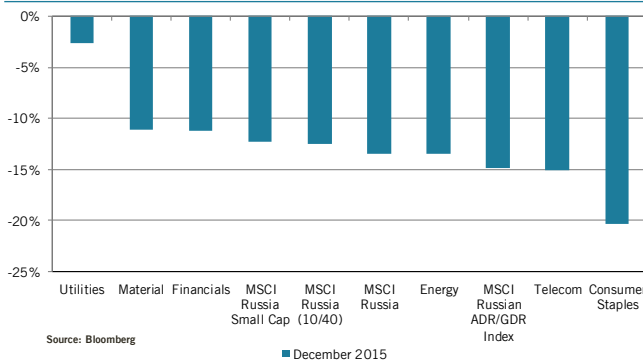
\*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since it

Best performers in December		Worst performers in December	
	Return (SEK)		Return (SEK)
Ak Transneft-Prf	12.1%	Severstal Pao	-22.8%
Tbc Bank Jsc-Gdr	7.4%	Nimk Oao	-22.1%
Tmk Pao	5.5%	X 5 Retail-Gdr	-20.6%
	0.0%	Magnit Pjsc	-18.4%
Bank St Petersburg	-5.1%	Halyk Savings Bk	-18.2%

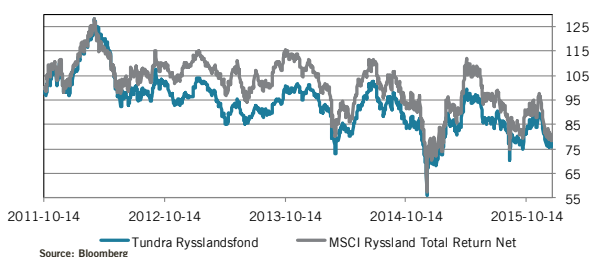
Five largest holdings						
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Gazprom Pao	9.0%	Russia	2.6	2.6	5.8%	-14.0%
Sberbank Pjsc	9.0%	Russia	10.5	6.0	2.1%	-14.1%
Surgutnefteg-Prf	7.2%	Russia	-	-	11.5%	-8.8%
Mmc Norilsk Nick	6.9%	Russia	6.6	7.6	14.5%	-7.4%
Rosneft Oao	5.0%	Russia	6.5	6.1	4.1%	-16.6%

Source: Bloomberg, Tundra Fonder

### Russian sectors and indices (SEK, total return)



### Tundra Rysslandsfond vs index (since inception)



### The market

MSCI Russia Net fell 13.4% (SEK) in December. During 2015 as a whole Russia gained 5.9%. Emerging markets (MSCI Emerging Markets Net SEK) fell 5.7% during the past month (-7.7% during 2015). Best sector during the month was Utilities, which fell 2.6%. Worst sector was Consumer Staples, which fell 20.4%. Small cap index lost 12.3% during the month. There were substantial performance differences between sectors in 2015. Financials rose as much as 32% and small cap index 28%, while Consumer staples fell 6% during the year. Oil prices (brent) fell 18% (USD) in December, which caused a strong selling pressure on the Russian stock market. In addition, the Russian Ruble fell 9% against the USD during the past month (-24% over the full year). Interest rates and CDS prices (the insurance cost for a potential default of the Russian State) rose during the month. Given that oil prices (brent) fell 37% in 2015, it is remarkable how well the Russian market performed during the year. This also holds true given how poorly Brazil, another market with substantial crude dependency, did (-37% in SEK terms). During the month came various signs that the situation for the Russian consumer is getting increasingly tougher. For instance, Magnit, the country's largest food retailer, experienced lower sales for December compared to November. Speculation during the final days of December that former Minister Finance Aleksei Kudrin (Finance Minister between 2000-2011) would return to the government helped the market.

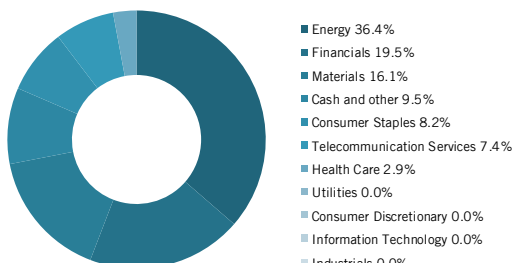
### The fund

Tundra Rysslandfond fell 13.3% in December, while the market, measured by MSCI Russia Net, fell 13.4% (SEK). During 2015, Tundra Rysslandfond rose 9.8% while MSCI Russia Net rose 5.9%. Marginal portfolio changes were made in December.

