

Semi-annual report

Tundra Pakistan Fund

515602-4787

January 1st 2019 – June 30th 2019



TUNDRA  FONDER

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Management report

This is a translated copy from the Swedish original. If any conflict occurs in the translation the Swedish will prevail. The CEO of Tundra Fonder AB, 556838-6303, hereby submits the Semi-annual Report for the period 2019-01-01 - 2019-06-30 on Tundra Pakistan Fund, 515602-4787.

Fund performance

Tundra Pakistan Fund decreased with 27.06% (SEK) in the first half of 2019, while the benchmark decreased by 12.27% in the same period. The fund's underperformance relative to the benchmark came primarily from overweights in the Materials sector where we with hindsight were too optimistic on an earlier turnaround in the market. Positively contributing were our underweight in the Energy sector and stock selection within Financials.

The Fund's net assets development

Assets under management at June 30, 2019 amounted to SEK 181.8 million, which represents a decrease of SEK 106.9 million compared with SEK 288.7 million at 31 December 2018.

The value of issued fund units amounted to Class A SEK 39.7 million, Class C SEK 0.1 million, Class D SEK 0 and Class F SEK 0. The value of redeemed fund shares amounted to Class A SEK 57.9 million, Class C SEK 0.05 million, Class D SEK 16.7 million and Class F SEK 0.6 million. The net value of new fund units issued during the period hence amounted to Class A SEK -18.2 million, Class C SEK -0.05 million and Class D SEK -16.7 million and Class F SEK -0.6 million.

Market development

The equity market had a rough first half of 2019 and fell close to 10% (SEK) during the period. Uncertainty as to how Pakistan would handle the risk of a high current account deficit and depleting reserves took its toll on the market. The Pakistani rupee depreciated by a further 15% versus the USD. Towards the end of the period visibility improved with regard to the government's reform program and the budget for 2020. The very tough austerity measures were welcomed by foreign investors who turned net buyers of just below USD 50m, having net sold USD 260m same period last year. Towards the end of June, the parliament approved a very tough budget for the fiscal year 2020 and a few days into July the IMF board approved a loan of USD 6bn to Pakistan. Pakistan is currently implementing an extensive documentation process in order to increase the number of tax payers in the country and bring the informal parts of the economy into the tax net. Although it will in the short term mean a slowdown in the economy, we believe the reforms are very much needed and will positively impact the economy over the next couple of years. After the significant deprecation of the currency (35% vs the USD since December 2017) we believe the risks of further sharp devaluations have decreased.

Fund management and outlook

We view the ongoing reform programs, in particular the documentation process designed to raise the number of taxpayers in the country, very positively. The reforms are unprecedented for a country in Pakistan's category in our view and we expect them to go down well with foreign investors, something which is indicated in improved buying interest from foreign investors in the equity market. The very extensive austerity measures are however a shock to local investors, and we note that local mutual funds have seen heavy redemptions during the first half. After the significant devaluation the currency now looks cheap vs the USD. Combined with the lower growth we believe this should decrease the current account deficit during the coming six months. Improved international relationships, primarily with the U.S., should also mean improved inflow of foreign currency to the market which will support the economy. The market is trading at a 10-year low in terms of price to book value, which indicates expectations are very low at this stage. As the reforms gradually lead to improved tax revenue and the improving international relations lead to foreign direct investments, we expect the market to react positively.

Objectives and investment policy

The fund is an equity fund with a particular emphasis on investments in transferable securities issued by companies that have their registered office in Pakistan, or that conduct their principal operating activities in Pakistan. The fund management company's management of the fund is intended to generate financial exposure to economic development in Pakistan and to provide the unit holders with a maximum long-term return on their invested capital. The performance is benchmarked against MSCI Pakistan Investable Market Index Net TR (SEK). Please note that the benchmark was changed as of close March 31st 2019, from previously MSCI Pakistan Net TR (SEK).

The fund takes into account aspects such as corporate governance, environmental and social issues as part of the investment process. The principles from international guidelines are applied (UN Global Compact, Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and OECD Guidelines for Multinational Enterprises). Companies that are involved in controversial weapons are also excluded.

The fund is managed by an investment committee with Chief Investment Officer Mattias Martinsson as ultimately responsible.

