

# MONTHLY LETTER SEPTEMBER 2016



TUNDRA  FONDER

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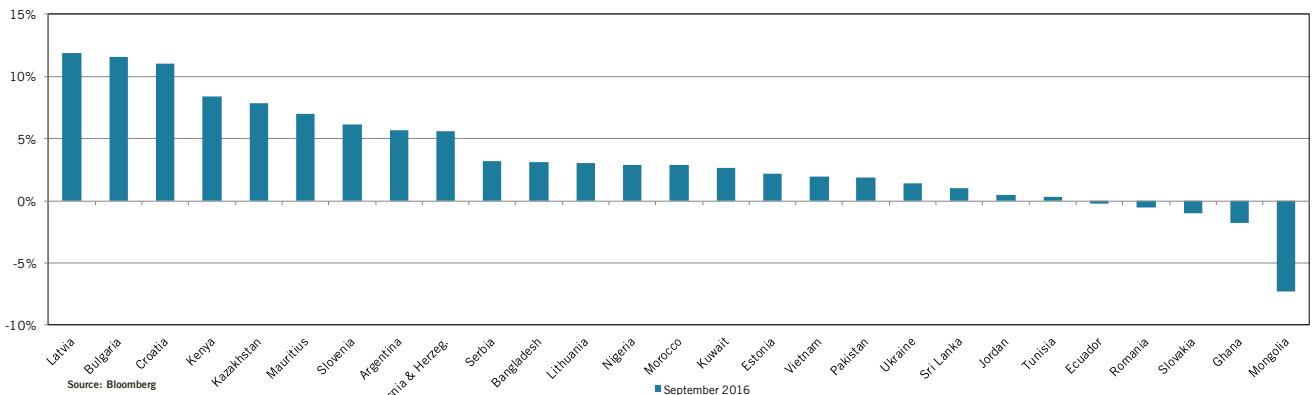
After a trendless July, August and first half September, frontier markets broke the trend towards the end of September. MSCI Frontier Markets xGCC Net ended September at +3.2% (SEK). Globally, the equity market trajectory was as usual determined by the regular cocktail of Chinese macro (at least temporarily improving), Central Bank stimuli (USA) or the lack thereof (Europe). In addition, September was spiced by market concerns about the state of the European banks in general and Deutsche Bank in particular. Opinion polls in favour of a Clinton victory in the upcoming presidential election did not affect global equity markets in any significant way.

Argentina was once again in the outperforming camp among the major frontier markets as well as the individually most important positive contributor to the positive return of the asset class in September. President Macri's reform program continues and gains supporters internationally. While Asian frontier markets rose during the past month, they did not keep pace with the Sub-Saharan and Central/Eastern European markets. Nigeria as well as Kenya rose. Kenya was on the best performing markets among the major frontier markets. The Kenyan development must be considered a positive surprise given the August lending rate cap announcement. A positive development for Nigeria was MSCI's announcement to keep the country in the frontier market index after an exclusion consideration due to foreign investors' difficulties to repatriate capital. It should be noted though that Nigeria remains on the watch list. The event is a good reminder that frontier markets very much are going through a dynamic phase where country constituents can change substantially.

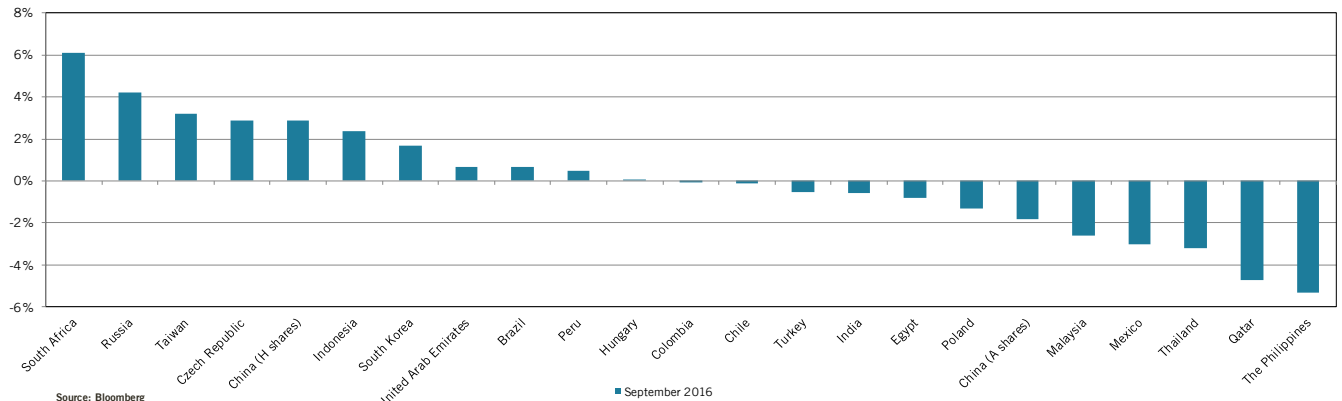
Vietnam rose 1.9% (SEK). The August PMI improved and the Q3 GDP growth hit 6.4%, up from 5.8% in Q2. The Government's growth target of 6.7% for 2016 now appears virtually impossible to reach. This should however not come as a surprise to the market given the weaker growth numbers during 1H. Important were also the steps taken to deregulate the country's equity market as plans were announced to list two of the country's biggest breweries, Sabeco (2017) and Habeco (2016). In conjunction with the listing, the Ministry of Industry and Trade intend to divest a major part of its holding. During the summer, the Foreign Ownership Limit on Vinamilk was removed. These steps will support liquidity on the Vietnamese equity market and potentially increase the interest among foreign investors. In addition, in the longer term, it will improve the country's chances of being upgraded to emerging market status by MSCI and other index providers.. The fact that Vietnam did not rise more during the past month can to a large extent be explained by the fact that index heavy Vinamilk was sold off.

Pakistan suffered a dramatic month end as media reports hit the wire that Indian troops had entered Pakistani soil in the turbulent Kashmir region with several Pakistanis falling victim to the Indian armed attack. The tension in this part of the world is well known but the reports suggested a rapid escalation of the situation. The equity market sold off on the news. During the September/October turn of the month, after one day of trading post announcement, it was however clear that much of the information initially circulating was erroneous and the market as this is written has recovered the sell-off.

