

MONTHLY LETTER

APRIL 2017



TUNDRA  FONDER

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 state of the origin of the Fund is Sweden. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 Para. 3,3bis and 3ter CISA. The representative in Switzerland is ACOLIN Fund Service AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is Bank Vontobel Ltd, Gotthardstrasse 43, CH-8022 Zurich. The Basic documents of the fund as well as the annual report may be obtained free of charge at the registered office of the Swiss Representative.

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	1.1%	-1.5%	35.6%	259.8%
Benchmark (MSCI Pakistan Net (EUR))	-0.4%	-3.8%	40.5%	172.0%

Facts	Risk and costs*
Inception date	2011-10-14
Pricing	Daily
Manager	Tundra Fonder AB
Benchmark ind	MSCI Pakistan Net (EUR)
ISIN	SE0006 789 905
IBAN	SE925000000058648288185
BIC	ESSESESS
Custodian	SEB
Auditor	PWC
	Active risk (Tracking error)
	Standard deviation
	Standard deviation, benchmark
	Beta
	Information ratio
	Risk level 5 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**
	AuM

* 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 April

	Return (EUR)		Return (EUR)
Pak Suzuki	38.0%	Power Cement Ltd	-12.0%
Indus Motor	26.1%	Fauji Foods Ltd	-9.0%
Pak Elektron	25.3%	Nishat Mills Ltd	-6.5%
Sui Southern	16.2%	Shezan Intl	1.8%
Meezan Bank L	9.9%	Natl Bk Pakistan	-6.2%

Five largest holdings

Holding	Portfolio weight	Country	P/E 16E	P/E 17E	Yield	Return 1 month (EUR)
Meezan Bank	5.7%	Pakistan	15.3	12.0	4.5%	9.9%
IBL	5.3%	Pakistan	-	-	-	-
United Bank	5.3%	Pakistan	10.4	10.5	4.9%	7.1%
Mcb Bank Ltd	5.1%	Pakistan	10.3	10.1	6.5%	-5.2%
Pak State Oil	4.6%	Pakistan	11.0	7.1	3.7%	1.9%

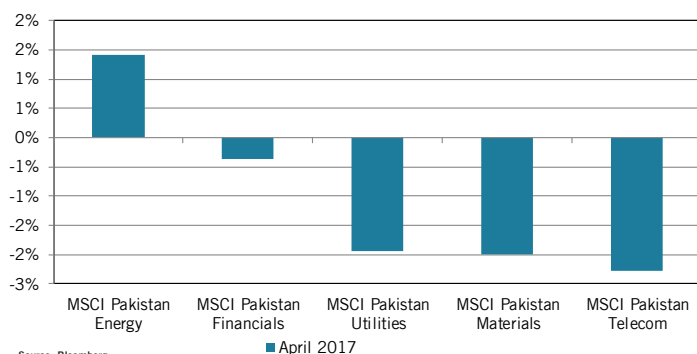
Source: Bloomberg, Tundra Fonder

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.

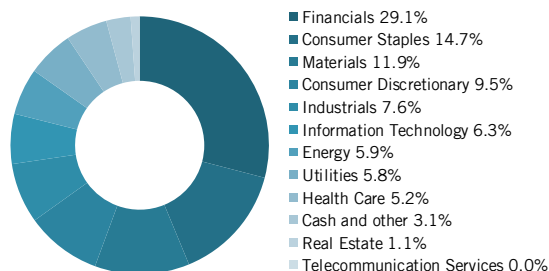
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)

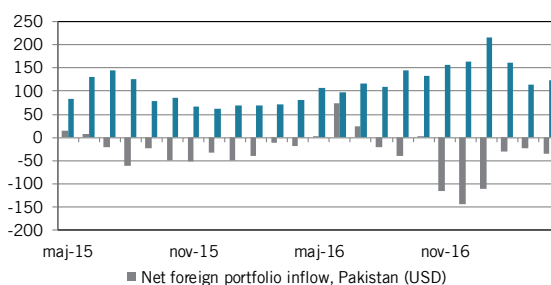


Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



Foreign flows and turnover (Pakistan Stock Exchange)



Source: Pakistan Stock Exchange, NCCEL

Fund return is for time periods starting prior to June 12th 2013 based on the A share class in SEK converted to EUR using Bloomberg currency data in order to provide maximum performance history. The value of money invested in a fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Past performance is no guarantee for future returns. 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 (www.tundrafonder.se). You can also contact us to receive the documents free of charge.