Risks

The fund has a vast majority of its assets invested in Pakistan. A worse than expected development of the Pakistani economy or the earnings growth among listed companies in the country constitute the primary risk. The fund does not hedge its holdings to currency fluctuations which may affect returns adversely in case the Pakistan Rupee weakens.

Derivatives

According to the fund statutes, the fund has the right to trade in options, futures and other derivatives, and the right to lend securities. The fund had no exposure to derivatives, or similar instruments during the period.

Financial overview

Main portfolio

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2019-06-30	181 813 281	-	1 379 069.43	-	-	-
2018-12-31	288 723 781	-	1 595 370.64	-	-	-
2017-12-31	459 927 896	-	1 847 355.83	-	-	-
2016-12-31	1 016 336 897	-	2 637 550.79	-	-	-
2015-12-31	1 159 725 430	-	4 174 366.54	-	-	-
2014-12-31	605 825 404	-	2 226 701.79	-	-	-
2013-12-31	253 853 989	-	1 507 948.17	-	-	-
2012-12-31	329 418 838	115.80	2 844 852.13	0,02	32.34	25.43
2011-12-31	6 510 211	87.52	74 388.49	-	-12.48 ¹⁾	-8.58 ¹⁾

¹⁾ Refers to the period 2011-10-14 - 2011-12-31

Fund share class A SEK

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2019-06-30	-	131.84	1 368 941.95	-	-27.06	-12.27 ⁶⁾
2018-12-31	-	180.74	1 476 958.47	-	-27.31	-29.61
2017-12-31	-	248.64	1 589 805.89	-	-35.25	-24.44
2016-12-31	-	384.00	2 171 374.24	-	38.44	51.50
2015-12-31	-	277.38	3 837 127.63	-	1.95	-6.53
2014-12-31	-	272.07	2 221 251.24	-	61.62	36.99
2013-12-31	-	168.34	1 507 252.51	-	45.37 ²⁾	32.26 ²⁾

Benchmark index: MSCI IMI Pakistan Net Total Return Index (SEK)

²⁾ Since 2013-06-20 Tundra Pakistan Fund was replaced by Tundra Pakistan Fund share class A

Fund share class C EUR

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance %	Performance index, %
2019-06-30	-	12.46	967.79	-	-29.98	-15.62 ⁶⁾
2018-12-31	-	17.78	673.19	-	-29.53	-27.37
2017-12-31	-	25.23	1 838.34	-	-36.94	-33.77
2016-12-31	-	40.01	107.15	-	32.44	45.09
2015-12-31	-	30.21	392.49	-	4.39	-3.88
2014-12-31	-	28.94	5 446.09	-	51.76	28.7
2013-12-31	-	19.07	691.20	-	10.62 ³⁾	-2.67 ³⁾

Benchmark index: MSCI IMI Pakistan Net Total Return Index (EUR)

³⁾ Refers to the period 2013-06-12 - 2013-12-31

Fund share class D USD

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance %	Performance index, %
2019-06-30	-	14.47	801.49	-	-30.47	-16.39 ⁶⁾
2018-12-31	-	20.81	106 458.03	-	-32.68	-34.79
2017-12-31	-	30.91	131 828.91	-	-28.20	-24.44
2016-12-31	-	43.05	433 276.68	-	28.39	40.42
2015-12-31	-	33.53	321 886.31	-	-3.59	-13.68
2014-12-31	-	34.78	4.47	-	33.10	13.04
2013-12-31	-	26.13	4.47	-	16.70 ⁴⁾	11.15 ⁴⁾

Benchmark index: MSCI IMI Pakistan Net Total Return Index (USD)

⁴⁾ Refers to the period 2013-10-23 - 2013-12-31

Fund share class F EUR

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance. %	Performance index, %
2019-06-30	-	12.460	8 358.41	-	-29.98	-15.62 ⁶⁾
2018-12-31	-	17.78	11 280.95	-	-29.53	-27.37
2017-12-31	-	25.23	123 882.69	-	-36.94	-33.77
2016-12-31	-	40.01	32 792.71	-	32.44	45.09
2015-12-31	-	30.21	14 960.11	-	0.43 ⁵⁾	-1.80 ⁵⁾

Benchmark index: MSCI IMI Pakistan Net Total Return Index (EUR)

⁵⁾ Refers to the period 2015-10-15 - 2015-12-31

⁶⁾ 2019-04-01 MSCI Pakistan Net Index was replaced by MSCI IMI Pakistan Net Total Return Index

