

MONTHLY LETTER

AUGUST 2015



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	-4.1%	8.6%	35.3%	186.4%
Benchmark (MSCI Pakistan Net (EUR))	-10.1%	3.7%	16.6%	108.2%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	9.9%
Pricing	Daily	Standard deviation	19.8%
Manager	Tundra Fonder AB	Standard deviation, benchmark	19.2%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	.90
ISIN	SE0006 789 905	Information ratio	2.20
IBAN	SE925000000058648288185	Risk level	7 of 7 (refer to KIID for more info)
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	129.8 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 August		Worst performers in August	
	Return (EUR)		Return (EUR)
Noon Pakistan	151.2%	Bata Pakistan	-19.2%
Crescent Steel	24.6%	Packages Ltd	-17.0%
Efu Life Assuran	21.1%	OGDC	-15.2%
Systems Ltd	15.8%	Engro Polymer	-14.3%
Searle Pakistan	12.2%	Pak State Oil	-13.7%

Five largest holdings

Holding	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
Engro Corp	4.5%	Pakistan	20.3	10.1	1.3%	-4.4%
Pak State Oil	4.2%	Pakistan	3.9	9.8	3.2%	-13.7%
Mcb Bank Ltd	3.9%	Pakistan	11.6	10.7	6.1%	-11.5%
Nishat Mills Ltd	3.6%	Pakistan	-	-	3.9%	-7.4%
Meezan Bank	3.6%	Pakistan	11.0	11.7	6.3%	6.9%

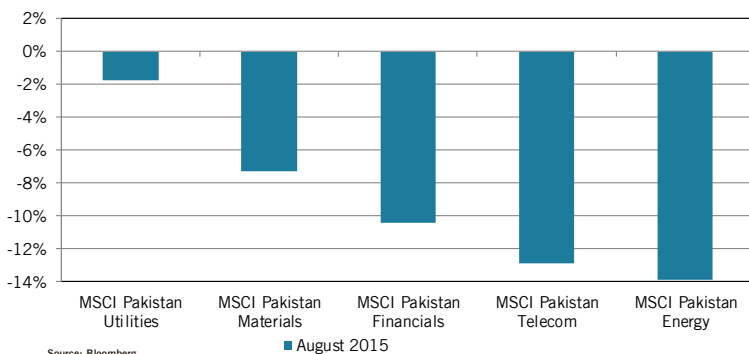
Source: Bloomberg, Tundra Fonder

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.

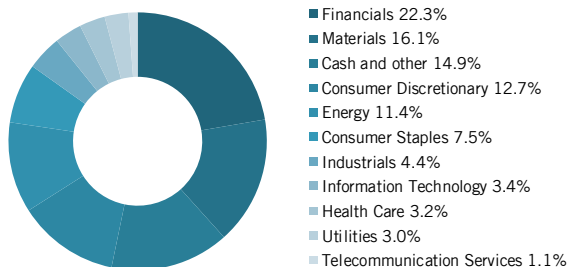
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)

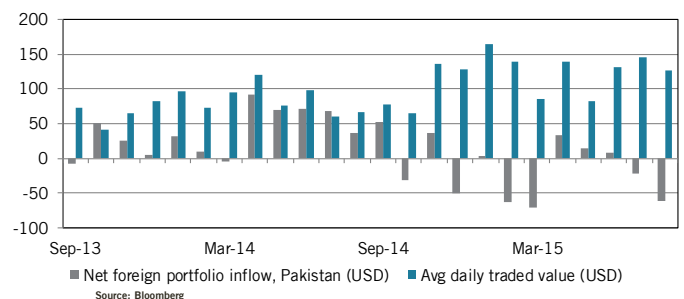


Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



Foreign flows and turnover (Karachi Stock Exchange)