Return frontier markets (SEK, total return)



Return emerging markets (SEK, total return)



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

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	159.0	2.4%	10.0%	10.0%	59.0%
Benchmark (MSCI FM xGCC Net (SEK))	5193.8	3.2%	7.3%	7.1%	28.9%

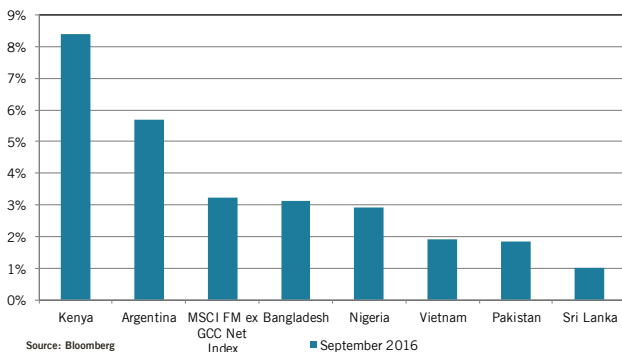
Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	9.0%
Inception price	100.00	Standard deviation	12.8%
Pricing	Daily	Standard deviation, benchmark	12.5%
Manager	Tundra Fonder AB	Beta	0.77
Benchmark index	MSCI FM xGCC Net (SEK)	Information ratio	0.66
Bank account	SEB 5851-1078355	Risk level	5 of 7 (refer to KIID for more info)
ISIN	SE0004211282	Management fee/year	2.5%
PPM	861229		
Bloomberg	TUNDFRO SS		
AuM	417.3 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 inception

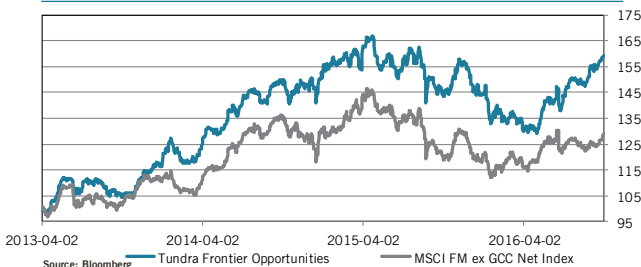
Best performers in September		Worst performers in September	
	Return (SEK)		Return (SEK)
Letshego Holding	27.9%	Tpl Properties L	-16.4%
Millat Tractors	22.4%	Viet Nam Dairy P	-10.0%
Saigon General	16.2%	Guaranty Trust	-8.6%
Diamond Bank	14.3%	Vietnam Electric	-4.1%
Vingroup Jsc	13.6%	Ferozesons Labs	-2.7%

Five largest holdings						
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Fpt Corp	5.2%	Vietnam	11.7	10.8	4.4%	6.5%
IBL	4.5%	Pakistan	-	-	-	1.5%
Brac Bank Ltd	4.4%	Bangladesh	-	-	2.5%	-1.5%
Meezan Bank Ltd	3.9%	Pakistan	10.8	10.8	5.5%	7.8%
Viet Nam Dairy P	3.9%	Vietnam	27.7	27.7	3.5%	-10.0%

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



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



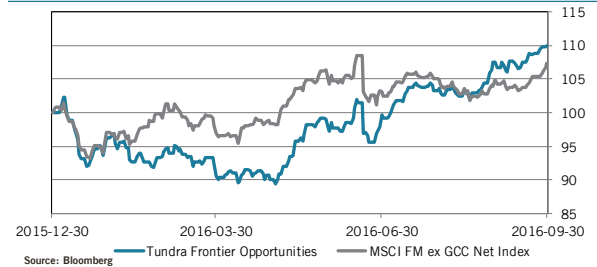
### The market

MSCI Frontier Markets xGCC Net (SEK) increased 3.2% during the month, compared with MSCI Emerging Markets Net (SEK), which rose 1.6%. Most frontier markets rose during the month. A decision by MSCI about whether Nigeria would be allowed to stay in the frontier indices did not materialize. The most likely scenario is that a definitive answer will be given only in the spring of 2017. The wording from MSCI's side leaves scope for an early decision however. Nigeria rose 2.9% during the month. Vinamilk, which was recently included in the MSCI Frontier indices, fell 10% in the month and was a big reason why Vietnam (+2%) rose less than the asset class as a whole. In terms of global events, positive US election polls, which largely go Clinton's way, were ignored instead giving greater scope for discussions of stagnant corporate profits in developed markets. The ideal climate for frontier markets is in our eyes a climate in which developed equity markets are considered "boring" (+/-10%) and where investors thus have the time to look around for higher growth elsewhere. The recent stock market climate has thus suited our markets well. In our view, the largest element of risk in the short term is a sudden price movement in global equity markets.

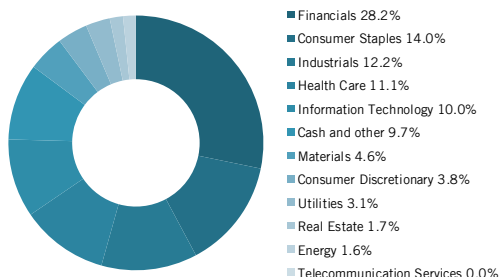
### The fund

The fund rose 2.4% during the month, which was slightly below the benchmark (+3.2%). At the country level, we lost some relative performance given the absence of Kenyan holdings and our underweight in Argentina. Good stock selection in Pakistan, Vietnam and Morocco however partially compensated. A lot of reallocations were made during the month. The fund sold its entire holding in Pakistani Murree Brewery and Argentinean Cresud after sharp price increases. The Fund increased its positions in Pakistani pharmaceutical company Feroz, Vietnamese dairy Vinamilk, Bangladeshi Active Fine, Pakistani textile company Gul Ahmed, Pakistani tractor manufacturer Millat Tractors and Vietnamese IT company FPT. Three new holdings were added to the portfolio: Bangladeshi pharmaceutical company Square Pharma, Vietnamese infrastructure company Ho Chi Minh City Infrastructure and the Pakistani logistics company (passenger) Daewoo Express. The latter company is a so-called pre-IPO, which is due for listing within 12 months. Just under 2% of the fund's assets were placed in the company, which is expected to be listed on the Pakistan Stock Exchange in the first half of 2017.

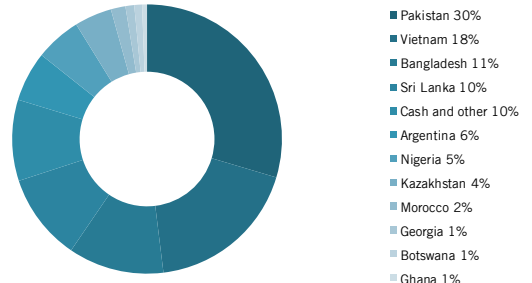
### Tundra Frontier Opportunities vs index (year-to-date)



### Tundra Frontier Opportunities: Sector allocation



### Tundra Frontier Opportunities: Country allocation



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# Monthly Letter September 2016

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

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Nigeria & Sub-Sahara Fund	52.3	1.6%	-21.9%	-32.7%	-47.7%
Benchmark (S&P Africa Frontier TR Index (SEK))	9702.1	2.9%	-14.8%	-22.8%	-25.7%

Facts		Risk and costs*	
Inception date	2013-05-20	Active risk (Tracking error)	6.4%
Inception price	100	Standard deviation	23.3%
Pricing	Daily	Standard deviation, benchmark	20.0%
Manager	Tundra Fonder AB	Beta	1.13
Benchmark index	S&P Africa Frontier TR Index(SEK)	Information ratio	-1.00
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	29.6 MSEK		

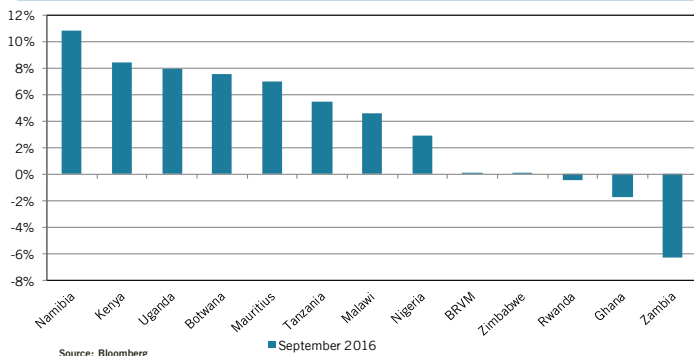
\* Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since inception