Balance sheet

<i>In SEK</i>	<i>Note</i>	<i>2019-06-30</i>	<i>2018-12-31</i>
Assets			
Transferable securities		176 790 212	248 975 648
Total	1	176 790 212	248 975 648
Bank accounts		5 155 685	15 775 775
Pre-paid expenses and accrued income		1 223 366	2 269 398
Other assets	2	1 905 758	32 282 825
Total		185 075 021	299 303 646
Liabilities			
Accrued expenses and deferred income	3	1 535 247	5 808 448
Other liabilities		1 726 493	4 771 417
Total		3 261 740	10 579 865
Total net assets	1,4	181 813 281	288 723 781

Memorandum items

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Accounting principles and valuation of financial instruments

Amounts in SEK unless otherwise stated.

Tundra Fonder AB is a member of the Swedish Investment Fund Association and strives to comply with the Association's guidelines. During the first half of 2019, Tundra Fonder AB was compliant with all guidelines with the exception of the recommendation that at least half of an asset manager's members of the Board of Directors should be independent directors as two of five Board members were considered to be independent at the closing day.

Accounting principles

The Fund applies the Mutual Funds Act, 2004: 46 and the Financial Supervisory Authority of accounting for mutual funds 2013: 9 and follows the Swedish Fund Associations guidelines.

Valuation of financial instruments

The financial instruments are valued at market value according to the following order.

1. The financial instruments traded in an active market will be valued on the closing price at the balance sheet date if it is not a trading day, the most recent trading day prior to the closing date.
2. If the financial instrument is not traded in an active market, the market value is derived from information from similar transactions that have taken place under market conditions.
3. Unless method 1 or 2 can be used, or misleading the market value determined by an established market valuation model.

Note on unlisted holdings

Since the Fund may invest in securities that are restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid, there is the possibility of a differential between the last available market prices for one or more of those securities and the latest indications of market values for those securities. The Fund has procedures, approved by the board of directors of the fund management company, which involves a valuation committee to determine the fair value of individual securities and other assets for which market prices are not readily available (such as certain restricted or unlisted securities and private placements) or which may not be reliably priced. Some methods for valuing these securities may include: fundamental analysis (discounted cash flow etc), sum-of-the-parts and market prices derived from similar transactions. The application of fair value pricing procedures represents a good faith determination based upon specifically applied procedures. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the Fund determines its NAV. There is also a probability that the fair value assigned to these securities significantly underestimates the actual value of these securities. Since the Fund may invest in securities that are restricted, unlisted, traded infrequently, thinly traded, or relatively illiquid, there is the possibility of a differential between the last available market prices for one or more of those securities and the latest indications of market values for those securities. The Fund have procedures, approved by the Board of Directors of the Company, to determine the fair value of individual securities and other assets for which market prices are not readily available (such as certain restricted or unlisted securities and private placements) or which may not be reliably priced. Some methods for valuing these securities may include: fundamental analysis (discounted cash flow etc), sum-of-the-parts and market prices derived from similar transactions. The application of fair value pricing procedures represents a good faith determination based upon specifically applied procedures. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the Fund

determines its NAV. There is also a probability that the fair value assigned to these securities significantly underestimates the actual value of these securities.

In accordance with the UCITS regulation, the Fund may invest up to 10% in unlisted securities if these are to be listed within 12 months. Historically, a limited number of such investments have been carried out on behalf of some of the fund. Since 2018 however, no additional investments are made in unlisted securities. If unlisted securities are not listed within 12 months, the Fund should divest the securities in a way beneficial to the unitholders. Due to the nature of unlisted holdings, the process of selling those securities may be prolonged for a significant time.

Tundra Pakistan Fund held one position, **Daewoo Express**, as of June 30th 2019, whose listings/divestments has been delayed beyond the 12-month stipulated time period due to reasons outside the fund's control. The portfolio weight of this holding constituted 3.71% of the fund's net assets. Negotiations for divestment are ongoing but there are risks of significant further delays until the assets are either sold or listed. The Fund Company has gradually reduced the assigned valuation of the holding as repeated delays indicated the chances of a successful listing or divestment has gradually decreased.