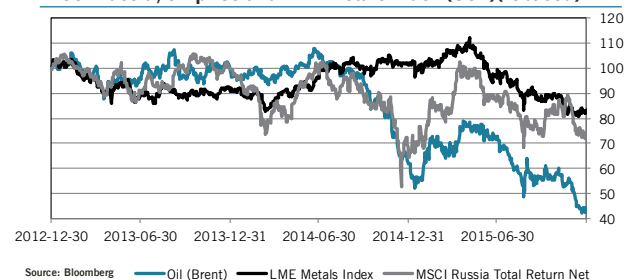
### Tundra Rysslandsfond vs index (year-to-date)



### Tundra Rysslandsfond: Sector allocation



### MSCI Russia, oil price and LME Metals Index (USD)(rebased)



Capital invested in a fund may either increase or decrease in value and it is not certain that you will be able to recover all of your investment. Historical return is no guarantee of future return. 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. You can also contact us to receive the documents free of charge. Please contact us if you require any further information: +46 8-55 11 45 70.



# Monthly Letter December 2015

## Tundra Sustainable Frontier Fund (class A, SEK)

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Sustainable Frontier Fund	89.9	-4.4%	-	-	-10.1%
Benchmark (MSCI FM xGCC Net (SEK))	4841.3	-3.4%	-	-	-10.1%

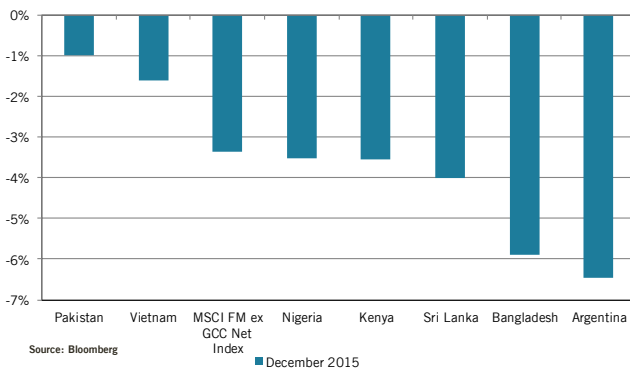
Facts		Risk and costs*	
Inception date	2015-08-03	Active risk (Tracking error)	-
Inception price	100.00	Standard deviation	-
Pricing	Daily	Standard deviation, benchmark	-
Manager	Tundra Fonder AB	Beta	-
Benchmark index	MSCI FM xGCC Net (SEK)	Information ratio	-
Bank account	SEB 5851-1107312	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0005797206	Management fee/year	2.5%
PPM	-		
Bloomberg	TUNDSUS SS		
AuM	98.5 MSEK		

\*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since inception

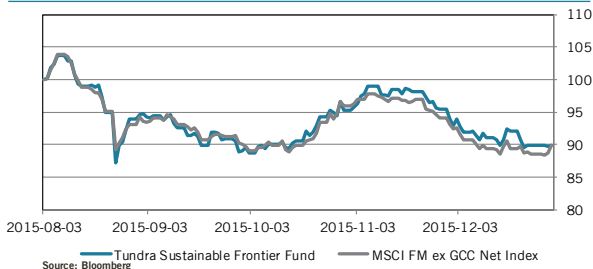
Best performers in December		Worst performers in December	
	Return (SEK)		Return (SEK)
Netsol Technolog	34.2%	Ypf Sa-D	-40.7%
Tbc Bank Jsc-Gdr	7.4%	Bbva Banco Franc	-38.8%
Avanceon Ltd	6.8%	Banco Macro Sa-B	-32.0%
Masan Group Corp	6.3%	Grupo Galicia-B	-28.5%
Systems Ltd	4.5%	Cresud Sa	-23.5%

Five largest holdings					Return 1
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	month (SEK)
Zenith Bank Plc	6.6%	Nigeria	4.3	4.0	0,0%
International Brands	5.2%	Pakistan	-	-	0,0%
Meezan Bank Ltd	4.6%	Pakistan	9.0	-	0,0%
Pak Elektron	4.5%	Pakistan	6.5	5.5	3,0%
John Keells Hldg	4.3%	Sri Lanka	15.5	15.0	0,0%

