

MONTHLY LETTER

MAY 2016



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	7.0%	-3.2%	-10.9%	26.6%
Benchmark (MSCI FM xGCC Net (EUR))	5.5%	4.0%	-8.1%	13.1%

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)	7.7%
	Standard deviation	10.9%
	Standard deviation, benchmark	12.4%
	Beta	0.70
	Information ratio	0
	Risk level	7 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**	2.5%
	AuM	35.9 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 May	Return (EUR)	Worst performers in May	Return (EUR)
Diamond Bank	65.5%	Bbva Banco Franc	-7.7%
Access Bank Plc	43.8%	Avanceon Ltd	-6.8%
United Bank Afr	43.5%	Murree Brewery	-5.4%
Georgia Health	39.2%	Dhg Pharmaceutical	-4.1%
Tbc Bank Jsc-Gdr	24.7%	Netsol Technolog	-3.8%

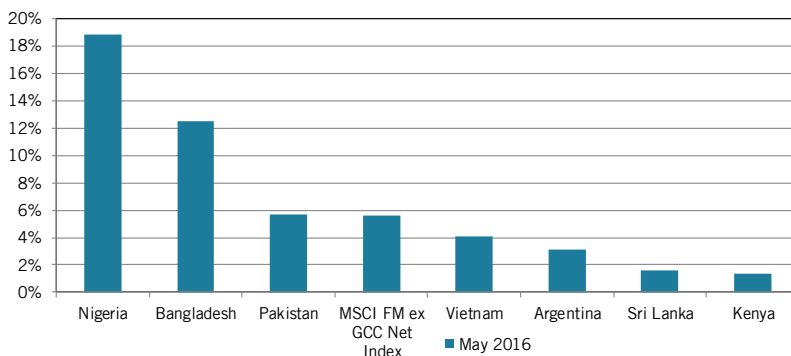
Five largest holdings	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
Zenith Bank Plc	5.1%	Nigeria	4.6	4.8	10.9%	21.1%
Active Fine Chem	4.2%	Banglad.	-	-	-	5.4%
Fpt Corp	4.2%	Vietnam	10.2	9.5	4.4%	0.8%
Brac Bank Ltd	4.1%	Banglad.	13.9	11.2	3.0%	0.0%
IBL	3.9%	Pakistan	-	-	-	0.0%

Source: Bloomberg, Tundra Fonder

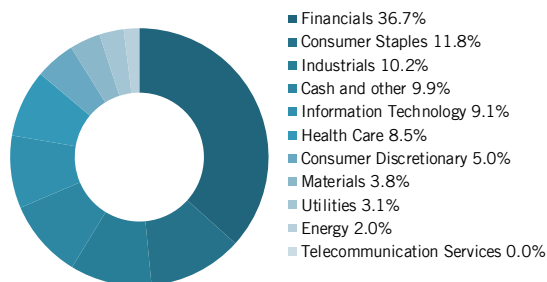
Fund Objective

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.

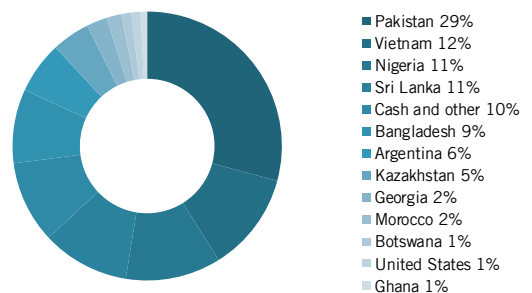
Major frontier markets (EUR, total return)



Tundra Frontier Opportunities: Sector allocation



Tundra Frontier Opportunities: Country allocation



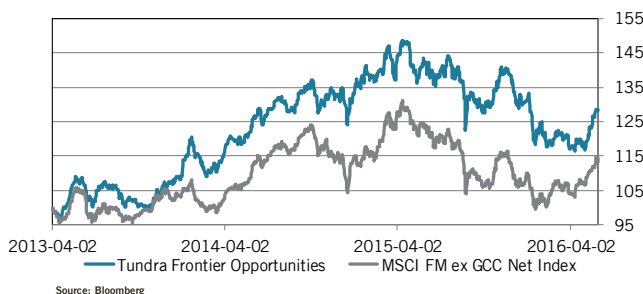
Monthly Market Comment

MSCI Frontier Markets xGCC Net (EUR) rose 5.5% in May, compared to the MSCI Emerging Markets Net (EUR), which fell 1.0% and the MSCI World Net (EUR), which rose 3.4%. Best markets during May were Nigeria and Kazakhstan, both of which rose 19%. In Nigeria renewed speculation about an imminent devaluation was the main reason while Kazakhstan finally rebounding after falling behind in recent months. Worst markets were Morocco (-1.0%) and Kenya (+1%), two markets which earlier this year have performed better than the asset class as a whole. We note a much more constructive climate for investments in frontier markets, where the constant selling pressure we have observed since mid-2014 has slowed down. We believe this leaves more room for the fundamentally strong development in most countries to be reflected in share prices. Significant adverse movements in the developed equity markets in our view is the greatest threat to a continued positive development.

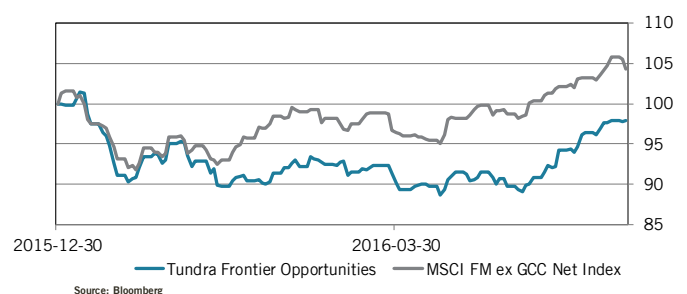
Monthly Fund Comment

The fund rose 7.0% during the month (benchmark +5.5%). Both country allocation and stock picking contributed positively during the month. Overweights in Kazakhstan, Georgia, Bangladesh and underweights in Morocco, Kenya and Argentina contributed positively. Although a country underweight, Nigeria gave a positive contribution to relative returns given good stock picking. Above all, it was the fund's choice to focus on the financial sector and avoid the consumer sector which again worked well. In Kazakhstan Halyk Bank gave a positive contribution. In Georgia, the healthcare provider Georgia Healthcare rose 39% after a positive quarterly report. We continued to underperform in Pakistan given the market's focus on the main index shares, where the fund has limited exposure. Major investments during the month were in Pakistani companies Karachi Electric (power), Systems Ltd (IT) and Feroz (pharmaceuticals). The fund also bought back Letshego (pan-African financial services with listing in Botswana) after a weak share price performance. Significant investments were also made in Vietnamese companies, Military Bank (banking) and Hoa Phat Group (steel). These purchases were funded primarily through sales in Kazakhstan.

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%
2016	-5.0%	-2.8%	-2.8%	0.8%	7.0%								-3.2%

Source: Bloomberg

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Risks

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