

Semi Annual Report

Tundra Frontier Opportunities Fund

2015-01-01 - 2015-06-30

Comments from the CEO

Frontier markets have lacked a general trend during the first half of the year. The asset class measured as MSCI Frontier Markets xGCC Net returned 3% in SEK. The currency however contributed positively and the USD return amounted to -3%. Frontier markets hence underperformed emerging as well as developed markets (+10% and 9% respectively).

The global news flow was dominated by speculation in the timing of the next FED rate hike, the ECB and PBOC liquidity injections in order to help growth, the Greek debt issue and a substantial sell-off in the domestic Chinese equity market.

Nigeria conducted a presidential election in March. The opposition candidate Muhammadu Buhari ended as the winner. The fact that democratic elections could be held should be viewed as a step forward. It is also an example of the general political stabilisation taking place within frontier markets and which paves the way for continued economic growth. During the spring and summer, Buhari was however the source of disappointment. The reforms he had promised have not yet materialized and the criticism has gradually increased against the lack of speed. The low oil price prevailing during the first six months of the year has also been a challenge for oil exporting Nigeria. Unlike Nigeria, the Asian frontier markets have in general gained from the low oil price. Pakistan is one example of this. The country has in addition enjoyed lower inflation which has enabled rate cuts. During the spring, MSCI announced that Pakistan is considered for upgrading to emerging market status. This would spur foreign interest. Positive steps have also been taken in Vietnam as it was announced that the cap on foreign holdings of listed equity most likely will be scrapped. The top performing major frontier markets during the period January-June are Argentina (+15%) and Pakistan (+7%). Nigeria underperformed (-1%).

Merger and change of name

During February, the fund Tundra QuAsia was merged into Tundra Frontier Opportunities Fund. The merger was motivated by the fact that the former had not lived up to Tundra's return expectations and the limited demand among investors. We believe that Tundra Frontier Opportunities Fund has good chances to provide the investor with better risk adjusted return. During the spring, Tundra Pakistanfond changed name to Tundra Pakistan Fund. The change in name occurred on the back of Tundra's international expansion and rising demand for the company's funds overseas.

Inception of a unique fund

Tundra announced during the past six months that it will launch a new fund, Tundra Sustainable Frontier Fund. The fund will invest globally in frontier markets. It will be a unique fund as it will apply a sustainable approach as part of its stock selection. Companies breaching international norms or being active in sectors including pornography, alcohol, weapons, commercial gambling or tobacco will be excluded. The combination of a sustainable investment approach and frontier markets is unique. As part of this effort, Tundra recruited dedicated ESG analysts to the research team.

Jon Scheiber, CEO, Tundra Fonder

Fund managers Report

Objectives and investment policy

The fund is actively managed to create a financial exposure to the economic development of frontier markets and deliver as high return to unitholders as possible with respect to the Fund's risk level.

The Fund's performance

The fund rose 1.39 percent (fund share class A SEK) in the first half of 2015, compared to its benchmark MSCI Frontier Markets excl. GCC-countries Net (SEK) which rose 2.92 percent during the same period.

The Fund's net assets development

Assets under management at June 30, 2015 amounted to SEK 989 million, which represents an increase of SEK 72 million compared with SEK 917 million at 31 December 2014.

The value of issued fund shares amounted to Class A 230 million, Class C SEK 71 million and Class D SEK 880. In addition, the value of fund shares issued due to the merger with Tundra QuAsia amounted to Class A SEK 10 million, Class C SEK 12 million and Class D SEK 0.

The value of redeemed fund shares amounted to Class A SEK 195 million, Class C SEK 68 million and Class D SEK 0.

The value of the total change of fund shares during the period hence amounted to Class A SEK 45 million, Class C SEK 14 million and Class D SEK 880.

Market comment

Frontier Markets as a group developed marginally positive. The positive return was however exclusively attributed to the fact that the Swedish krona weakened on average by 6% against the underlying countries' currencies. Without this, the asset class would have shown a slight decline. The differences between different markets were significant. The best market, Argentina, rose 15%, while the worst market, Kazakhstan, fell 11%. Sri Lanka developed negatively (-9%) due to political uncertainty after the presidential election. Kenya, which was one of the best markets in the first quarter with a rise of nearly 20%, gave back all gains in the second quarter due to concerns about the country's economic situation. Pakistan, which had a weak first quarter, was one of the best markets in the second quarter after a financial framework agreement with China was signed and after the country's stock market was put on review for upgrade to emerging market status by the world's largest index provider. This year we have seen how foreign investors have continuously reduced its exposure to both frontier and emerging markets, which generally has weighed on the development.

