

Semi Annual Report

Tundra Pakistan 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 Pakistan and deliver as high return to unitholders as possible with respect to the Fund's risk level.

The Fund's performance

The fund rose 6.60 percent (fund share class A SEK) in the first half of 2015. The fund's benchmark MSCI Pakistan Daily Net Total Return (SEK) rose by 6.48 per cent during the same period. The fund's investments in consumer staples and healthcare were the main contributors to relative performance while our underweights in utilities and fertilizers had a negative effect on the fund's relative performance.

The Fund's net assets development

Assets under management at June 30, 2015 amounted to SEK 498 million, which represents an decrease of SEK-108 million compared with SEK 606 million at 31 December 2014.

The value of issued fund shares amounted to Class A SEK 327 million, Class C SEK 26 240 and Class D SEK 47 million. The value of redeemed fund shares amounted to Class A SEK 514 million, Class C SEK -1 million and Class D SEK 0.

The value of the total change of fund shares during the period hence amounted to Class A SEK -186 million, Class C SEK -1 million and Class D SEK 47 million.

Market comment

The Pakistani stock market rose by 6.60 percent during the first six months. After a weak start to the year where significant outflows from a failing hedge fund with significant investments in frontier markets the the Pakistani equity market rose on the back of an improving macroeconomic picture with falling inflation and lower oil prices. The signing of the so called China Pakistan Economic Corridor in April 2015 where China will invest up to USD 46 billion in infrastructure investments was a significant milestone which improved sentiment towards the equity market.

Risks in the Fund

The Fund continues to hold a significant underweight in the energy sector, which in the case of oil prices suddenly strengthens greatly affect the relative performance negatively. The Fund does not protect the holdings of currency movements which may affect returns in Swedish Krona adversely in case the Pakistani 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.

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	497 912 779	-	1 717 627,87	-	-	-
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) Period 2011-10-14-2011-12-31

Fund Share Class A SEK

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2015-06-30	-	290,04	1 549 167,05	-	6,60	6,48
2014-12-31	-	272,07	2 221 251,24	-	61,62	36,99
2013-12-31	-	168,34	1 507 252,51	-	45,37 1)	32,26 1)

Index: MSCI Pakistan Net (SEK)

1) 2013-06-20 Tundra Pakistanfond changed to Tundra Pakistanfond, Fund Share Class A

Fund Share Class C EUR

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2015-06-30		31,40	600,39	-	8,50	8,75
2014-12-31	-	28,94	5 446,09	-	51,76	28,7
2013-12-31	-	19,07	691,20	-	10,62 1)	-2,67 1)

Index: MSCI Pakistan 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	-	34,69	167 860,43	-	-0,26	-0,16
2014-12-31	-	34,78	4,47	-	33,10	13,04
2013-12-31	-	26,13	4,47	-	16,70 1)	11,15 1)

Index: MSCI Pakistan Net (USD)

1) Period 2013-10-23 - 2013-12-31

Balance Sheet

<i>In SEK</i>	<i>Note</i>	<i>2015-06-30</i>	<i>2014-12-31</i>
Assets			
Transferable securities		489 000 904	538 710 304
Total	1	489 000 904	538 710 304
Bank accounts		11 665 815	82 286 913
Pre-paid expenses and accrued income		3 225 816	2 193 659
Other assets		0	143 541
Total		503 892 535	623 334 417
Liabilities			
Accrued expenses and deferred income		5 419 106	10 524 304
Other liabilities		560 650	6 984 709
Total		5 979 756	17 509 013
Total Net Asset	1,2	497 912 779	605 825 404