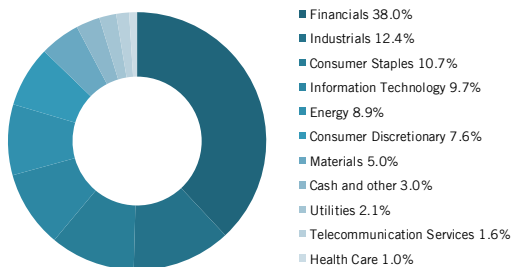
### Major frontier markets (SEK, total return)



### Tundra Sustainable Frontier Fund vs index (since inception)



### Tundra Sustainable Frontier Fund: Sector allocation



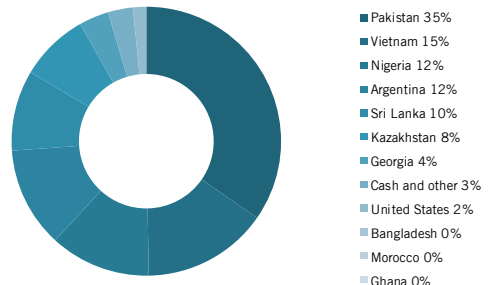
### The market

MSCI Frontier Markets xGCC Net (SEK) fell 3.4% in December, compared with the MSCI Emerging Markets Net (SEK), 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) which declined more than 3% during the month vs the Swedish Krona. 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.

### The fund

The fund lost 4.4% in the last month, which was worse than the benchmark index which dropped 3.4%. Since launch August 3rd till year end, the fund was down 10.1%, which was in line with the benchmark index. 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 Sustainable Frontier Fund: Country allocation



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Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Vietnam Fund	127.4	-3.2%	8.3%	8.3%	27.4%
Jmf-index (FTSE Vietnam Index Net (SEK))	2112.9	-1.6%	-3.6%	-3.6%	15.2%

Facts		Risk and costs*	
Inception date	2014-05-06	Active risk (Tracking error)	8.6%
Inception price	100,00	Standard deviation	20.2%
Pricing	Dagligen	Standard deviation, benchmark	22.6%
Manager	Tundra Fonder AB	Beta	0.83
Benchmark index	FTSE Vietnam Index TR (SEK)	Information ratio	0.91
Bank account	SEB 5851-1103805	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0005797099	Management fee/year	2.5%
PPM	762823		
Bloomberg	TUNDVIE SS		
AuM	209.4 MSEK		

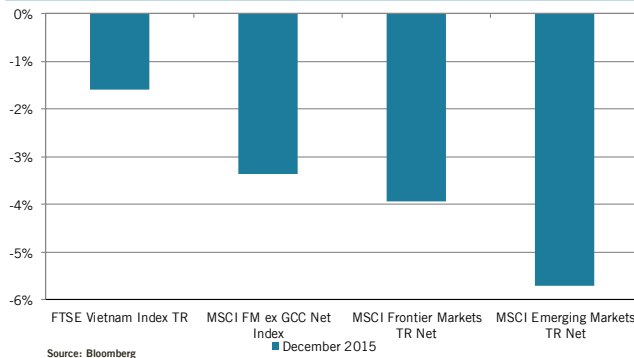
\*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since inception

Best performers in December		Worst performers in December	
Return (SEK)		Return (SEK)	
Gemadep Corp	10.8%	Hoang Huy Invest	-21.8%
Masan Group Corp	6.3%	Petrovietnam Dri	-16.9%
Sao Ta Foods Jsc	4.7%	Hagl Jsc	-15.2%
Vingroup Jsc	3.9%	Bim Son Cement J	-14.0%
Dat Xanh Real Es	2.0%	Petrovietnam Gen	-13.2%