Risks in the Fund

The fund does not hedge its currency exposure, which may affect returns in the case of currencies on frontier markets weaken. Central banks in many frontier markets compare particularly its exchange rate with the US dollar, which creates an indirect link and risk also against the US dollar.

Derivatives

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

Mattias Martinsson, CIO and Portfolio manager

Financial overview

Main Portfolio

	AUM SEK	NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2015-06-30	988 839 304	-	6 417 137,47	-		
2014-12-31	916 615 995	-	6 032 099,74	-		
2013-12-31	253 860 513	-	2 154 423,88	-		

Fund Share Class A SEK

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2015-06-30	-	154,07	6 260 539,39	-	1,39	2,92
2014-12-31	-	151,96	5 964 830,02	-	28,95	17,33
2013-12-31	-	117,84	2 113 195,82	-	17,84 1)	10,95 1)

Index: MSCI Frontier Markets EX GCC Net (SEK)

1) Period 2013-04-02 - 2013-12-31

Fund Share Class C EUR

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2015-06-30	-	16,77	156 592,79	-	4,16	5,11
2014-12-31	-	16,10	67 269,72	-	21,33	10,23
2013-12-31	-	13,27	41 228,06	-	5,40 1)	2,06 1)

Index: MSCI Frontier Markets EX GCC Net (EUR)

1) Period 2013-06-12 - 2013-12-31

Fund Share Class D USD

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2015-06-30	-	17,92	5,29	-	-5,24 1)	-2,79 1)

Index: MSCI Frontier Markets EX GCC Net (USD)

1) Period 2015-04-10 - 2015-06-30

Balance Sheet

<i>In SEK</i>	<i>Note</i>	<i>2015-06-30</i>	<i>2014-12-31</i>
Assets			
Transferable securities		961 595 573	802 201 555
Fund shares		0	32 149 699
Total	1	961 595 573	834 351 254
Bank accounts		19 752 062	88 530 484
Pre-paid expenses and accrued income		4 497 572	2 087 568
Other assets		11 239 600	63 942
Total		997 084 807	925 033 248
Liabilities			
Accrued expenses and deferred income		7 175 111	7 894 373
Other liabilities		1 070 392	522 881
Total		8 245 503	8 417 254
Total Net Asset	1,2	988 839 304	916 615 995

Accounting principles and valuation of financial instruments

Amounts in SEK unless otherwise stated

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.

Key Figures

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

Note

Note 1 Financial Instruments, portfolio

2015-06-30.