Source: Bloomberg

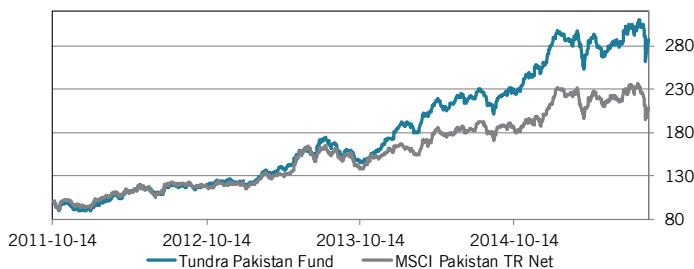
Monthly Market Comment

MSCI Pakistan Net (EUR) fell by 10.1% during August'15. Daily traded value declined to USD 127m in August from USD 146m in July. The rout in the regional markets also engulfed Pakistan resulting in increased volatility and lower turnover. Foreigners remained net sellers worth USD 61m. Some turbulence was also seen on the local political front too, where the nation's fourth largest party MQM submitted their resignations in the National Assembly and arrest warrants were issued for PPP's key leaders. Moreover, the election tribunal results for the rigging inquiry for two important constituencies, including the seat of the current speaker of the National assembly, went in favour of PTI, and re-elections have been scheduled in October. On the macro front, IMF's 8th review was completed successfully and ADB okayed USD 1.2bn/annum assistance program, which is likely to continue for 5 years. PKR weakened by ~2.2% against the USD, and exports depicted a dip of 17% YoY in July, majorly hit by textile segment's lacklustre performance. July's inflation reading was a 12-year low at 1.8% which built expectations of another policy rate cut in mid-September.

Monthly Fund Comment

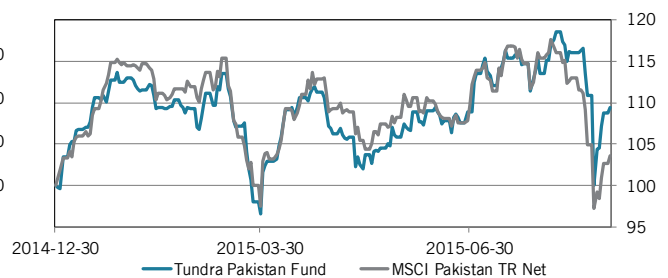
The fund fell 4.1% during the month, which was significantly better than the market, which fell 10.1%. Good stock selection in all sectors except Materials was the reason. Particularly strong was the stock selection in Financials where one of our largest holdings, Meezan Bank, rose 7% after a strong report in a weak market. Our positions in Health care (Searle, Feroz and Shifa Hospitals) also gave a strong relative contribution as well as our portfolio of Consumer staples. It was a tricky month where we had to deal with significant inflows towards the end of the month, which was carried out in a satisfactory manner. The fund did not add any new holdings over the month. In terms of sector allocations, we marginally weighted up the Energy sector and weighted down Health care.

Tundra Pakistan Fund vs index (since inception)



Source: Bloomberg

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



Source: Bloomberg

Tundra Pakistan Fund – Monthly return (EUR)

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2011													
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%					8.6%

Source: Bloomberg

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	-4.2%	-0.6%	2.0%	32.3%
Benchmark (MSCI FM xGCC Net (EUR))	-6.3%	-3.6%	-6.9%	10.1%

Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	8.6%
Pricing	Daily	Standard deviation	9.7%
Manager	Tundra Fonder AB	Standard deviation, benchmark	11.0%
Benchmark index	MSCI FM xGCC Net (EUR)	Beta	0.58
ISIN	SE0006 789 897	Information ratio	0.93
IBAN	SE445000000058648209218	Risk level	7 of 7 (refer to KIID for more info)
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	40 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 August

	Return (EUR)		Return (EUR)
Islami Bank Bang	32.1%	Kcell	-33.9%
Bbva Banco Franc	13.0%	Halyk Savings Bk	-25.5%
Ct Holdings Plc	11.1%	United Bank Afr	-22.8%
Cargills Ceylon	10.5%	Bim Son Cement J	-22.8%
Banco Macro Sa-I	7.7%	Petrovietnam Dri	-21.2%

Five largest holdings

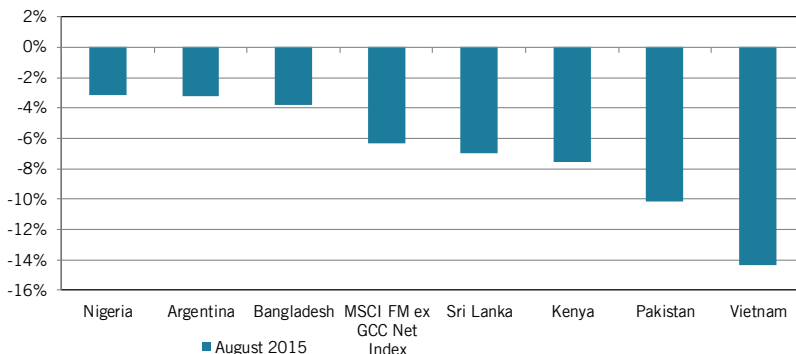
Holding	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
Zenith Bank Plc	7.7%	Nigeria	4.9	4.8	1.5%	-5.4%
Brac Bank Ltd	6.7%	Banglad.	19.6	10.0	5.1%	-5.3%
Active Fine Chem	5.3%	Banglad.	-	-	0.9%	-9.0%
John Keells Hldg	4.3%	Sri Lank.	17.1	15.6	1.7%	-11.3%
Meezan Bank Ltd	3.8%	Pakistan	11.0	11.7	6.3%	6.9%