Monthly Market Comment

The number of viewers of the ruling on Panama Leaks the Supreme Court of Pakistan would have easily surpassed the population of Panama (4m) in itself, if not more. Such is the integration of the capital markets in today's digital world where a new (profitable) trading strategy has emerged of following Donald Trump's tweets. In Pakistan, also, political temperature continues to remain high.

The Supreme Court ruling remained a split 3-2 in favour of forming a Joint Investigation Team (JIT) including notables from State Bank of Pakistan (SBP), Federal Investigation Agency (FIA), National Accountability Bureau (NAB), Security Exchange Commission of Pakistan (SECP) and interestingly, a nominee from Military Intelligence (MI) and Inter-Services-Intelligence (ISI) each to induce neutrality in the investigation. Two of the judges believed enough evidence existed to disqualify the Prime Minister while a majority – three – judges advocated formation of JIT to collect further evidence before passing the judgment. The JIT has been allotted 60 days to submit their final conclusion and present to the court on fortnightly basis their findings. This has bought the ruling government time to chalk-out further strategy and the equity markets two months of deferred ambiguity.

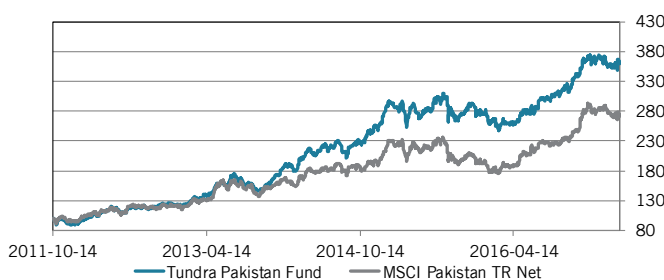
Politics, on the external front, did not seem to be simmering down either. On one hand, India accused Pakistan of mutilating bodies of two Indian soldiers – a charge Pakistan has denied – and warned of striking back at the time and place of their convenience. *Text continues on next page*

Monthly Fund Comment

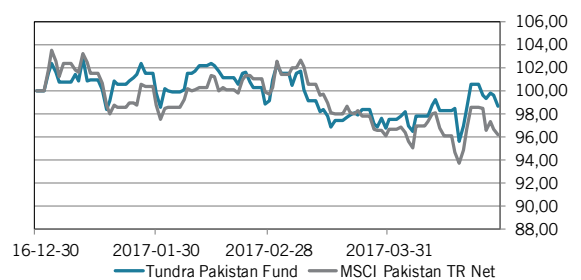
During the month, the Fund went up 1.1% outperforming MSCI Pakistan Net (EUR), -0.4%. The sectors leading the pack of outperformance were Industrials, Utilities and Information Technology. The Panama case seemed to have temporarily panned out. The market responded with a sigh of relief and settled higher to bring some life back to the market.

Our hypothesis on falling drilling costs for Shale "Frackers" prompted us to further reduce the bets – despite reasonable valuations – solely because as Alpha-betters, we have found more value elsewhere and bought in more chips of Automobile, Oil Marketing, Power and Pharmaceutical sectors. The re-pivoting of the portfolio is to keep exposing our assets to companies which are poised for higher profitability rates in the buoyancy of the economic growth run.

Tundra Pakistan Fund vs index (since inception)



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



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%	2.9%	4.0%	3.7%	4.3%	3.1%	1.4%	0.4%	7.9%	8.2%	32.8%
2017	-1.6%	0.5%	-1.5%	1.1%									-1.5%

Source: Bloomberg

Fund return is for time periods starting prior to June 12th 2013 based on the A share class in SEK converted to EUR using Bloomberg currency data in order to provide maximum performance history. The value of money invested in a fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Past performance is no guarantee for future returns. 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 (www.tundrafonder.se). You can also contact us to receive the documents free of charge.