It should in particular be highlighted that there are several layers of uncertainties. Even an agreed transaction between two parties could mean the realized value might not be possible to repatriate since Central bank approval of repatriation is needed and it is not certain that such approval is given. This risk has during 2018 increased significantly given significant strains on Pakistan's foreign currency reserves experienced during 2018. In addition, it is further not unusual to see a transaction being contested within the Pakistani court system, sometimes due to legitimate concerns by a third party whose rights might be affected, sometimes as a form of blackmail. The structure of the Pakistani court system is such that even a perfectly legitimate transaction, through stay orders, can be delayed for several years and ultimately fail as a result of third party intervention. Such delays can meanwhile impact the financial viability of the company for example through non-availability of credits etc, which might eventually mean assumptions of financial forecasts are incorrect. These layers of uncertainty mean that absolute certainty of what value will be realized can only be achieved once funds are repatriated. Should the transaction be successful or should the company become listed it could however result in a positive one-time effect on the NAV of the fund. All factors taken into consideration, including best efforts of assuring an as correct valuation at all times, it is possible that the unit price of the fund at some point during the next 12 months may experience a one-time impacts where the downside could be maximal the assigned valuation and the upside could be potentially even higher.

We thus caution investors to take this into consideration before buying or selling fund units. As soon as the transaction is concluded we will update on our website and in the monthly comments. It should also be emphasized that the weight in the NAV and hence also the impact on the NAV as a result of any future transaction or listing depends on the assets under management in the Fund and any future major redemption from the Fund may escalate the impact in a substantial manner.

Daewoo Express is the largest and one of the few organized transportation companies in Pakistan. The company offers intra city services as well as long distance transportation throughout Pakistan. More information about the company: www.daewoo.com.pk

Key Figures

The Fund follows the Swedish Fund Associations guidelines of key performance indicators

Notes

Note 1 Financial instruments

The following financial instruments were held as of 2019-06-30.

Holdings

Sector	Number held	Value, SEK	Share, %
Transferable securities			
Category 1			
OIL & GAS DEV ORD, Pakistan, PKR	450 000	3 432 995	1.89
PAK PETROLEUM, Pakistan, PKR	130 000	1 089 353	0.60
Energy		4 522 349	2.49
AMRELI STEELS LT, Pakistan, PKR	1 709 000	2 395 560	1.32
CENTURY PAPER & BOARD MILLS, Pakistan, PKR	2 249 100	4 071 283	2.24
CHERAT CEMENT CO LTD, Pakistan, PKR	1 000 000	1 767 250	0.97
DG KHAN CEMENT ORD, Pakistan, PKR	2 875 000	9 382 711	5.16
FAUJI BIN QASIM ORD, Pakistan, PKR	4 300 000	4 580 460	2.52
INTERNATIONAL STEELS, Pakistan, PKR	862 500	1 987 133	1.09
LUCKY CEMENT ORD, Pakistan, PKR	600 000	13 141 235	7.23
MAPLE LEAF CMNT ORD, Pakistan, PKR	2 650 000	3 673 077	2.02
PACKAGES ORD, Pakistan, PKR	250 750	4 372 603	2.40
PIONEER CEMENT ORD, Pakistan, PKR	2 574 500	3 383 211	1.86
TRI-PACK FILMS LTD, Pakistan, PKR	460 000	1 761 448	0.97
Materials		50 515 970	27.78
PAK ELEKTRON LTD, Pakistan, PKR	4 553 000	5 288 466	2.91
Industrials		5 288 466	2.91
GENERAL TYRE & RUBBER CO, Pakistan, PKR	551 360	1 633 688	0.90
KOHINOOR TEXTILE MIL, Pakistan, PKR	1 617 223	2 322 272	1.28
Consumer discretionary		3 955 960	2.18
SHEZAN INTL ORD, Pakistan, PKR	364 579	9 382 569	5.16
Consumer staples		9 382 569	5.16
ABBOTT LABORATORIES, Pakistan, PKR	88 650	2 417 378	1.33
AGP LTD/PK, Pakistan, PKR	844 500	3 380 778	1.86
SHIFA HOSPITAL LTD, Pakistan, PKR	259 119	3 258 264	1.79
Health care		9 056 420	4.98
ADAMJEE INSUR ORD, Pakistan, PKR	2 736 000	5 627 303	3.10
BANK AL FALAH ORD, Pakistan, PKR	2 137 000	5 404 548	2.97
EFU LIFE, Pakistan, PKR	165 000	2 201 810	1.21
HABIB BANK LTD ORD, Pakistan, PKR	1 125 000	7 392 597	4.07
M C B ORD, Pakistan, PKR	800 000	8 097 089	4.45
MEEZAN BANK, Pakistan, PKR	1 626 000	8 222 535	4.52
NATIONAL BANK OF PAKISTAN, Pakistan, PKR	1 900 000	3 710 528	2.04
UNITED BANK LTD ORD, Pakistan, PKR	1 448 300	12 384 117	6.81
Financials		53 040 527	29.17