Best performers in September		Worst performers in September	
	Return (SEK)		Return (SEK)
Letshego Holding	27.9%	Presco Plc	-11.7%
Stanbic Ibtc	17.2%	Guaranty Trust	-8.6%
Seplat Petrol	14.3%	Transnational Co	-6.4%
Diamond Bank	14.3%	Lafarge Africa P	-5.5%
Co-Oper. Bank	12.5%	Umeme Ltd	-5.2%

Five largest holdings					
Holding	Portfolio weight	Country	P/E 2015E	2016E	Return 1 month (SEK)
GlobalXMSCI Nig.	8.8%	Nigeria	-	-	5.5%
Seplat Petrol	8.6%	Nigeria	7.1	-	14.3%
Mtn Group Ltd	8.1%	South Afr.	8.5	36.7	4.9%
Zenith Bank Plc	7.6%	Nigeria	4.6	4.7	10.5%
Guaranty Trust	6.7%	Nigeria	8.5	6.0	7.8%

Source: Bloomberg, Tundra Fonder

### African markets (SEK, total return)



Source: Bloomberg

### The market

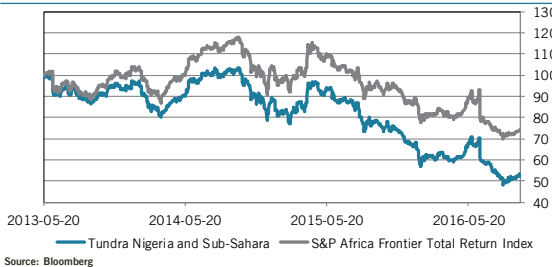
S&P Africa Frontier Total Return Index rose 2.9% in September. Sub-Sahara underperformed other frontier markets (MSCI Frontier Markets xGCC Net 3.2%). Nigeria rose 2.9% (-29.1% YTD) while Kenya rose 8.4% (+9.7% YTD). Best performer in SSA was Namibia rising 10.8%, while Zambia was the worst performer falling 6.3%. (All changes in SEK)

Kenya surprised with banks recovering most of the falls from August, in spite of continued strong language from authorities regarding implementation of the interest rate cap. GDP in Q2 grew by 6.2%, up from 5.9% in Q1. Inflation plateaued at 6.3% in September and can partly explain the surprise interest rate cut by CBK to 10% from 10.5% earlier in the month. News flow in Nigeria focused on the poor macro statistics (GDP 2Q -2.1%, KPI +17.6% in September). The Central Bank in Nigeria kept rates at 14%. They also published a report on the current financial situation; the rise in NPLs to 11.7% at end of June from 5.3% in December rendered the most attention. A closer look reveals that the majority of the increase lays with smaller banks and that all our major holdings reported NPLs below 5%. OPEC announced an agreement to cut production to 32.5-33m bpd from current 33.25m pushing oil prices above (Brent) USD 50 again. Nigeria's production was excluded from the agreement and in combination with reports of production recovering to ca. 1.9m bpd is good news and will provide some relief.

### The fund

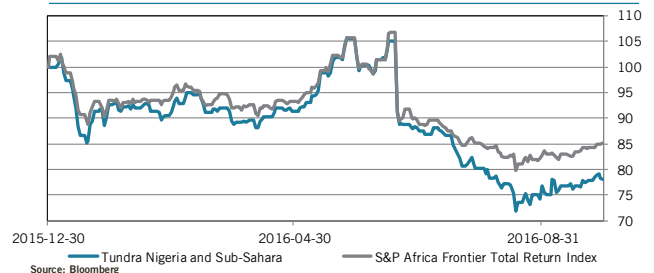
The fund rose 1.6% in September while the benchmark return was 2.9%. Our underweight in Kenya contributed most to the underperformance on a country level. On a sector level we lost what we gained in August on our underweight in Consumer stocks, while our stock picks in Financials gave the largest positive contribution. We added a new holding in Nigeria, a vertically integrated supplier to the consumer space that actually benefits from the currency devaluation and difficulties to access FX for the producers. The company has shown a stable growth historically but we feel that the market is underestimating the future growth potential. (All changes in SEK)

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



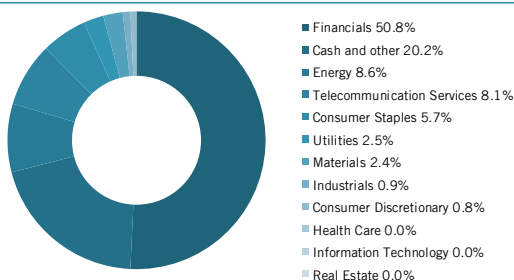
Source: Bloomberg

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

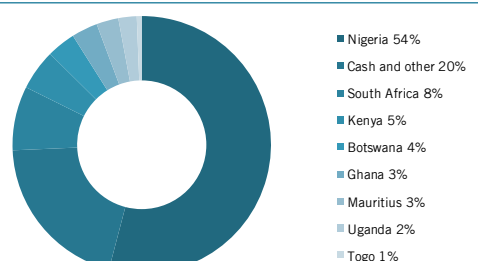


Source: Bloomberg

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



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



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Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	328.4	2.3%	18.7%	20.0%	228.4%
Benchmark (MSCI Pakistan Net (SEK))	7010.7	1.9%	23.1%	22.6%	140.5%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.1%
Inception price	100.00	Standard deviation	19.9%
Pricing	Daily	Standard deviation, benchmark	23.4%
Manager	Tundra Fonder AB	Beta	0.80
Benchmark index	MSCI Pakistan Net (SEK)	Information ratio	0.94
Bank account	SEB 5851-1076190	Risk level	6 of 7 (refer to KIID for more info)
ISIN	SE0004211308	Management fee/year	2.5%
PPM	705806		
Bloomberg	TUNDPK SS		
AuM	1100.8 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 September

	Return (SEK)
Millat Tractors	22.4%
Natl Foods	16.2%
Aisha Steel Mill	14.3%
Nishat Mills Ltd	12.8%
Tpl Trakker Ltd	12.3%

### Worst performers in September

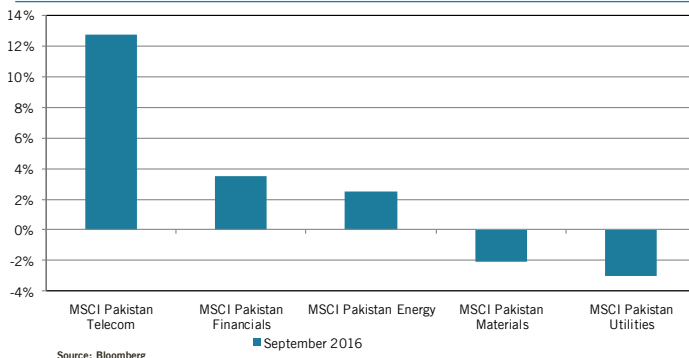
	Return (SEK)
Tpl Properties L	-16.4%
Efu Life Assuran	-8.4%
Dg Khan Cement	-5.4%
Packages Ltd	-4.8%
Murree Brewery	-4.2%