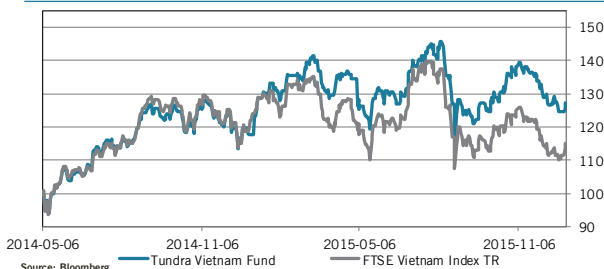
Five largest holdings						
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Vingroup Jsc	7.6%	Vietnam	29.2	17.9	-	3.9%
Ho Phat Grp Jsc	7.0%	Vietnam	6.4	6.2	5.8%	-7.2%
Masan Group Corp	6.7%	Vietnam	36.1	21.8	-	6.3%
Fpt Corp	5.3%	Vietnam	10.3	8.7	4.4%	-3.4%
Kinh Bac City De	3.6%	Vietnam	10.7	7.9	-	-1.9%

Source: Bloomberg, Tundra Fonder

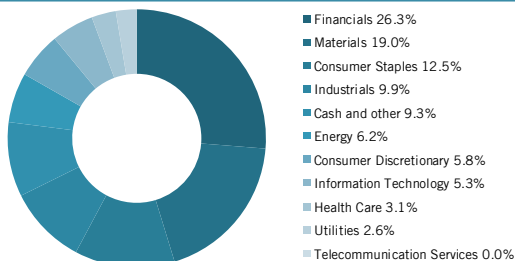
### Various frontier market indices (SEK, total return)



### Tundra Vietnam Fund vs index (since inception)



### Tundra Vietnam Fund: Sector allocation



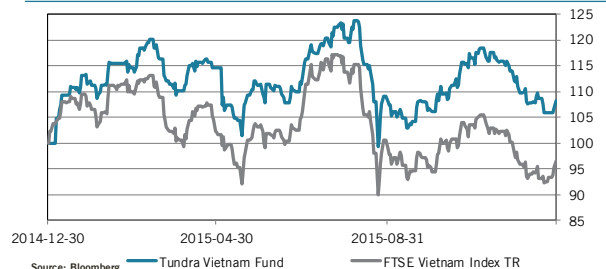
### The market

FTSE Vietnam Net (SEK) lost 1.6% in December compared to the MSCI Emerging Market Net (SEK) loss of 5.7%. Lower commodity prices triggered redemptions in global emerging market funds and to some extent in frontier markets. Foreigners were net sellers of USD 90m in the Vietnamese equity market. Volumes remained dull ahead of the FED policy meeting and holiday season, resulting in daily traded value shrinking to USD 105m. Selling pressure by foreign investors was mainly seen in the blue chip stocks especially in Energy following the plunge in oil prices and Financials due to tapering credit growth next year. Given higher import of machinery and spare parts (23% Y/Y) and electronic products (24.2% Y/Y), imports recorded higher growth (+12%) compared to exports (+8.1%). As a result, the country's trade deficit stood at approximately USD 3.2bn after having enjoyed trade surplus for three consecutive years. Disbursed FDI into Vietnam is likely to touch a record high of USD 15bn, mainly in the Electronics and Textile sectors. Regarding banking data, growth rates of credit, deposits, and money supply hit 17%, 13.5%, and 13.6% YTD respectively. As credit growth is exceeding the money supply combined with low Capital Adequacy Ratios (CAR), credit growth is likely to slow down in 2016.

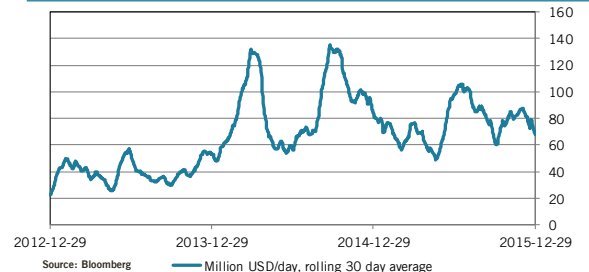
### The fund

The fund lost 3.2% during the month underperforming the benchmark which lost 1.6%. During 2015, the fund outperformed the index by posting a return of 8.3% against the benchmark's negative return of 3.6%. Our off benchmark bets in Consumers (Vina Milk), Materials (HT1 and PLC), Information Technology (FPT), Real Estate (DXG) and Industrials (CII) remained the major contributors of outperformance. In addition, our underweight in Energy (PVD) and other blue chips further boosted the positive relative return. Underweight in Financials (mainly VCB), however, performed badly for the fund. No major changes were made in the fund during the month.