HUM NETWORK LTD, Pakistan, PKR	17 000 000	3 106 901	1.71
SYSTEMS LTD, Pakistan, PKR	770 000	4 244 068	2.33
Information technology		7 350 969	4.04
HUB POWER COMPANY, Pakistan, PKR	3 248 810	14 843 723	8.16
KARACHI ELECTRIC ORD, Pakistan, PKR	24 500 000	6 183 343	3.40
Utilities		21 027 066	11.57
TPL PROPERTIES LTD, Pakistan, PKR	12 497 877	5 902 400	3.25
Real estate		5 902 400	3.25
Total Category 1		170 042 696	93.53
Total transferable securities		170 042 696	93.53
Category 7			
DAEWOO PAK EXPRESS, Pakistan, PKR	6 121 000	6 747 516	3.71
Consumer discretionary		6 747 516	3.71
Total Category 7		6 747 516	3.71
Total securities		176 790 212	97.24
Other assets and liabilities		5 023 069	2.76
Total net assets		181 813 281	100.00

The Fund's holdings of securities have been classified into the following categories:

1. Transferable securities admitted on a regulated market or an equivalent market outside the EEA.
2. Other financial instruments trading on a regulated market or an equivalent market outside the EEA.
3. Transferable securities that are the subject of regular trading in other markets that are regulated and open to the public.
4. Other financial instruments that are regularly traded on any other market that is regulated and open to the public.
5. Transferable securities within one year from the issue are being admitted to trading on a regulated market or an equivalent market outside the EEA.
6. Transferable securities within one year from the issue will become subject to regular trading on any other market.
7. Other financial instruments.

Note 2 Other assets

	<i>2019-06-30</i>	<i>2018-12-31</i>
Unsettled acquired securities	996 737	32 282 816
Tax provisions	909 021	-
Other	-	9
Total	1 905 758	32 282 825

Note 3 Accrued expenses and prepaid income

	<i>2019-06-30</i>	<i>2018-12-31</i>
Accrued management fee	426 203	666 627
Accrued withholding tax	183 505	340 410
Accrued foreign tax on securities	925 539	-
Accrued analysis costs	-	19 387
Accrued other financial costs	-	4 782 024
Total	1 535 247	5 808 448

Note 4 Changes in Net assets

	<i>2019-01-01- 2019-06-30</i>	<i>2018-01-01- 2018-12-31</i>
Net assets start of year	288 723 781	459 927 896
Fund share class A SEK		
Issued fund units	39 687 984	290 955 593
Redeemed fund units	-57 875 599	-302 483 662
Total	-18 187 615	-11 528 069
Fund share class C EUR		
Issued fund units	102 502	-
Redeemed fund units	-49 114	-213 680
Total	53 388	-213 680
Fund share class D USD		
Issued fund units	-	5 576 938
Redeemed fund units	- 16 693 217	-9 808 075
Total	-16 693 217	-4 231 137
Fund share class F EUR		
Issued fund units	-	-
Redeemed fund units	-560 603	-22 891 680
Total	-560 603	-22 891 680
Net result according to income statement	-71 522 453	-132 339 549
Net assets at end of the period	181 813 281	288 723 781

Sustainability Information

Monitoring our sustainability work

All Tundra funds take sustainability into account. We generally use Environmental, Social and Corporate Governance (ESG) aspects in summarising our sustainability work. All three pillars of ESG are important in these efforts, and our investment process takes environmental, social and ethical aspects into consideration.

Our two research offices, one in Karachi (Pakistan) and one in Ho Chi Minh City (Vietnam), allow us to closely monitor the companies in our markets, and Tundra's sustainability work is under continuous development as new knowledge is advanced in different areas. The ESG team consists of a Sustainability Manager and an ESG Researcher in Stockholm (both researchers), plus a Senior ESG Analyst in Karachi and an ESG Analyst in Ho Chi Minh City.

