

MONTHLY LETTER

JULY 2017



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	-3.6%	2.2%	13.5%	47.1%
Benchmark (MSCI FM xGCC Net (EUR))	-2.4%	6.9%	13.5%	24.5%

Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	8.5%
Pricing	Daily	Standard deviation	10.8%
Manager	Tundra Fonder AB	Standard deviation, benchma	11.0%
Benchmark index	MSCI FM xGCC Net (EUR)	Beta	0.69
ISIN	SE0006 789 897	Information ratio	0.8
IBAN	SE445000000058648209218	Risk level	5 of 7 (refer to KIID for more info)
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	63.1 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 July

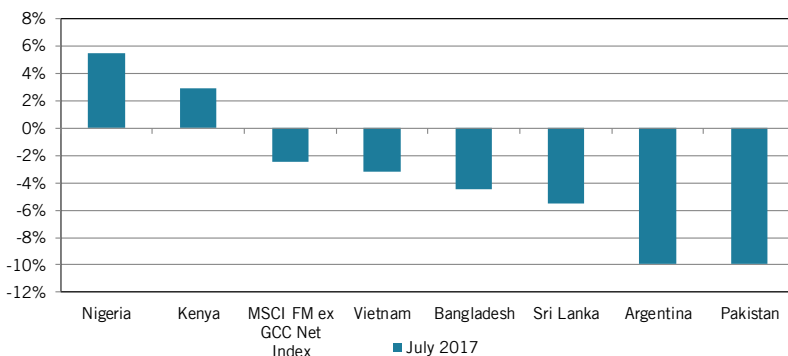
	Return (EUR)		Return (EUR)
Richard Pieris	21.4%	Bim Son Cement	-31.5%
Egypt Intl Ph.	15.8%	Ezz Steel	-20.0%
Suez Cement	15.7%	Bbva Banco Franc	-20.7%
Zenith Bank Plc	13.7%	Tpl Properties	-19.9%
United Bank Af.	6.8%	Danang Rubber	-19.0%

Five largest holdings

Holding	Portfolio weight	Country	P/E 16E	P/E 17E	Yield	Return 1 month (EUR)
Brac Bank Ltd	5.5%	Banglad.	21.0	18.8	1.0%	5.1%
Active Fine Chem	4.0%	Banglad.	-	-	-	-7.0%
Fpt Corp	3.9%	Vietnam	11.9	11.6	4.0%	-0.3%
Hoa Phat Grp	3.8%	Vietnam	7.6	6.4	3.4%	-2.4%
Square Pharm.	3.7%	Banglad.	22.9	19.6	0.9%	-5.8%

Source: Bloomberg, Tundra Fonder

Major frontier markets (EUR, total return)

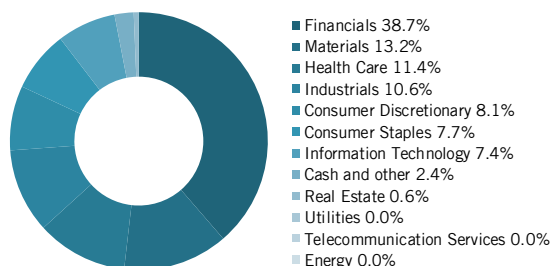


Source: Bloomberg

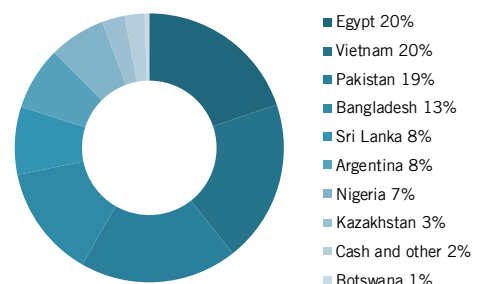
Fund Objective

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 xGCC Net (EUR) fell 2.4% during the month, compared to MSCI Emerging Markets Net (EUR), which rose 2.5%. In local currencies, the asset class actually rose almost 1%. Among individual constituent markets, Argentina was the main negative contributor with a decline of 10% in EUR (down close to 7% in USD). Romania excelled with an increase of 7% (10% in USD). Nigeria rose by 6% (9% in USD). However, on August 1st, MSCI implemented the anticipated adjustment of the Nigerian currency (see previous monthly letters). Tundra implemented this change already in early May. The adjustment will shave off 2% from the August index return.

In general, we note positive inflows to the frontier markets. Calculated in USD, MSCI Frontier Markets xGCC Net has risen over 20% this year recovering some of the capital that was redeemed from the asset class in 2015 and 2016. For European investors, the asset class has shown a more modest development during the year with an increase of nearly 7%.

Monthly Fund Comment

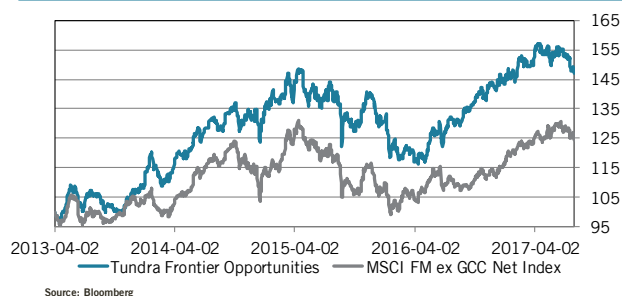
The fund fell 3.6% during the month, which was worse than the market as a whole. We lost mainly due to the performance of our overweights in Egypt, Vietnam and Pakistan, however our underweight in Argentina partially mitigated the relative loss.

It has been a tough year to date, where we are trailing the index during the first seven months of 2017, as compared to previous years, where the fund outperformed the index four years in a row including 2013 when the fund was launched. Our positions in Pakistan and Egypt have not paid off so far this year. The lack of positions in the smaller European frontier markets, which in the short term in a year when the EUR has strengthened nearly 10% against the USD, has had a negative impact on performance. Historically our strength lies in stock selection and this strategy has continued to work very well.

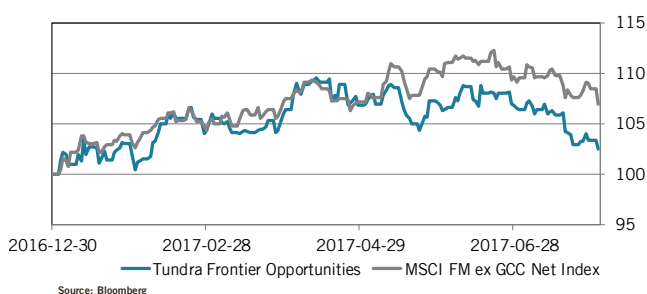
Stock selection in Bangladesh, Nigeria, Vietnam, Sri Lanka and Kazakhstan in particular, has been strong. We hope that somewhat more normal market circumstances during the last five months of the year will be enough for this strength to result in another year of clear value addition to our unitholders.

During July, we exited our position in Vietnamese Vinamilk, we added two new Egyptian holdings (a steel company and a bank), a new Nigerian bank and we added to our position in the Pakistani IT-company Systems Ltd after a too steep correction.

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%	2.3%	4.2%	1.4%	1.3%	2.8%	0.9%	10.2%
2017	0.3%	3.7%	2.2%	0.4%	-0.8%	0.2%	-3.6%						2.2%

Source: Bloomberg

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