### Tundra Vietnam Fund vs index (year-to-date)



### Daily turnover on the Ho Chi Minh Stock Exchange



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	Return SEK (%)			
	December	3 months	Year to date	12 months
<b>Emerging Markets</b>				
MSCI Emerging Markets TR Net	-5.7	0.4	-7.7	-7.7
Brazil	-9.2	-4.3	-36.9	-36.9
Chile	-2.1	-10	-10.9	-10.9
Colombia	-2.7	-9.1	-36.3	-36.3
The P Philippines	-2.6	-0.4	1.3	1.3
India	-2.0	-2.0	1.8	1.8
Indonesia	1.8	21.0	-12.0	-12.0
China (A shares)	0.7	15.3	13.1	13.1
China (H shares)	-4.7	3.9	0.8	0.8
Malaysia	-2.6	8.0	-13.4	-13.4
Egypt	7.9	-8.4	-18.7	-18.7
Mexico	-8.4	-1.3	-6.9	-6.9
Peru	-7.7	-7.8	-25.9	-25.9
Poland	-2.9	-11.5	-18.3	-18.3
Russia	-13.4	-4.3	5.9	5.9
South Africa	-13.6	-10.7	-19.4	-19.4
South Korea	-5.0	5.5	1.4	1.4
Taiwan	-4.7	0.6	-4.1	-4.1
Thailand	-10.6	-6.1	-16.9	-16.9
Czech Republic	-4.4	-10.8	-11.3	-11.3
Turkey	-6.6	2.1	-23.5	-23.5
Hungary	-0.9	12.9	48.8	48.8
United Arab Emirates	-2.8	-13.2	-10.5	-10.5
Qatar	0.8	-10.1	-12.8	-12.8
Latin America	-8.0	-3.2	-25.4	-25.4
Asia	-4.0	3.6	-1.1	-1.1
EMEA	-10.2	-8.1	-14.2	-14.2
<b>Frontier Markets</b>				
MSCI Frontier Markets 100 TR Net	-3.9	-1.5	-7.4	-7.4
MSCI Frontier Markets xGCC Net	-3.4	-0.2	-7.2	-7.2
Argentina	-6.5	26.4	8.7	8.7
Bangladesh	-5.9	-13.1	-10.4	-10.4
Bosnia and Herzegovina	-0.2	-2.9	-6.2	-6.2
Bulgaria	6.6	-0.7	-29.4	-29.4
Ecuador	-3.2	-1.4	-0.7	-0.7
Morocco	-4.6	-3.9	-7.5	-7.5
Estonia	2.1	4.7	21.2	21.2
Tunisia	-3.2	-13.1	-8.9	-8.9
Ghana	-3.3	-1.8	-18.8	-18.8
Kazakhstan	-10.4	7.3	-38.4	-38.4
Kenya	-3.5	-1.9	-12.4	-12.4
Croatia	0.0	1.6	1.1	1.1
Kuwait	-5.5	-3.7	-9.6	-9.6
Latvia	1.4	1.6	42.0	42.0
Lithuania	0.0	-3.7	2.7	2.7
Mauritius	-6.0	-7.1	-10.8	-10.8
Mongolia	-1.1	-2.5	-11.7	-11.7
Nigeria	-3.5	-13.0	-17.8	-17.8
Pakistan	-1.0	-0.4	-5.7	-5.7
Jordan	1.9	0.5	6.8	6.8
Romania	-0.6	-2.7	9.9	9.9
Serbia	-2.3	-9.0	-18.8	-18.8
Slovakia	-3.9	5.9	28.7	28.7
Slovenia	4.3	5.9	2.9	2.9
Sri Lanka	-4.0	-0.7	-15.1	-15.1
Ukraine	-2.1	-24.7	-34.0	-34.0
Vietnam	-1.6	0.7	-3.6	-3.6
<b>Developed Markets</b>				
MSCI World TR Net	-4.2	6.5	7.9	7.9
Hong Kong	-2.5	6.1	8.3	8.3
Nasdaq	-4.0	9.8	15.2	15.2
Nikkei 225	-3.1	9.2	18.3	18.3
OMX Stockholm 30	-5.4	2.6	2.2	2.2
S&P 500	-4.0	7.6	7.8	7.8
Singapore	-2.2	4.8	-10.6	-10.6
STOXX Europe 600	-4.8	3.6	6.5	6.5
<b>Sectors (Emerging Markets)</b>				
Financials	-5.2	0.6	-11.6	-11.6
Industrials	-7.0	-3.4	-9.3	-9.3
Consumer Staples	-7.0	-2.3	-1.6	-1.6
Energy	-7.9	0.0	-11.2	-11.2
IT	-5.0	6.1	1.1	1.1
Utilities	-3.3	-1.5	-14.2	-14.2
Healthcare	-3.2	1.9	3.0	3.0
Materials	-4.8	-2.6	-15.7	-15.7
Consumer Discretionary	-6.6	1.9	-3.9	-3.9
Telecom	-6.0	-5.7	-12.3	-12.3