Tundra's sustainability work includes our own research within the framework of TURN | Tundra Research Network, which runs local projects through collaboration with international networks in Tundra's focus countries. The following are examples of projects initiated during the first half of 2019:

- Pakistan:
 - o Co-organiser of a project aimed at increasing reporting around Agenda 2030 for listed companies in collaboration with the UNDP. Initiator of a project within Waste to Energy in collaboration with representatives of government, academia and large organisations in the energy sector locally.
- Vietnam:
 - o Collaboration with UNDP Vietnam on an environmental index for launch to listed companies. Collaboration with the ILO on training in workers' rights directed at large organisations and listed companies.
- Nigeria:
 - o Collaboration with one of the country's leading banks and a Swedish research institute on projects aimed at promoting women's entrepreneurship.
- Sri Lanka:
 - o Collaboration with the Colombo Stock Exchange on training and development of sustainability guidelines for listed companies.

As an organisation, Tundra Fonder has in the first half of 2019 participated in or hosted a series of events that relate to sustainability:

- In February, Tundra participated as an invited guest at the launch of the EAT-Lancet report on health, nutrition, climate, environment, fishing and agriculture at the UN in New York.
- In March, Tundra Fonder and the UNDP jointly hosted a workshop where Agenda 2030 and the implementation of the Sustainable Development Goals (SDGs) were discussed with a number of major companies in Pakistan.
- Organised by Business Sweden and the Swedish Embassy, a forum was held in Karachi in April with discussions on sustainable cities. Tundra moderated and contributed content for two panels.
- As an invited speaker, Tundra participated in May in a delegation to Hanoi, Vietnam, with Sweden's Trade Minister, where sustainability was a prevalent theme. More than 50 Swedish companies and many local representatives from different organisations participated.
- In June, Tundra held its third SDG Breakfast event with the theme Responsible Ownership, at which representatives of business, research and non-profit activities participated in discussions.

The fund has selected

All our funds are actively managed. Before any potential investment, we conduct an analysis of each company that includes an assessment of future growth prospects and what we believe is a long-term stable earnings level. Together with an assessment of the company's future growth opportunities, we establish a long-term realistic valuation of the company and its share. We believe that a company's operations, and how it conducts

these from a sustainability perspective, are crucial components for future success, which is why we view the sustainability analysis as an integral part of our company analysis.

Through our own internal rating system, we can see how companies position themselves in various relevant aspects of ESG. In general, our investments should be seen as long-term, and our starting point is to exert influence rather than divest.

The fund has deselected

We do not invest in companies that conduct their operations in violation of well-established international standards in the areas of the environment, human rights, labour rights and corruption. This applies to all of Tundra's funds. Standards that are particularly taken into account are the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

None of Tundra's funds invest in companies that:

- Violate UN fundamental conventions on human rights, the environment, labour rights and corruption (and that, after Tundra has made them aware of such violations, do not initiate an action plan within twelve months); and
- Companies involved in controversial weapons (anti-personnel landmines, cluster weapons, biological and chemical weapons, and nuclear weapons). Tundra takes an active role on sustainability issues through dialogue and by placing demands on the companies the fund invests in.

The fund has not had any investments in the above sectors since the criteria were set.

The fund management company has advocated

Tundra strives to maintain contact with all portfolio companies through our ESG questionnaire.

Tundra votes at general meetings, but this is only considered to be one contributing aspect of our advocacy.

Overall comments on the sustainability work of Tundra Fonder AB

Tundra's ESG work is characterised by the following:

- Evidence-based research to identify the key areas of ESG work for the sectors and countries in which we invest
- Regular meeting forums with our institutional investors
- Regular sustainability conferences with our portfolio companies, other listed local companies, voluntary organisations and representatives of government and regulators
- ESG questionnaire sent to all companies forming the basis of Tundra's ESG Rating System
- Collaborations with universities and researchers
- Contact with local NGOs, journalists and experts
- Separate sustainability report
- Case studies on our companies based on research and current events

More information about Tundra Fonder AB's sustainability work is available at:
<http://www.tundrafonder.se/sustainable/>

To read the complete Sustainability Report: <http://bit.ly/2WV4Qk6>