Securities

Branch	Quantity	Value	%
Transferable securities			
Category 1			
CNG VIETNAM JSC, Vietnam, VND	157 000	1 733 950	0,18
JSC KAZMUNAIGAS GDR, Kazakhstan, USD	347 656	28 388 928	2,87
LANKA IOC ORD, Sri Lanka, LKR	1 743 740	3 378 139	0,34
OIL & GAS DEV ORD, Pakistan, PKR	665 700	9 745 076	0,99
PAK OIL FIELDS ORD, Pakistan, PKR	331 800	10 922 719	1,1
PAK PETROLEUM, Pakistan, PKR	712 700	9 502 460	0,96
PAK STATE OIL ORD, Pakistan, PKR	253 940	7 981 300	0,81
PETROVIETN DRILLING, Vietnam, VND	990 000	19 725 968	1,99
TITAS GAS TRA & DIST, Bangladesh, BDT	600 000	4 471 279	0,45
YPF SOCIEDAD ADR, Argentina, USD	120 000	27 283 743	2,76
Energy		123 133 562	12,45
BIM SON CEMENT JSC, Vietnam, VND	600 000	3 415 752	0,35
ENGRO CORPORATION ORD, Pakistan, PKR	864 600	20 827 772	2,11
HOA PHAT GROUP JSC, Vietnam, VND	517 500	5 676 126	0,57
HOA SEN GROUP, Vietnam, VND	208 000	3 355 028	0,34
KOHAT CEMENT ORD, Pakistan, PKR	411 000	6 684 699	0,68
KUMBA IRON ORE LTD, South Africa, ZAR	60 000	6 152 224	0,62
PACKAGES ORD, Pakistan, PKR	328 500	15 694 458	1,59
PIONEER CEMENT ORD, Pakistan, PKR	937 500	6 477 992	0,66
TOKYO CEMENT CO LANK, Sri Lanka, LKR	1 096 327	3 324 969	0,34
TOKYO CEMENT ORD, Sri Lanka, LKR	4 800 000	11 363 815	1,15
Material		82 972 835	8,39
ACCESS ENGINEERING P, Sri Lanka, LKR	8 654 837	12 802 897	1,29
AITKEN SPENCE ORD, Sri Lanka, LKR	500 000	3 032 826	0,31
HEMAS HOLDINGS PLC, Sri Lanka, LKR	2 203 227	11 182 131	1,13
JOHN KEELLS HLDG ORD, Sri Lanka, LKR	2 464 386	31 116 473	3,15
JOHN KEELLS WTS 2, Sri Lanka, LKR	45 513	101 412	0,01
JOHN KEELLS WTS, Sri Lanka, LKR	45 513	61 692	0,01
PAK ELEKTRON LTD, Pakistan, PKR	2 085 500	14 077 848	1,42
Industry		72 375 279	7,32
NISHAT CHUNIAN ORD, Pakistan, PKR	7 107 000	21 244 334	2,15
NISHAT MILLS ORD, Pakistan, PKR	2 500 000	23 241 066	2,35
SOUTHERN RUBBER INDU, Vietnam, VND	260 000	3 848 414	0,39
THAL LTD, Pakistan, PKR	804 500	18 687 944	1,89
Durable goods		67 021 758	6,78
CARGILLS CEYLON ORD, Sri Lanka, LKR	105 000	903 999	0,09
CEYLON COLD STR ORD, Sri Lanka, LKR	11 000	251 842	0,03

CEYLON THEATRES ORD, Sri Lanka, LKR	399 174	3 211 863	0,32
GUINNESS GHANA BREWE, Ghana, GHS	439 732	2 461 863	0,25
GUINNESS NIGERIA ORD, Nigeria, NGN	460 648	3 105 892	0,31
MASAN GROUP ORD, Vietnam, VND	780 000	23 978 579	2,42
NATIONAL FOODS P ORD, Pakistan, PKR	314 200	8 687 123	0,88
SHEZAN INTL ORD, Pakistan, PKR	210 064	15 616 944	1,58
SOCIETE DES BRASSERI, Morocco, MAD	4 366	7 276 801	0,74
VINAMILK ORD, Vietnam, VND	260 000	11 841 274	1,2
Staples		77 336 179	7,82
ACTIVE FINE CHEMICAL, Bangladesh, BDT	4 748 400	29 521 787	2,99
DHG PHARMA ORD, Vietnam, VND	80 000	2 383 436	0,24
FEROZESONS LABORATORIES, Pakistan, PKR	152 150	7 844 304	0,79
RENATA ORD, Bangladesh, BDT	13 274	1 418 790	0,14
SEARLE ORD, Pakistan, PKR	1 000 000	26 021 124	2,63
SHIFA HOSPITAL LTD, Pakistan, PKR	67 000	1 363 445	0,14
SQUARE PHAR ORD, Bangladesh, BDT	328 900	9 180 769	0,93
Health care		77 733 655	7,86
ACC BANK OF NIG ORD, Nigeria, NGN	67 000 000	15 811 022	1,6
AN PHU REAL ESTATE, Vietnam, VND	16 946	64 315	0,01
BANCO MACRO ADR REP, Argentina, USD	70 000	26 490 081	2,68
BANK AL FALAH ORD, Pakistan, PKR	1 059 000	2 165 830	0,22
BBVA BANCO FRAN ADR, Argentina, USD	50 000	7 787 422	0,79
BBVA BANCO FRAN ADR, Argentina, USD	80 000	10 530 219	1,06
COOPERATIVE BAN ORD, Kenya, KES	2 404 100	4 313 376	0,44
CRESUD S.A.-SPONS ADR, Argentina, USD	71 200	7 684 009	0,78
DIAMOND BANK ORD, Nigeria, NGN	34 000 000	6 212 201	0,63
EQUITY BANK ORD, Kenya, KES	2 900 000	11 253 233	1,14
FBN HOLDINGS ORD, Nigeria, NGN	58 003 262	19 143 779	1,94
GUARANTY TRST BK GDR, Nigeria, USD	16 075	862 089	0,09
GUARANTY TRT BNK ORD, Nigeria, NGN	33 750 833	37 941 208	3,84
HABIB BANK LTD ORD, Pakistan, PKR	250 000	4 370 187	0,44
HAGL ORD, Vietnam, VND	666 600	4 806 874	0,49
HATTON NATIONAL BANK, Sri Lanka, LKR	104 961	1 403 244	0,14
IGI INSURANCE, Pakistan, PKR	500 000	8 363 976	0,85
ISLAMI BANK ORD, Bangladesh, BDT	708 730	1 282 662	0,13
JSC HALYK BANK GDR, Kazakhstan, USD	295 034	20 786 812	2,1
KENYA COMM BK ORD, Kenya, KES	2 000 000	9 012 600	0,91
M C B ORD, Pakistan, PKR	700 000	14 191 964	1,44
MEEZAN BANK, Pakistan, PKR	8 350 000	27 861 609	2,82
NATIONAL BANK OF PAKISTAN ORD, Pakistan, PKR	2 438 000	10 553 574	1,07
PRIME BANK ORD, Bangladesh, BDT	9 000 000	37 654 559	3,81
PXP VIETNAM EMERGING, Cayman Island, USD	210 371	10 390 972	1,05
SAMPATH BANK ORD, Sri Lanka, LKR	307 865	4 954 332	0,5
TBC BANK JOINT STOCK, Georgien, USD	117 000	9 988 953	1,01
UNITED BANK FOR AFRICA ORD, Nigeria, NGN	115 000 000	23 883 637	2,42
WEST AF PROV INS ORD, Nigeria, NGN	1 771 156	36 858	0