	Return in USD (%)			
	December	3 months	Year to date	12 months
<b>Soft commodities</b>				
Coffe	5,8	1,9	-25,0	-25,0
Cocoa	-2,9	3,7	8,6	8,6
Corn	-3,6	-10,0	-18,2	-18,2
Palm oil	5,8	1,3	-19,1	-19,1
Rice	-3,1	-12,6	-0,9	-0,9
Soya	-1,5	-3,0	-15,2	-15,5
Wheat	-1,2	-9,6	-25,4	-25,4
<b>Energy</b>				
Cool (cooking coal, China)	-22,0	-22,0	-35,5	-35,5
Cool (steam coal, South Africa)	-9,6	-2,3	-24,3	-24,3
Natural Gas (Henry Hub)	-0,9	-12,3	-28,4	-28,4
Oil (Arabian Light)	-18,6	-30,1	-43,1	-43,1
Oil (Brent)	-18,3	-24,6	-37,0	-37,0
Oil (WTI)	-12,1	-18,8	-32,4	-32,4
<b>Fertilizers</b>				
Ammonia	0,0	-8,0	-36,0	-36,0
Phosphorus	0,0	0,0	7,1	7,1
Potash	-1,6	-10,3	-26,5	-26,5
Sulfur	0,0	-19,7	-14,7	-14,7
Urea	-1,5	-10,9	-34,2	-34,2
<b>Metals</b>				
Aluminum	5,7	-3,1	-17,8	-17,8
Gold	-0,4	-4,9	-11,7	-11,9
Copper	3,2	-8,2	-25,1	-25,1
Nickel	-2,2	-16,3	-42,3	-42,3
Palladium	1,0	-15,9	-31,8	-31,8
Platinum	4,8	-4,2	-28,4	-28,1
Silver	-1,8	-4,6	-15,0	-15,0
Steel	7,4	-2,6	-36,6	-36,6
Zinc	4,4	-3,3	-25,3	-25,3