### Five largest holdings

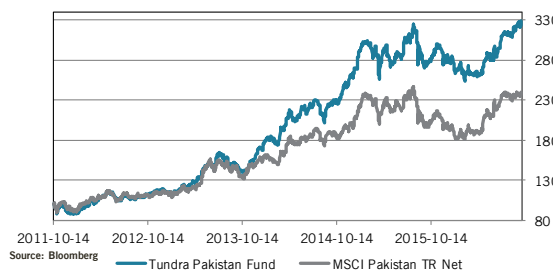
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Habib Bank Ltd	7.0%	Pakistan	9.2	9.7	6.2%	3.6%
Mcb Bank Ltd	5.9%	Pakistan	9.4	10.4	6.9%	7.8%
K-Electric Ltd	5.7%	Pakistan	11.0	7.6	0.0%	0.5%
United Bank Ltd	5.7%	Pakistan	9.3	9.0	6.5%	-0.7%
Nishat Mills Ltd	4.5%	Pakistan	-	10.1	3.5%	12.8%

Source: Bloomberg, Tundra Fonder

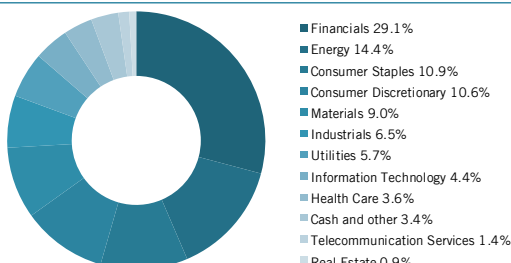
### Pakistan sector indices (SEK, total return)



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



### Tundra Pakistan Fund: Sector allocation



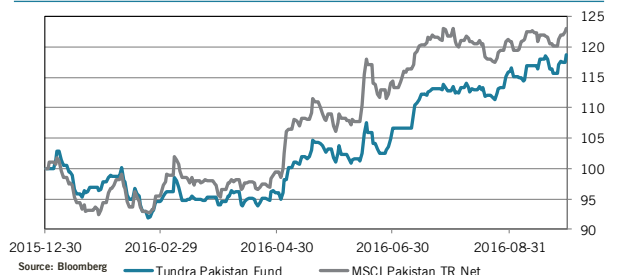
### The market

MSCI Pakistan Net (SEK) added 1.9% during the month, slightly underperforming MSCI Frontier Markets xGCC Net (SEK) which gained 3.2% and in line with MSCI Emerging Markets Net (SEK). Average daily traded value amounted to USD 144m vs 110m in August. Foreigners were again net sellers of USD 41m. Renewed tensions with India was the major event during the month. Cross border shootings was followed by a real scare on September 29th when India announced all over the world's news channels that it had undertaken "surgical strikes" in Pakistan. Initially this was interpreted as Indian soldiers' feet on Pakistani soil which would have been a serious escalation of the ongoing conflict along the border. It was later referred to as an Indian "PR stunt" and most sources, both on the Pakistani and Indian side, claimed no troops had actually crossed the border. Materials, primarily cement names, dragged the market down as rising coal prices (important input cost) in combination with significant expansion plans concerned investors about margins going forward. Autos and Textiles stood out positively. Autos rose strongly on optimism of increasing sales as consumers' purchase power improves whereas Textiles rose on hopes of a new stimulus package to the sector. Focus shifted a bit from MSCI blue chips to mid- and small caps as locals did most of the trading.

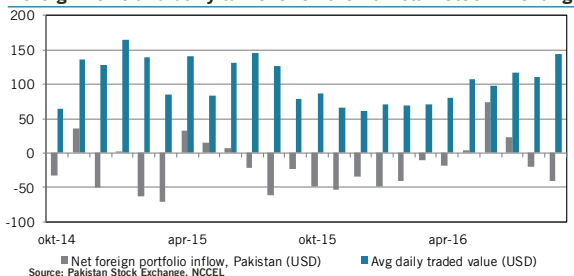
### The fund

The fund rose 2.3%, outperforming MSCI Pakistan Net (SEK) which rose 1.9%. Our underweight in Materials (primarily Cement and Fertilizers) added performance, as did our overweights in Textiles, IT and Consumer Staples. Our underweight in Autos contributed negatively to performance however. During the month, the fund added two new holdings: Millat Tractors, which is a leading tractor manufacturer, and Daewoo Express, which is involved in passenger transportation. The latter company is a so called pre-IPO, which means it is due for listing within 12 months. We expect a listing in the first half of 2017. Given a strong brand name and strong growth in demand for the company's services we expect interest to be significant when listed. We will inform more about the background to our investment going forward.

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



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



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Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Rysslandsfond	97.5	3.1%	28.9%	24.1%	-2.5%
Benchmark (MSCI Russia Net (SEK))	4082.9	4.2%	33.6%	27.8%	5.7%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	9.9%
Inception price	100,00	Standard deviation	24.1%
Pricing	Daily	Standard deviation, benchmark	28.7%
Manager	Tundra Fonder AB	Beta	0.79
Benchmark index	MSCI Russia Net (SEK)	Information ratio	-0.01
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	21.4 MSEK		

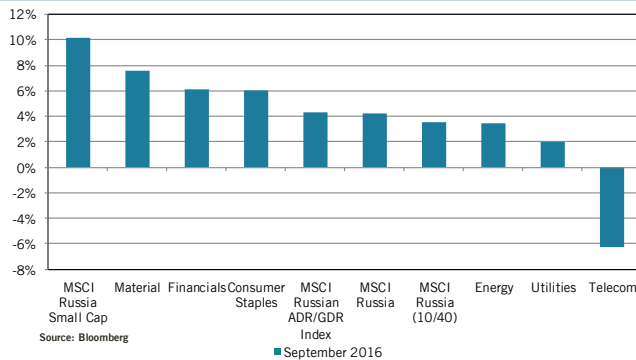
\*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since ir

Best performers in September		Worst performers in September	
	Return (SEK)		Return (SEK)
Tmk	14.8%	Transneft Pjsc	-9.2%
Globaltrans-Gdr	12.2%	Rusal	-8.1%
Tbc Bank Group P	11.2%	Surgutneftg-Prf	-7.8%
X 5 Retail-Gdr	9.8%	Sistema Pjsc Fc	-6.9%
Lukoil	9.6%	Megafon	-5.3%

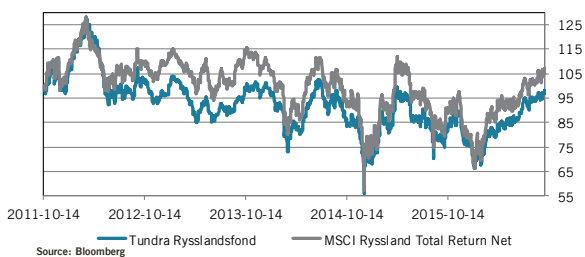
Five largest holdings						Return 1
Holding	weight	Country	P/E 2015E	P/E 2016E	Yield	month (SEK)
Sberbank	9.2%	Russia	14.8	7.0	2.9%	5.4%
Gazprom	8.7%	Russia	2.8	3.4	6.2%	4.0%
Norilsk Nickel	5.2%	Russia	9.2	11.7	7.2%	6.7%
Novatek	4.3%	Russia	18.1	10.4	2.4%	3.7%
Vaneck Vectors R	4.1%	Russia	-	-	-	3.8%

