

MONTHLY LETTER MARCH 2016



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	0.2%	-6.2%	-3.1%	158.1%
Benchmark (MSCI Pakistan Net (EUR))	0.3%	-4.9%	-10.6%	84.7%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.7%
Pricing	Daily	Standard deviation	17.6%
Manager	Tundra Fonder AB	Standard deviation, benchmark	20.1%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	0.79
ISIN	SE0006 789 905	Information ratio	.95
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	101.8 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 March		Worst performers in March	
	Return (EUR)		Return (EUR)
Engro Foods Ltd	20.1%	Noon Pakistan	-26.2%
Tpl Trakker Ltd	13.4%	Fatima Fertilize	-12.4%
Natl Foods	13.3%	Shifa In Hospita	-11.2%
Attock Refinery	10.7%	Hum Network Ltd	-10.1%
Century Paper	10.2%	Tariq Glass	-10.0%

Five largest holdings

Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
Pak State Oil	4.6%	Pakistan	10.3	7.3	3.6%	5.9%
Mcb Bank Ltd	4.4%	Pakistan	8.8	8.9	7.7%	2.5%
United Bank Ltd	4.4%	Pakistan	7.1	6.8	9.1%	-1.7%
Packages Ltd	3.5%	Pakistan	12.8	11.4	3.4%	0.8%
Engro Corp	3.5%	Pakistan	12.1	9.8	5.1%	-

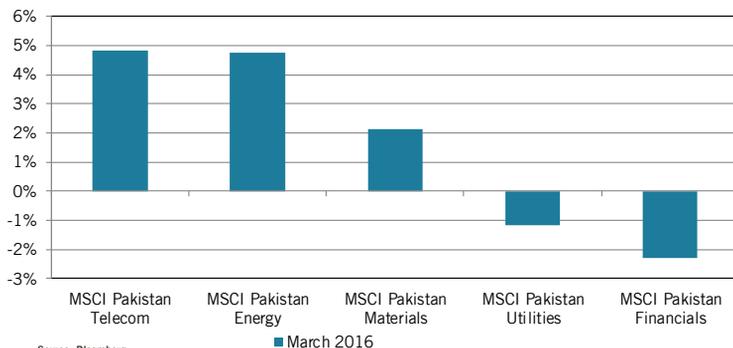
Source: Bloomberg, Tundra Fonder

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.

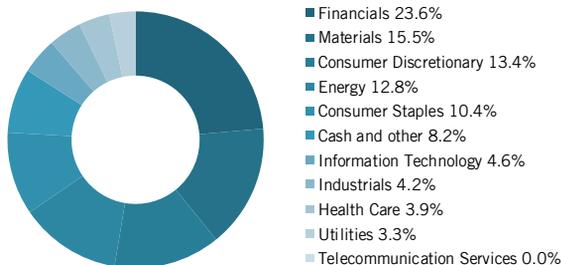
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)

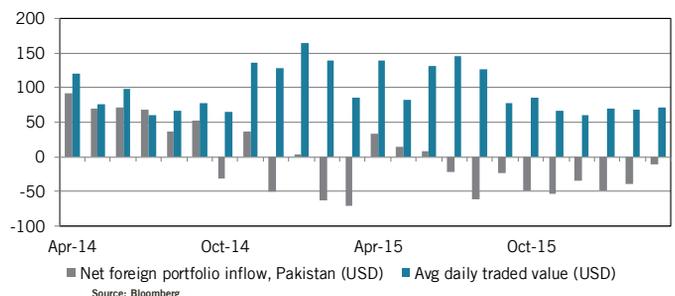


Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



Foreign flows and turnover (Karachi Stock Exchange)



Source: Bloomberg

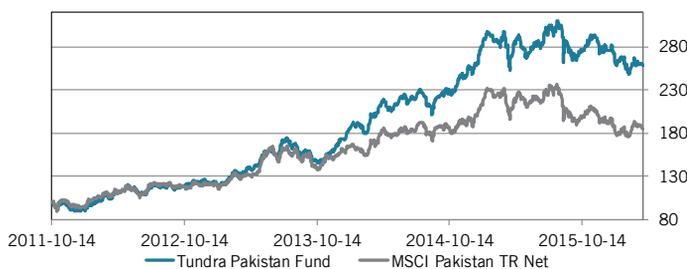
Monthly Market Comment

MSCI Pakistan Net (EUR) rose 0.3% during March, largely underperforming MSCI Emerging Markets Net (EUR) which increased by 8.2%. Recovery in commodity prices led to a rally in emerging markets and had a trickle-down effect on Pakistan's market as foreigners' net selling slowed down to USD 11m. The Energy sector came out to be the best performing sector following international crude prices. The private sector credit off-take almost doubled (low base effect) in 8mFy16 to PKR 318bn compared to PKR 159bn in the corresponding period last year. The trade deficit widened by 4.2% in 8mFy16 as exports fell sharply by 13.3% against imports just contracting by 5%. The government is planning to raise another USD 3.5bn from international debt markets through Eurobonds in the next three years to pay back previous loans. The Securities and Exchange Commission of Pakistan has constituted a Divestment Committee for the divestment of the shares of the Pakistan Stock Exchange Limited. PSX has also suggested in its budget proposals for Fy17, to reduce the Capital Gains Tax rates for the holding period of 6-12 months and no tax on holdings kept beyond 12 months. The chances of this getting approved are remote. However some relief from the tax authorities as well as other trading stimulating measures might be on the cards as MSCI's decision whether to upgrade Pakistan to Emerging Markets or not is made public in June 2016.

Monthly Fund Comment

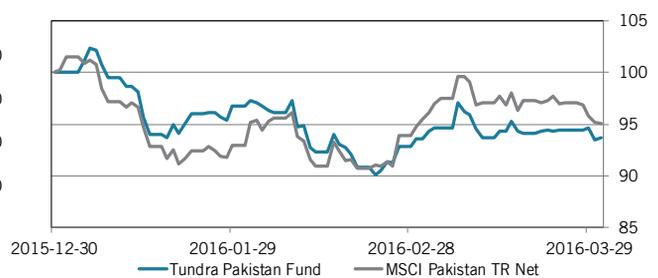
The fund rose 0.2% (EUR) during the month, broadly in line with the benchmark index which rose 0.3% (EUR). On the positive end, our underweight in Financials and Utilities performed well for the fund. In addition our off benchmark bets in Consumer Staples and Energy added to the positive relative returns. However, our off benchmark bets in Consumer Discretionary and Healthcare contributed negatively to the relative performance. The fund added exposure in Healthcare and Materials 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%	4.1%	-4.1%	-6.6%	5.8%	-1.3%	-1.1%	4.8%
2016	-3.6%	-2.9%	0.2%										-6.2%

Source: Bloomberg

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