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

Not 1 Financial Instruments, portfolio

2015-06-30

Securities

Branch	Quantity	Value	%
Transferable securities			
Category 1			
OIL & GAS DEV ORD, Pakistan, PKR	1 350 000	19 762 434	3,97
PAK OIL FIELDS ORD, Pakistan, PKR	432 600	14 241 014	2,86
PAK PETROLEUM, Pakistan, PKR	750 000	9 999 783	2,01
PAK STATE OIL ORD, Pakistan, PKR	605 328	19 025 377	3,82
Energy		63 028 608	12,66
AISHA STEEL MILLS PR, Pakistan, PKR	244 300	156 570	0,03
ENGRO CORPORATION ORD, Pakistan, PKR	950 800	22 904 286	4,6
ENGRO POLYMER ORD, Pakistan, PKR	8 000 000	6 373 948	1,28
FATIMA FETILZER COMPANY ORD, Pakistan, PKR	4 512 500	14 274 721	2,87
FAUJI BIN QASIM ORD, Pakistan, PKR	1 030 000	4 649 349	0,93
FAUJI CEMENT ORD, Pakistan, PKR	2 000 000	5 659 402	1,14
GHANI GLASS ORD, Pakistan, PKR	124 000	876 047	0,18
KOHAT CEMENT ORD, Pakistan, PKR	290 000	4 716 697	0,95
LUCKY CEMENT ORD, Pakistan, PKR	363 200	15 301 820	3,07
MAPLE LEAF CMNT ORD, Pakistan, PKR	1 000 000	6 393 480	1,28
PACKAGES ORD, Pakistan, PKR	300 000	14 332 839	2,88
PIONEER CEMENT ORD, Pakistan, PKR	1 009 500	6 975 502	1,4
Material		102 614 661	20,61
PAK ELEKTRON LTD, Pakistan, PKR	2 300 000	15 525 797	3,12
Industry		15 525 797	3,12
BATA PAKISTAN ORD, Pakistan, PKR	29 242	8 884 891	1,78
HASCOL PETROLEUM LTD, Pakistan, PKR	1 100 000	10 277 097	2,06
HUM NETWORK LTD, Pakistan, PKR	2 547 500	3 359 689	0,67
KOHINOOR TEXTILE MIL, Pakistan, PKR	1 425 500	7 483 937	1,5
NISHAT CHUNIAN ORD, Pakistan, PKR	4 795 200	14 333 872	2,88
NISHAT MILLS ORD, Pakistan, PKR	1 494 400	13 892 580	2,79
TARIQ GLASS ORD, Pakistan, PKR	200 000	952 023	0,19
THAL LTD, Pakistan, PKR	425 869	9 892 624	1,99
Durable goods		69 076 713	13,87
ENGRO FOODS ORD, Pakistan, PKR	1 255 000	15 467 502	3,11
HABIB SUGAR ORD, Pakistan, PKR	2 235 000	7 610 358	1,53
NATIONAL FOODS P ORD, Pakistan, PKR	392 250	10 845 079	2,18
NOON PAKISTAN NVS, Pakistan, PKR	1 189 125	4 258 102	0,86
SHEZAN INTL ORD, Pakistan, PKR	137 326	10 209 329	2,05
Staples		48 390 370	9,72
FEROZESONS LABORATORIES, Pakistan, PKR	155 750	8 029 907	1,61
SEARLE ORD, Pakistan, PKR	698 066	18 164 462	3,65

SHIFA HOSPITAL LTD, Pakistan, PKR	240 000	4 883 981	0,98
Halt care		31 078 350	6,24
ALLIED BANK ORD, Pakistan, PKR	1 205 633	9 805 965	1,97
ASKARI BANK ORD, Pakistan, PKR	1 444 218	2 492 925	0,5
BANK AL FALAH ORD, Pakistan, PKR	6 360 000	13 007 250	2,61
EFU LIFE, Pakistan, PKR	500 000	7 955 228	1,6
HABIB BANK LTD ORD, Pakistan, PKR	770 100	13 461 925	2,7
M C B ORD, Pakistan, PKR	1 030 130	20 885 097	4,19
MEEZAN BANK, Pakistan, PKR	6 650 555	22 191 038	4,46
NATIONAL BANK OF PAKISTAN ORD, Pakistan, PKR	2 100 000	9 090 445	1,83
UNITED BANK LTD ORD, Pakistan, PKR	1 207 500	16 772 803	3,37
Financial		115 662 676	23,23
AVANCEON LTD, USA, PKR	2 754 000	7 492 663	1,5
NETSOL TECHNOLOG ORD, Pakistan, PKR	2 037 650	7 619 930	1,53
IT		15 112 592	3,04
P T C L A ORD, Pakistan, PKR	3 046 500	5 077 700	1,02
Telecom		5 077 700	1,02
KARACHI ELECTRIC ORD, Pakistan, PKR	34 197 000	23 433 436	4,71
Transferable securities		23 433 436	4,71
Total Category 1		489 000 904	98,21
Total transferable securities		489 000 904	98,21
Total financial instruments		489 000 904	98,21
Other assets and liabilities		8 911 875	1,79
Total Net Asset		497 912 779	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	605 825 404	253 853 989
Fund share class A SEK		
No. of issued fund shares	327 447 983	641 805 278
No. of redeemed fund shares	-513 736 993	-484 298 731
	-186 289 010	157 506 547
Fund share class C EUR		
No. of issued fund shares	26 240	962 176
No. of redeemed fund shares	-1 428 611	-105 193
	-1 402 371	856 983
Fund share class D USD		
No. of issued fund shares	47 265 270	2 416 225
No. of redeemed fund shares	0	-2 554 332
	47 265 270	-138 107
Net result according to income statement	32 513 486	193 745 992
Net Asset, at end of the period	497 912 779	605 825 404

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