Source: Bloomberg, Tundra Fonder

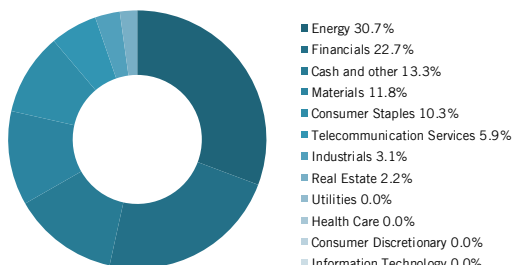
### Russian sectors and indices (SEK, total return)



### Tundra Rysslandsfond vs index (since inception)



### Tundra Rysslandsfond: Sector allocation



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### The market

MSCI Russia Net SEK rose 4.2% in September compared to other emerging markets (MSCI Emerging Markets Net + 1.6%). The Russian market is up 33.6% year-to-date compared to the emerging markets, which have risen 19%. Small-cap index rose 10.2% in September, which means small cap is up 97.5% during 2016.

The oil price (Brent) rose 4.3% (USD) during the month, +35% year-to-date. OPEC reached a very surprising agreement on production cuts with effect in November this year. It will be the first time since 2009 OPEC implements coordinated production cuts. After the announcement, the market speculated in OPEC's ability to succeed in what they agreed on.

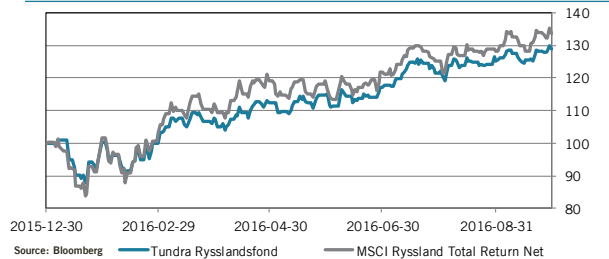
The news flow was relatively positive. S & P raised its credit outlook to stable from negative on the external debt but the credit rating remains at BB+. The Russian Central Bank cut the interest rate as expected by 0.5%-points to 10% thanks to lower inflation, which is now less than 7% annually. PMI for the manufacturing sector rose to 50.8, which was better than expected. PMI for the service sector was 53.5.

On September 18th, the Duma election took place. United Russia won a majority with 54% of the votes compared with 49% in the 2011 election. In total, including the regional votes, United Russia now has the largest majority in the Russian Duma ever. Voting turnout fell to 48%, which is the lowest since 1993 when Russia chose to leave the Soviet Union. The turnout has been 60% on average in the past six Duma elections in Russia.

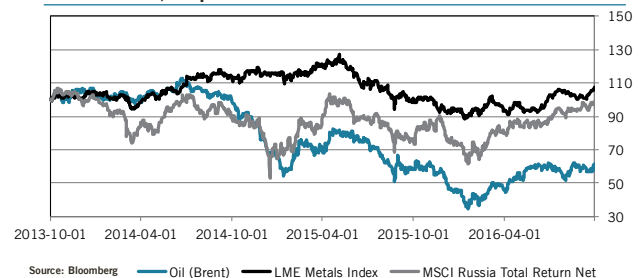
### The fund

Tundra Rysslandsfond rose 3.1% in September, while the market, measured by the MSCI Russia Net, rose 4.2% (SEK). Tundra Rysslandsfond has risen 28.9% year-to-date, while the benchmark index has risen 33.6%. Wrong stock selection in Basic material and Energy explained the past month's underperformance. The holding of GlobalTrans gave the largest positive contribution.

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



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





# Monthly Letter September 2016

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

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Sustainable Frontier Fund	101.6	2.3%	13.0%	14.0%	1.6%
Benchmark (MSCI FM xGCC Net (SEK))	5193.8	3.2%	7.3%	7.1%	-3.5%

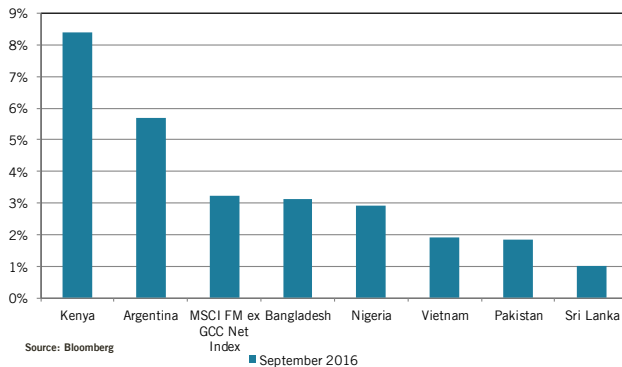
Facts		Risk and costs*	
Inception date	2015-08-03	Active risk (Tracking error)	-
Inception price	100.00	Standard deviation	-
Pricing	Daily	Standard deviation, benchmark	-
Manager	Tundra Fonder AB	Beta	-
Benchmark index	MSCI FM xGCC Net (SEK)	Information ratio	-
Bank account	SEB 5851-1107312	Risk level	6 of 7 (refer to KIID for more info)
ISIN	SE0005797206	Management fee/year	2.5%
PPM	-		
Bloomberg	TUNDSUS SS		
AuM	166.9 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

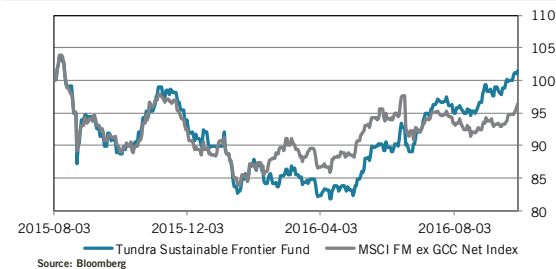
Best performers in September		Worst performers in September	
	Return (SEK)		Return (SEK)
Letshego Holding	27.9%	Tpl Properties L	-16.4%
Millat Tractors	22.4%	Viet Nam Dairy P	-10.0%
Saigon General	16.2%	Vietnam Electric	-4.1%
Diamond Bank	14.3%	Ferozesons Labs	-2.7%
Nishat Mills Ltd	12.8%	Dat Xanh Real Es	-2.4%

Five largest holdings					Return 1 month (SEK)	
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Fpt Corp	5.2%	Vietnam	11.7	10.8	4.4%	1.5%
Hoa Phat Grp Jsc	4.3%	Vietnam	11.0	7.4	3.8%	7.1%
IBL	4.3%	Pakistan	-	-	-	-
Systems Ltd	4.2%	Pakistan	10.2	13.5	-	8.2%
Viet Nam Dairy P	4.1%	Vietnam	27.7	22.6	3.5%	-10.0%

