

# MONTHLY LETTER

## JUNE 2016



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	0.3%	-3.0%	-8.5%	27.5%
Benchmark (MSCI FM xGCC Net (EUR))	-3.2%	0.7%	-9.1%	9.5%

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)	8.8%
	Standard deviation	12.4%
	Standard deviation, benchmark	13.2%
	Beta	0.72
	Information ratio	0.24
	Risk level	7 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**	2.5%
	AuM	33.4 MEUR

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

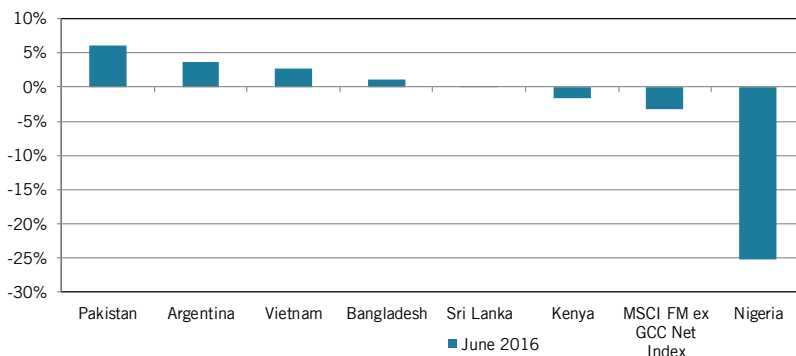
\*\* The management fee includes variable custody fees, audit, legal and marketing expenses.

Best performers in June		Worst performers in June	
	Return (EUR)		Return (EUR)
Dhg Pharmaceutical	36.9%	Fbn Holdings Plc	-30.2%
Saigon General	33.6%	United Bank Afr	-29.9%
Banco Macro Sa-l	20.4%	Wapic Insurance	-29.1%
Hoa Phat Grp Jsc	18.3%	Diamond Bank	-28.8%
Cresud Sa	16.3%	Access Bank Plc	-28.1%

Five largest holdings						Return 1
Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	month (EUR)
International Bran	5.9%	Pakistan	-	-	-	44.0%
Brac Bank Ltd	5.1%	Banglad.	15.8	14.5	2.8%	15.0%
Fpt Corp	4.7%	Vietnam	10.5	9.7	4.4%	3.5%
Active Fine Chem	4.5%	Banglad.	-	-	-	0.0%
Zenith Bank Plc	4.1%	Nigeria	4.8	4.8	11.2%	0.0%

Source: Bloomberg, Tundra Fonder

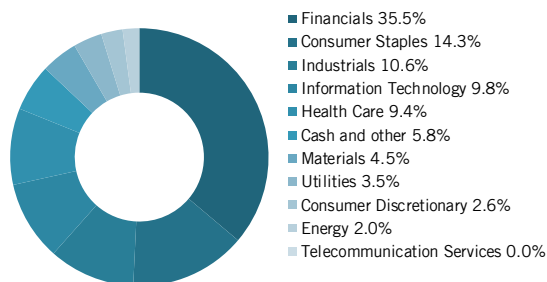
### Major frontier markets (EUR, total return)



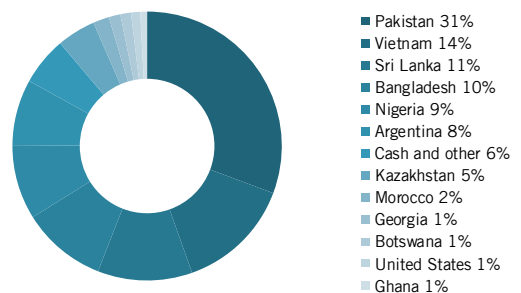
### Fund Objective

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



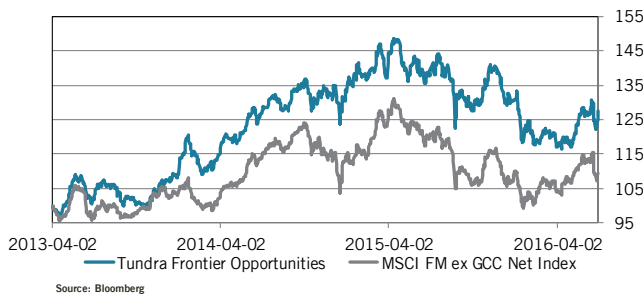
### Monthly Market Comment

MSCI Frontier Markets Index xGCC Net (EUR) fell 3.2% during the month, compared with the MSCI Emerging Markets Net (EUR), which rose 4.6%. Nigeria's devaluation (June 20th) and Brexit (June 23rd) affected both stock markets and currency markets significantly. The weak index performance was entirely due to Nigeria (18% weight before the devaluation), which fell 25.2% (EUR) during the month. Most other markets moved slightly upwards. Of the larger frontier markets Pakistan (+6.1%) and Argentina (+3.6%) performed well. Except for the first two days after the Brexit-shock the market reaction in frontier markets was surprisingly modest. Not even more Brexit-sensitive markets of Central and Eastern Europe reacted significantly. Romania for example rose 4% during the month. Regarding global events during July we are awaiting the Federal Reserve's interest rate announcement on July 27. After Brexit the market assessed probability of a rate increase has dropped to near zero. The end of Ramadan in the second week of July, combined with approaching reporting season may positively influence trading activity.

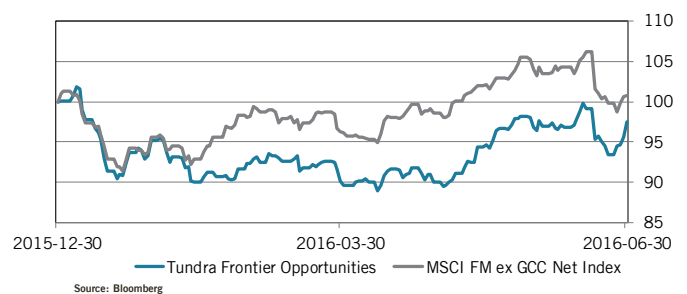
### Monthly Fund Comment

The fund rose 0.3% during the month, compared to the market that fell 3.2%. Both country selection as well as stock selection added to performance during the month. The fund received good contributions from positions in Bangladesh and Vietnam, as well as from its underweight in Nigeria. Bangladeshi Brac Bank (5% of the portfolio), which owns the mobile payment solution BKash that recently surpassed M-Pesa on number of subscribers, rose 16% during the month. Vietnamese pharmaceutical company DHG (1% of the portfolio) rose 38% on rumors of a structural deal. Just over 1% of the excess return was attributable to a revaluation of the fund's unlisted holding in Pakistani International Brands (IBL). The revaluation took place due to a sharp rise in the company's main asset, the listed pharmaceutical company Searle, and the fact that a clear timeline for an IPO in the autumn has been set. Assuming the IPO takes place according to plan, it is our assessment that there is significant upside potential from current levels. The fund's other holdings in Pakistan again had difficulties following the market upward. We believe that these holdings is the part of the portfolio while we are likely to have the greatest potential from current levels.

### 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%	0.3%							-3.0%

Source: Bloomberg

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