Monthly Market Comment

(continued from previous page)

Interestingly, at the Western border, Afghanistan started border shelling which Pakistan claimed to have responded by killing 50 soldiers of the Afghan Army. Another neighbour, the Iranian Foreign Minister, also visited Pakistan in the same month to discuss issues pertaining to killing of nine Iranian soldiers. The timing of regional political skirmishes is crucial especially when the report on "Dawn Leaks" was immediately rejected and deemed incomplete by the Army; the tweet was heavily criticized by the Interior Minister of Pakistan. Sincere efforts are now required to win over the trust in the Indo-Af-Pak-Iran region, peacefully. So consuming is the politicking these days that the Finance Minister of Pakistan has had to engage with US National Security Advisor Mr McMaster to discuss pressing issues.

Falling oil prices – more importantly, its sustainability – is great news for oil importing Pakistan. Long emphasized by Tundra, the World Bank has started to study the size of Pakistan's GDP as the Finance Minister believes it is understated by at least 20%. The move is likely to improve previously alarming, Debt to GDP, Current Account Deficit, Fiscal Deficit and other ratios and might even enable Pakistan to pose higher GDP growth rate post-rebasing of the constituents of it.

The month of May 2017 is probably the single most economic event for the government as it unveils its last budget of the current tenure. We expect continued development-oriented allocations with certain populist schemes to lure the voters before the general elections scheduled early 2018. A leveraged product for the Pakistan Stock Exchange is expected to be launched within a month and rescinding of the bonus tax in the current budget would give the market the much required adrenaline shot that the investors are hoping for in the post MSCI Emerging Market status world for Pakistan.

Important: Please read this information/disclaimer

This publication is issued by Tundra Fonder AB ("Tundra"). The information – assumptions, opinions, valuations, recommendations etc – presented in this publication have been compiled by Tundra. The publication is based on generally available information from sources that Tundra believes to be reliable. However, Tundra cannot guarantee the accuracy of this information. This publication – as well as all or parts of its content – may not be duplicated or distributed under any circumstances without the written permission of Tundra.

Use of information

This publication is intended exclusively for the use of Tundra's clients in Sweden and is thus not intended for any individual or company in the USA, Canada, Japan or Australia, or in any other country where the publication or availability of the material is prohibited or restricted in any way.

The Fund or the Fund Company Tundra Fonder is not registered under the United States Securities Act of 1933, the United States Investment Company Act of 1940, or any other applicable law of the United States. Therefore fund units may not be offered, sold or in any other way distributed to physical or legal persons in the United States of America. It is the responsibility of individuals or entities acquainting themselves with this publication to inform themselves of and comply with these regulations. A legal entity may be prevented from investing in Tundra's fund by law or internal regulations. Foreign law may prevent investments to be made from outside of Sweden. Tundra will not verify that investments from outside of Sweden are made in accordance with foreign law and Tundra will not accept responsibility for any such investments. It is the responsibility of persons reading this publication to inform themselves of, and to follow these rules. Should any such person or company nonetheless accept offers from Tundra, of whatever kind they may be, it may be disregarded. No part of this publication should be construed as a solicitation or recommendation to conduct or make use of any type of investment or to enter into any other transactions. The opinions expressed in this publication reflect the present views of the participants and may thus be subject to change. The information in this publication does not take into account the specific investment goal, financial situation or needs of any specific recipient. The information should not be regarded as a personal recommendation or investment advice. The client should always seek adequate professional advice before taking any investment decision and each such investment decision is taken independently by the client and at the client's own risk. Tundra accepts no liability whatsoever for any direct or consequential loss of any kind arising from the use of this publication. Tundra's employees may hold, indirect or indirect investments mentioned in this publication.

The state of the origin of the Fund is Sweden. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 Para. 3,3bis and 3ter CISA. The representative in Switzerland is ACOLIN Fund Service AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is Bank Vontobel Ltd, Gotthardstrasse 43, CH-8022 Zurich. The Basic documents of the fund as well as the annual report may be obtained free of charge at the registered office of the Swiss Representative

Risks

Investments in financial instruments are associated with risk and an investment may both increase and decrease in value or even become worthless. Historical returns are no guarantee of future returns. International investments, particularly those on new markets in developing and growth countries (such as Eastern Europe (including Russia), Asia, Latin America and Africa), are normally associated with a higher level of risk than investments in Swedish or other developed markets' securities. These risks include both political and economic uncertainty in other countries as well as currency fluctuations. These risks are particularly high on new markets since these countries may have relatively unstable governments and immature markets and economies.