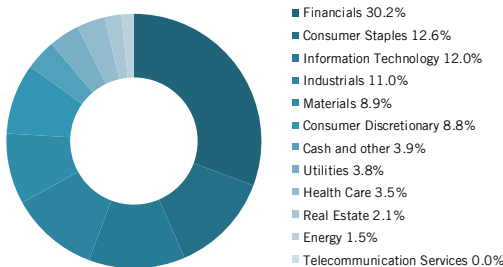
### Major frontier markets (SEK, total return)



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



### Tundra Sustainable Frontier Fund: Sector allocation



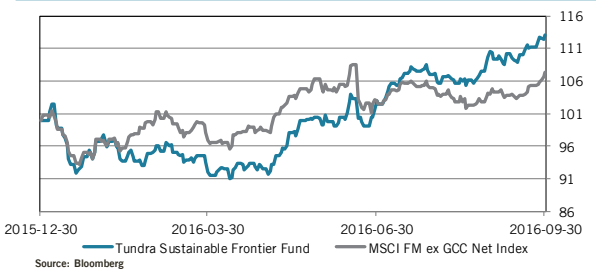
### The market

MSCI Frontier Markets xGCC Net (SEK) increased 3.2% during the month, compared with the MSCI Emerging Markets Net (SEK), which rose 1.6%. Most frontier markets rose during the month. A decision by MSCI about whether Nigeria would be allowed to stay in frontier indices did not materialize. The most likely scenario is that a definitive answer will be given only in the spring of 2017. The wording from MSCI's side leaves scope for an early decision however. Nigeria rose 2.9% during the month. Vinamilk, which was recently included in the MSCI Frontier indices, fell 10% in the month and was a big reason why Vietnam (+2%) rose less than the asset class as a whole. In terms of global events, positive US election polls, which largely go Clinton's way, were ignored instead giving greater scope for discussions of stagnant corporate profits in developed markets. The ideal climate for frontier markets is in our eyes a climate in which developed equity markets are considered "boring" (+/-10%) and where investors thus have the time to look around for higher growth elsewhere. The recent stock market climate has thus suited our markets well. In our view, the largest element of risk in the short term is a sudden price movement in global equity markets.

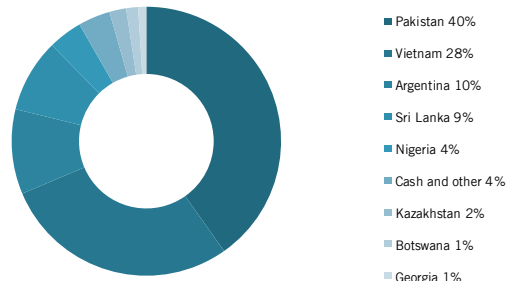
### The fund

The fund rose 2.3% during the month, which was slightly below the benchmark (+3.2%). At the country level, we lost some relative performance given the absence of Kenyan holdings and our underweight in Argentina. Good stock selection in Pakistan and Vietnam however partially compensated. A lot of reallocations were made during the month. The fund sold its entire holding in Argentinean Cresud after a sharp price increase. The Fund increased its positions in Pakistani pharmaceutical company Feroz, Vietnamese dairy Vinamilk, Pakistani textile company Gul Ahmed, Pakistani tractor manufacturer Millat Tractors and Vietnamese IT company FPT. Pakistani logistics company (passenger), Daewoo Express, was added during the month. This is a so-called pre-IPO, which is due for listing within 12 months. Just under 2% of the fund's assets were invested in the company, which is expected to be listed on the Pakistan Stock Exchange in the first half of 2017.

### Tundra Sustainable Frontier Fund vs index (year-to-date)



### Tundra Sustainable Frontier Fund: Country allocation



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.



Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Vietnam Fund	157.0	3.0%	23.3%	25.0%	57.0%
Benchmark (FTSE Vietnam Index Net (SEK))	2380.2	1.9%	12.6%	13.4%	29.7%

Facts		Risk and costs*	
Inception date	2014-05-06	Active risk (Tracking error)	7.3%
Inception price	100,00	Standard deviation	17.7%
Pricing	Dagligen	Standard deviation, benchmark	17.9%
Manager	Tundra Fonder AB	Beta	0.90
Benchmark index	FTSE Vietnam Index TR (SEK)	Information ratio	1.55
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	447.9 MSEK		

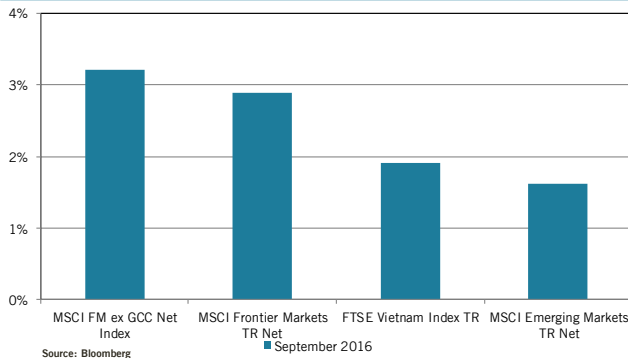
\*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since inception

Best performers in September		Worst performers in September	
	Return (SEK)		Return (SEK)
Vingroup Jsc	13.6%	Viet Nam Dairy P	-10.0%
Cadivi	12.2%	Thanh Cong Texti	-9.2%
Vndirect Securit	11.4%	Petrovietnam Gen	-5.0%
Traphaco	10.6%	Pha Lai Thermal	-4.4%
Danang Rubber Js	9.1%	Vietnam Electric	-4.1%

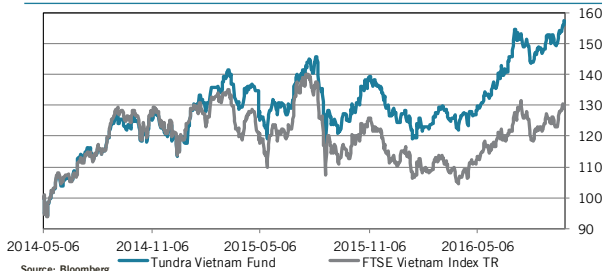
Five largest holdings							Return 1
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	month (SEK)	
Vingroup Jsc	9.4%	Vietnam	39.5	41.7	-	13.6%	
Hoa Phat Grp Jsc	7.5%	Vietnam	11.0	7.4	3.8%	7.1%	
Fpt Corp	6.5%	Vietnam	11.7	10.8	4.4%	6.5%	
Viet Nam Dairy P	6.5%	Vietnam	27.7	22.6	3.5%	-10.0%	
Saigon Sec.	5.2%	Vietnam	11.2	15.5	4.7%	4.5%	