Source: Bloomberg, Tundra Fonder

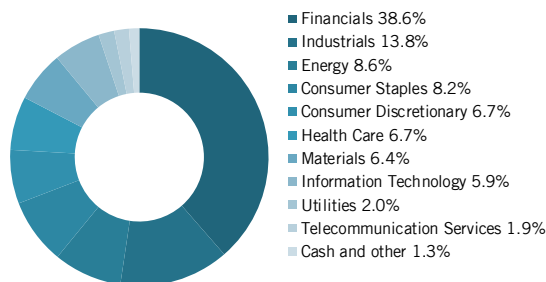
Fund Objective

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.

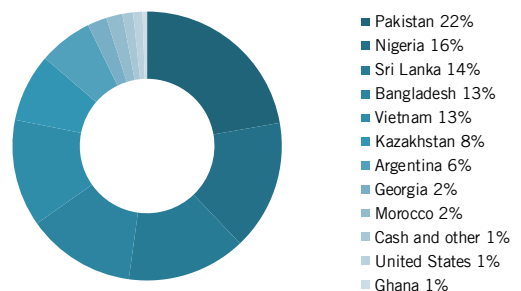
Major frontier markets (EUR, total return)



Tundra Frontier Opportunities: Sector allocation



Tundra Frontier Opportunities: Country allocation



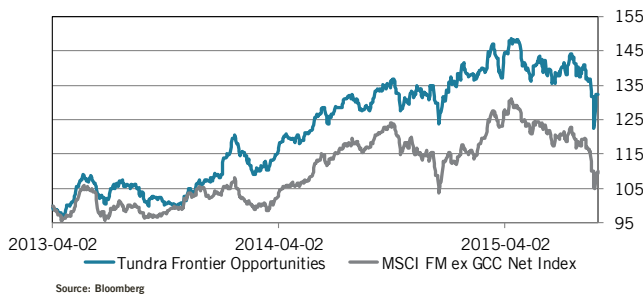
Monthly Market Comment

MSCI Frontier Markets Index xGCC Net (EUR) fell 6.3% during the month. The month was characterized by the events in China and the aftermath of it. China's decision to allow the renminbi to depreciate 3% just before the middle of the month created public alarm on many equity and currency markets. It lowered expectations of an imminent rate hike by the FED, which meant that the dollar at a time during the month declined nearly 5% against EUR to eventually close down 1%. Many frontier markets use the dollar as a reference currency for their monetary policies, which reinforced the swings in the price movements during the month. Commodity dependent Kazakhstan devalued its currency, Tenge, 22% between August 18th and 20th. Even the currencies of countries which are less dependent on exports and benefit from lower commodity prices, such as Pakistan, however also suffered during the turmoil. August 24th the Pakistani Rupee weakened almost 2% vs the USD and almost 5% against the Euro. Hardest hit among the stock markets during the month was exports dependent Vietnam. Vietnam reacted immediately on the Chinese action and let its currency, the Dong, depreciate 3% against the dollar during the month. Pakistan also joined the underperformers and fell sharply, as did Kazakhstan. The best performing markets in August were the previous month's losers Argentina and Nigeria and Bangladesh once again provided a decent month relative to other markets.

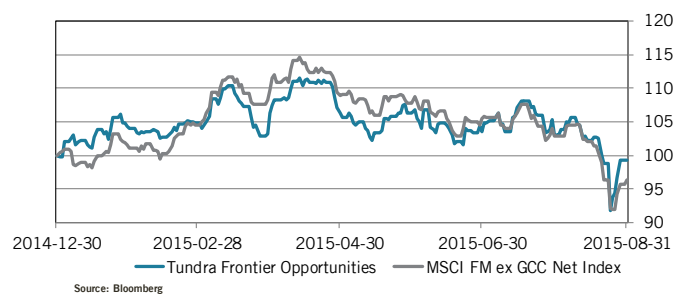
Monthly Fund Comment

The fund fell 4.2%, compared with the benchmark index, which fell 6.3%. It was the worst possible conditions, with turbulent markets and significant outflows in the fund during the month, which in hindsight was handled well. It also meant significant reallocations where we chose to reduce the number of positions with about 1/3 and the percentage allocation of the remaining holdings were increased in accordance with conviction. A higher proportion of cash than normal and successful stock picking, especially in Pakistan, were the main reasons for the fund's excess return during the month.

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%					-0.6%

Source: Bloomberg

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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.