	SEK per 1 local currency				Change (%)			
	2015-12-30	2015-09-30	2014-12-30	2014-12-30	December	3 months	Year to date	12 months
Argentina (Peso)	0,6487	0,8929	0,9063	0,9063	-27,8	-27,3	-28,4	-28,4
Bangladesh (Taka)	0,1074	0,1081	0,0995	0,0995	-2,0	-0,7	7,9	7,9
Bosnia Hercegovina (Mark)	4,6980	4,7998	4,8169	4,8241	0,0	-2,1	-2,5	-2,6
Brazil (Real)	2,1274	2,1305	2,9155	2,9161	-5,4	-0,1	-27,0	-27,0
Bulgaria (Lev)	4,6972	4,8080	4,8169	4,8175	0,0	-2,3	-2,5	-2,5
Chile (Peso) X100	0,0119	0,0121	0,0128	0,0128	-2,8	-1,6	-7,0	-7,0
Colombia (Peso) x100	0,0027	0,0027	0,0033	0,0033	-4,1	-2,7	-18,7	-18,6
Egypt (Pound)	10754	10750	10839	10827	-3,2	0,0	-0,8	-0,7
Euro	9,1913	9,3757	9,4142	9,4165	-0,3	-2,0	-2,4	-2,4
Philippines (Peso)	0,1793	0,1800	0,1733	0,1732	-2,7	-0,4	3,4	3,5
United Arab Emirates (Dirham)	2,2923	2,2897	2,1100	2,1100	-3,2	0,1	8,6	8,6
Hong Kong (Dollar)	10863	10851	0,9991	0,9990	-3,2	0,1	8,7	8,7
India (Rupee)	0,1268	0,1282	0,1223	0,1223	-2,8	-1,1	3,7	3,7
Indonesia (Rupia) X100	0,0006	0,0006	0,0006	0,0006	-2,8	6,4	-1,9	-2,0
Japan (Yen) X100	0,0698	0,0703	0,0649	0,0649	-1,2	-0,7	7,6	7,6
Kazakhstan (Tenge)	0,0248	0,0309	0,0424	0,0424	-12,2	-18,7	-41,4	-41,4
Kenya (Shilling)	0,0823	0,0802	0,0855	0,0855	-3,2	2,6	-3,7	-3,8
China (Renminbi)	12973	13232	12495	12494	-4,6	-2,0	3,8	3,8
Croatia (Kuna)	12028	12293	12295	12297	-0,1	-2,2	-2,2	-2,2
Kuwait (Dinar)	27,7369	27,8262	26,4547	26,4574	-2,9	-0,3	4,8	4,8
Latvia (Lati)	13,0722	13,3771	13,4035	13,4058	0,0	-2,3	-2,5	-2,5
Malaysia (Ringgit)	19621	19186	2,2153	2,2158	-3,9	2,5	-11,4	-11,5
Morocco (Dirham)	0,8499	0,8644	0,8570	0,8573	-1,6	-1,7	-0,8	-0,9
Mexico (Peso)	0,4856	0,4972	0,5259	0,5258	-7,4	-2,3	-7,7	-7,6
Mongolia (Togrog)	0,0042	0,0042	0,0041	0,0041	-3,2	0,3	2,5	2,5
Nigeria (Naira)	0,0423	0,0423	0,0423	0,0422	-3,4	0,0	-0,2	0,1
Pakistan (Rupee)	0,0803	0,0805	0,0770	0,0769	-2,7	-0,3	4,3	4,4
Peru (new Sol)	2,4691	2,6010	2,5889	2,5889	-4,2	-5,1	-4,6	-4,6
Poland (Zloty)	2,1583	2,2143	2,2029	2,1997	0,3	-2,5	-2,0	-1,9
Qatar (Rial)	2,3119	2,3092	2,1283	2,1281	-3,2	0,1	8,6	8,6
Romania (Lei)	2,0284	2,1278	2,1004	2,0999	-1,6	-4,7	-3,4	-3,4
Russia (Rubel)	0,1147	0,1283	0,1321	0,1376	-12,5	-10,7	-13,2	-16,7
Serbia (Dinar)	0,0755	0,0786	0,0781	0,0781	-0,4	-3,9	-3,3	-3,3
Singapore (Dollar)	5,9491	5,9060	5,8645	5,8640	-3,6	0,7	1,4	1,5
Sri Lanka (Rupee)	0,0584	0,0595	0,0591	0,0590	-3,8	-1,9	-1,2	-1,1
Sydafrika (rand)	0,5411	0,6067	0,6701	0,6697	-9,9	-10,8	-19,3	-19,2
South Korea (Won)	0,0072	0,0071	0,0071	0,0071	-4,5	1,2	1,8	1,8
Taiwan (Dollar)	0,2556	0,2549	0,2443	0,2442	-3,9	0,3	4,6	4,7
Thailand (Bhat)	0,2336	0,2312	0,2355	0,2356	-3,8	1,0	-0,8	-0,9
Czech (Koruny)	0,3400	0,3458	0,3400	0,3398	0,0	-1,7	0,0	0,1
Turkey (Lira)	2,8802	2,7766	3,3289	3,3270	-3,5	3,7	-13,5	-13,4
Ukraine (Hryvnia)	0,3501	0,3967	0,4899	0,4899	-3,4	-11,7	-28,5	-28,5
Hungary (Forint)	0,0293	0,0300	0,0299	0,0299	-0,8	-2,2	-2,1	-2,0
USD	8,4168	8,4102	7,7499	7,7499	-3,2	0,1	8,6	8,6
Vietnam (Dong) X1000	0,0004	0,0004	0,0004	0,0004	-3,1	0,2	3,5	3,5

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