Source: Bloomberg, Tundra Fonder

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



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



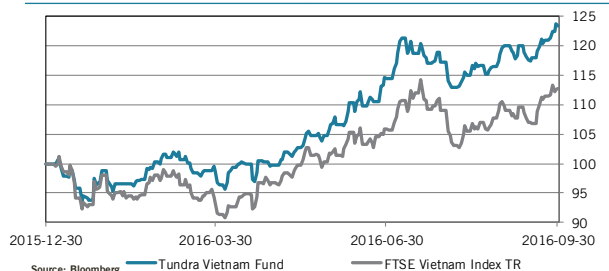
### The market

The Vietnamese market continued to perform well in September. FTSE Vietnam Net (SEK) added 1.9%, in line with MSCI Emerging Markets Net (SEK) which gained 1.6% but slightly lower than MSCI Frontier Markets xGCC Net (SEK) which advanced 2.4%. Liquidity was good at USD154m average daily traded. Foreign investors were again net sellers (USD 118m), concentrated in key stocks like Vinamilk, Vietcombank and Hoa Phat Group (USD 82m). Local investors remained buyers, inspired by the move of the major banks lately to reduce deposit rate by 0.3%-0.5%. This indicates that liquidity in the banking system is rather healthy in the short term. Both key ETFs from Deutsche Bank and Van Eck completed the quarterly rebalancing with Vinamilk being added as previously mentioned (15% and 8% respectively). Q3 GDP accelerated to 6.4% and 9M GDP improved to 5.9%. This lags behind last year's numbers, but is however still a good result for the new government. The official 2016 GDP estimate was reduced to 6.1%, yet the government already look forward at 6.7% in 2017, said Ministry of Investment and Planning. PMI increased to 52.9 in September, hinting that the manufacturing sector is still performing well with improvements in outputs, new orders, and new jobs. 9M disbursed FDI reached USD 11bn (+12.4% yoy) and 9M CPI was stable at 3.1% yoy. One point of concern is the widening budget deficit. Total deficit in 9M was VND 154 trillion (USD 6.9bn).

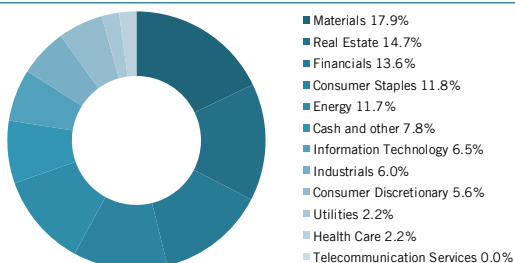
### The fund

The fund gained 3.0% during the month vs FTSE Vietnam TR which gained 1.9%. No single sector stood out. Some outperformance was gained from off-benchmark holdings like VN Direct (internet broker) and Traphaco (Pharmaceuticals). Noteworthy was however that the vast majority of the outperformance came from the lack of exposure to none of the five worst performers in the benchmark. The fund's average overweight in Vinamilk during the month however gave some performance back as Vinamilk retreated in profit taking. During the month, the fund increased its holdings in FPT (IT sector), CNG (energy distribution) and Vingroup (financial conglomerate).

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



### Tundra Vietnam Fund: Sector allocation



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



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	Return SEK (%)			
	September	3 months	Year to date	12 months
<b>Emerging Markets</b>				
MSCI Emerging Markets TR Net	1,6	10,3	18,7	19,2
Brazil	0,7	12,6	68,1	60,9
Chile	-0,1	-0,6	15,3	14,1
Colombia	-0,1	3,9	31,7	19,7
The Philippines	-5,3	-4,2	9,2	8,8
India	-0,6	7,1	10,6	8,4
Indonesia	2,4	10,8	29,3	56,4
China (A shares)	-1,8	4,0	-14,3	-1,2
China (H shares)	2,9	15,2	11,0	15,3
Malaysia	-2,6	-0,4	7,0	15,5
Egypt	-0,8	22,9	18,5	8,6
Mexico	-3,0	-1,1	0,9	-0,5
Peru	0,5	2,3	54,4	42,4
Poland	-1,3	4,2	-2,7	-13,9
Russia	4,2	9,7	33,6	27,8
South Africa	6,1	7,5	25,6	12,2
South Korea	1,7	12,3	17,5	24,0
Taiwan	3,2	13,0	24,5	25,2
Thailand	-3,2	8,4	31,4	23,4
Czech Republic	2,9	0,8	-0,2	-11,0
Turkey	-0,5	-4,2	5,8	8,0
Hungary	0,0	12,1	24,8	40,9
United Arab Emirates	0,7	7,3	18,5	2,8
Qatar	-4,7	8,2	7,6	-3,2
Latin America	-0,5	6,6	35,7	31,3
Asia	2,0	11,4	15,1	19,3
EMEA	3,2	6,9	20,1	10,4
<b>Frontier Markets</b>				
MSCI Frontier Markets 100 TR Net	2,9	3,8	4,6	3,0
MSCI Frontier Markets xGCC Net	3,2	4,1	7,3	7,1
Argentina	5,7	3,9	21,3	53,3
Bangladesh	3,1	2,7	8,7	-5,5
Bosnia & Herzeg.	5,6	7,7	10,9	7,6
Bulgaria	11,6	11,5	5,6	4,9
Ecuador	-0,2	-2,7	-4,9	-6,3
Morocco	2,9	9,7	24,5	19,6
Estonia	2,2	0,6	17,6	23,1
Tunisia	0,3	3,6	8,3	0,0
Ghana	-1,8	0,1	-11,7	-13,3
Kazakhstan	7,8	12,1	10,3	18,4
Kenya	8,4	4,5	9,7	7,6
Croatia	11,1	18,4	27,9	30,0
Kuwait	2,6	3,0	-5,4	-8,9
Latvia	11,9	17,2	25,2	27,3
Lithuania	3,0	5,6	1,7	-2,0
Mauritius	7,0	10,7	13,7	5,7
Mongolia	-7,3	-18,2	-20,4	-22,4
Nigeria	2,9	-10,1	-29,1	-38,3
Pakistan	1,9	7,6	23,1	22,6
Jordan	0,4	-10	-3,8	-3,3
Romania	-0,5	14,5	21,5	18,3
Serbia	3,2	4,3	1,9	-7,3
Slovakia	-1,0	1,4	11,3	17,9
Slovenia	6,1	13,6	4,5	10,6
Sri Lanka	1,0	13,7	1,5	0,8
Ukraine	1,4	12,4	22,9	-7,5
Vietnam	1,9	6,3	12,6	13,4
<b>Developed Markets</b>				
MSCI World TR Net	0,9	6,1	6,8	13,7
Hong Kong	4,0	13,2	14,6	21,6
Nasdaq	2,2	11,0	6,9	17,4
Nikkei 225	1,9	9,8	4,8	14,5
OMX Stockholm 30	2,4	8,7	3,4	6,1
S&P 500	0,2	4,5	7,2	15,3
Singapore	2,0	10	6,9	12,0
STOXX Europe 600	1,2	6,6	10	4,6
<b>Sectors (Emerging Markets)</b>				
Financials	0,7	11,0	16,4	17,1
Industrials	-1,1	6,1	6,9	3,3
Consumer Staples	1,3	2,4	15,0	12,4
Energy	3,4	9,2	28,8	28,8
IT	4,1	17,4	27,7	35,5
Utilities	-2,7	2,1	13,3	11,6
Healthcare	-0,7	3,5	4,7	6,7
Materials	1,1	11,5	29,7	26,3
Consumer Discretionary	2,5	10,9	14,1	16,3
Telecom	-0,4	3,3	10,6	4,3