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VIETINBANK ORD, Vietnam, VND	510 000	3 716 338	0,38
VINGROUP JSC ORD, Vietnam, VND	2	33	0
ZENITH INTL BANK ORD, Nigeria, NGN	43 000 000	34 450 955	3,48
Financials		377 968 923	38,22
AVANCEON LTD, USA, PKR	1 500 000	4 080 971	0,41
FPT CORP, Vietnam, VND	976 235	18 377 222	1,86
NETSOL TECHNOLOG ORD, Pakistan, PKR	3 721 000	13 914 931	1,41
IT		36 373 124	3,68
DIALOG AXIATA, Sri Lanka, LKR	736 855	483 436	0,05
KCELL GDR, Kazakhstan, USD	200 350	14 423 630	1,46
MTN GROUP LTD, South Africa, ZAR	80 000	12 449 451	1,26
P T C L A ORD, Pakistan, PKR	2 960 000	4 933 527	0,5
Telecom		32 290 044	3,27
KARACHI ELECTRIC ORD, Pakistan, PKR	21 000 000	14 390 214	1,46
Power utilities		14 390 214	1,46
Total Category 1		961 595 573	97,24
Total transferable securities		961 595 573	97,24
Total financial instruments		961 595 573	97,24
Other assets and liabilities		27 243 731	2,76
Total Net Asset		988 839 304	100

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.

Not 2 Changes in Net Asset

	<i>2015-01-01- 2015-06-30</i>	<i>2014-01-01- 2014-12-31</i>
Net asset, start of the year	916 615 995	253 860 513
Fund share class A SEK		
No. of issued fund shares	229 773 614	599 313 456
No. of redeemed fund shares	-195 488 524	-90 876 181
Tundra QuAsia merge into Tundra Frontier Opp Fund	10 337 744	3 487 074
	44 622 834	511 924 349
Fund share class C EUR		
No. of issued fund shares	70 768 901	24 230 245
No. of redeemed fund shares	-68 340 757	- 20 997 004
Tundra QuAsia merge into Tundra Frontier Opp Fund	11 603 752	0
	14 031 896	3 233 241
Fund share class D USD		
No. of issued fund shares	880	0
No. of redeemed fund shares	0	0
	880	0
Net result according to income statement	13 567 699	147 597 892
Net Asset, at end of the period	988 839 304	916 615 995

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