	Return in USD (%)			
	September	3 months	Year to date	12 months
<b>Soft commodities</b>				
Coffe	3,9	5,2	22,6	24,9
Cocoa	-5,5	-8,1	-14,5	-11,3
Corn	6,7	-9,3	-12,1	-18,1
Palm oil	-1,9	11,8	26,2	27,8
Rice	7,5	-5,9	-14,3	-25,1
Soya	1,2	-17,3	7,4	6,8
Wheat	3,5	-13,6	-20,7	-26,6
<b>Energy</b>				
Cool (cooking coal, China)	20,0	33,3	52,1	18,7
Cool (steam coal, South Africa)	8,9	23,8	49,4	46,0
Natural Gas (Henry Hub)	0,7	-0,6	31,3	15,1
Oil (Arabian Light)	-1,5	-6,2	42,4	-0,4
Oil (Brent)	4,3	-1,2	34,6	1,4
Oil (WTI)	7,9	-0,2	31,8	7,0
<b>Fertilizers</b>				
Ammonia	-12,5	-26,3	-47,5	-51,7
Phosphorus	0,0	-2,3	-7,4	-7,4
Potash	6,4	11,1	-18,0	-26,5
Sulfur	0,0	-7,1	-40,9	-52,6
Urea	4,9	8,6	-14,7	-24,0
<b>Metals</b>				
Aluminum	3,7	1,5	9,5	6,1
Gold	0,6	0,0	24,1	18,0
Copper	5,4	0,4	2,7	-5,7
Nickel	8,3	12,0	21,6	1,7
Palladium	7,4	20,7	31,4	10,5
Platinum	-2,2	0,9	17,9	12,9
Silver	2,7	3,8	38,4	32,0
Steel	-2,6	10,2	37,7	34,2
Zinc	2,9	12,9	45,6	40,8

	SEK per 1 local currency				Change (%)			
	2016-09-30	2016-06-30	2015-12-30	2015-09-30	September	3 months	Year to date	12 months
Argentina (Peso)	0.5609	0.5642	0.6487	0.8929	-2,1	-0,6	-13,5	-37,2
Bangladesh (Taka)	0.1096	0.1084	0.1074	0.1081	0,2	1,1	2,1	1,3
Bosnia Hercegovina (Mark)	4.9319	4.7914	4.6980	4.7998	1,1	2,9	5,0	2,8
Brazil (Real)	2.6328	2.6424	2.1274	2.1307	-0,7	-0,4	23,8	23,6
Bulgaria (Lev)	4.9328	4.8072	4.6972	4.8080	10	2,6	5,0	2,6
Chile (Peso) X100	0.0131	0.0128	0.0119	0.0121	3,8	2,1	9,9	8,1
Colombia (Peso) x100	0.0030	0.0029	0.0027	0.0027	3,5	2,5	12,4	9,4
Egypt (Pound)	0.9670	0.9560	1.0754	1.0789	0,3	1,1	-10,1	-10,4
Euro	9.6345	9.3904	9.1913	9.3757	0,9	2,6	4,8	2,8
Philippines (Peso)	0.1770	0.1803	0.1793	0.1799	-3,7	-1,8	-1,2	-1,6
United Arab Emirates (Dirham)	2.3377	2.3113	2.2923	2.2897	0,3	1,1	2,0	2,1
Hong Kong (Dollar)	1.1070	1.0940	1.0863	1.0851	0,3	1,2	1,9	2,0
India (Rupee)	0.1289	0.1257	0.1268	0.1282	0,9	2,5	1,6	0,5
Indonesia (Rupia) X100	0.0007	0.0006	0.0006	0.0006	2,0	2,5	7,7	14,6
Japan (Yen) X100	0.0847	0.0823	0.0698	0.0703	2,2	3,0	21,4	20,6
Kazakhstan (Tenge)	0.0256	0.0250	0.0248	0.0309	1,7	2,2	2,9	-17,3
Kenya (Shilling)	0.0848	0.0840	0.0823	0.0803	0,3	10	3,0	5,6
China (Renminbi)	1.2870	1.2769	1.2973	1.3232	0,4	0,8	-0,8	-2,7
Croatia (Kuna)	1.2834	1.2489	1.2028	1.2293	0,5	2,8	6,7	4,4
Kuwait (Dinar)	28.4745	28.1260	27.7369	27.8391	0,5	1,2	2,7	2,3
Latvia (Lati)	13.7349	13.3774	13.0720	13.3778	1,1	2,7	5,1	2,7
Malaysia (Ringgit)	2.0762	2.1057	1.9621	1.9134	-1,7	-1,4	5,8	8,5
Morocco (Dirham)	0.8820	0.8658	0.8499	0.8644	0,6	1,9	3,8	2,0
Mexico (Peso)	0.4429	0.4596	0.4856	0.4972	-2,4	-3,6	-8,8	-10,9
Mongolia (Togrog)	0.0038	0.0043	0.0042	0.0042	-3,0	-12,2	-11,1	-10,9
Nigeria (Naira)	0.0273	0.0302	0.0423	0.0423	0,1	-9,7	-35,5	-35,5
Pakistan (Rupee)	0.0820	0.0811	0.0803	0.0805	0,4	1,2	2,2	2,0
Peru (new Sol)	2.5378	2.5838	2.4691	2.6010	0,6	-1,8	2,8	-2,4
Polan (Zloty)	2.2461	2.1512	2.1583	2.2143	2,7	4,4	4,1	1,4
Qatar (Rial)	2.3579	2.3312	2.3119	2.3099	0,3	1,1	2,0	2,1
Romania (Lei)	2.1708	2.0780	2.0284	2.1278	1,2	4,5	7,0	2,0
Russia (Ruble)	0.1366	0.1327	0.1147	0.1285	4,3	2,9	19,2	6,3
Serbia (Dinar)	0.0784	0.0762	0.0755	0.0786	1,1	3,0	3,9	-0,2
Singapore (Dollar)	6.2992	6.2923	5.9491	5.9060	0,2	0,1	5,9	6,7
Sri Lanka (Rupee)	0.0585	0.0583	0.0584	0.0595	-0,5	0,4	0,3	-1,6
Sydafrika (rand)	0.6257	0.5779	0.5411	0.6067	7,6	8,3	15,6	3,1
South Korea (Won)	0.0078	0.0074	0.0072	0.0071	1,6	5,8	8,6	9,9
Taiwan (Dollar)	0.2738	0.2630	0.2556	0.2550	1,5	4,1	7,1	7,4
Thailand (Bhat)	0.2476	0.2416	0.2336	0.2316	0,2	2,5	6,0	6,9
Czech (Koruny)	0.3571	0.3474	0.3400	0.3458	1,1	2,8	5,1	3,3
Turkey (Lira)	2.8623	2.9538	2.8802	2.7766	-1,1	-3,1	-0,6	3,1
Ukraine (Hryvnia)	0.3311	0.3419	0.3501	0.3967	1,5	-3,2	-5,4	-16,5
Hungary (Forint)	0.0313	0.0298	0.0293	0.0300	1,5	4,9	6,7	4,4
USD	8.5865	8.4890	8.4198	8.4102	0,3	1,1	2,0	2,1
Vietnam (Dong) X1000	0.0004	0.0004	0.0004	0.0004	0,4	1,2	2,8	2,9

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