

MONTHLY LETTER OCTOBER 2015



TUNDRA  FONDER

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Tundra Frontier Opportunities Fund (class F, EUR)

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	5.5%	1.9%	2.3%	34.9%
Benchmark (MSCI FM xGCC Net (EUR))	7.1%	-0.2%	-4.7%	14.0%

Facts	Risk and costs*	
Inception date	2013-04-02	
Pricing	Daily	
Manager	Tundra Fonder AB	
Benchmark index	MSCI FM xGCC Net (EUR)	
ISIN	SE0006 789 897	
IBAN	SE445000000058648209218	
BIC	ESSESESS	
Custodian	SEB	
Auditor	PWC	
	Active risk (Tracking error)	8.6%
	Standard deviation	11.8%
	Standard deviation, benchmark	12.8%
	Beta	0.70
	Information ratio	1.12
	Risk level	7 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**	2.5%
	AuM	40.2 MEUR

* 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 October

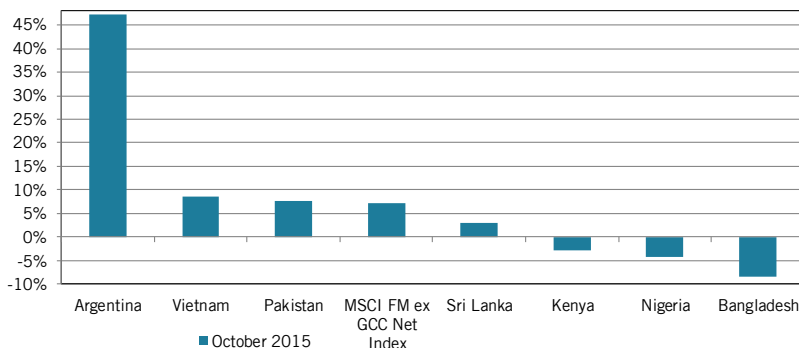
	Return (EUR)		Return (EUR)
Banco Macro Sa-I	54.5%	Diamond Bank	-21.8%
Grupo Galicia-B	46.4%	Fbn Holdings Plc	-16.5%
Bbva Banco Franc	44.9%	United Bank Afr	-15.6%
Ypf Sa-D	36.2%	Access Bank Plc	-10.0%
Cresud Sa	30.5%	Tbc Bank Jsc-Gdr	-8.8%

Five largest holdings

Holding	Portfolio weight	Country	P/E 2014A	P/E 2015E	Yield	Return 1 month (EUR)
Zenith Bank Plc	7.4%	Nigeria	5.8	5.3	10.2%	6.3%
Active Fine Chem	5.2%	Banglad.	-	-	-	1.0%
Brac Bank Ltd	5.1%	Banglad.	-	-	6.4%	14.8%
John Keells Hldg	4.0%	Sri L.	16.5	15.1	1.7%	4.6%
Fpt Corp	4.0%	Vietnam	11.8	10.3	3.8%	13.2%

Source: Bloomberg, Tundra Fonder

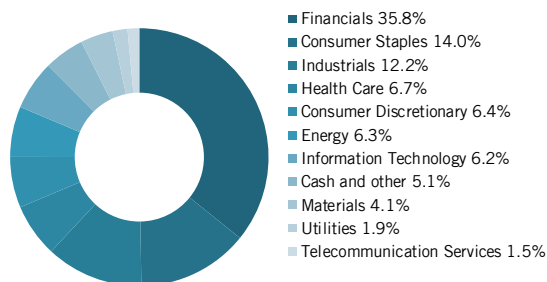
Major frontier markets (EUR, total return)



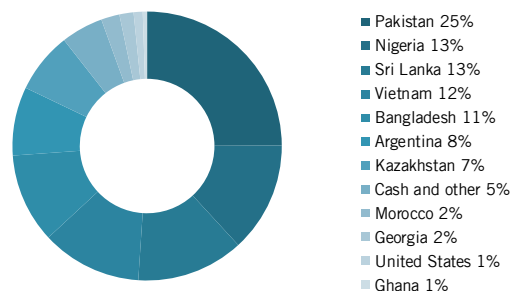
Fund Objective

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



Fund return is for time periods starting prior to June 12th 2013 based on the A share class in SEK converted to EUR using Bloomberg currency data in order to provide maximum performance history. The value of money invested in a fund can increase or decrease and there is no guarantee that all of your invested capital can be redeemed. Past performance is no guarantee for future returns. The value of invested capital may vary substantially due to the composition of the fund and the investment process used by the fund manager. The Full Prospectus, KIID etc. are available on our homepage (www.tundrafonder.se). You can also contact us to receive the documents free of charge.

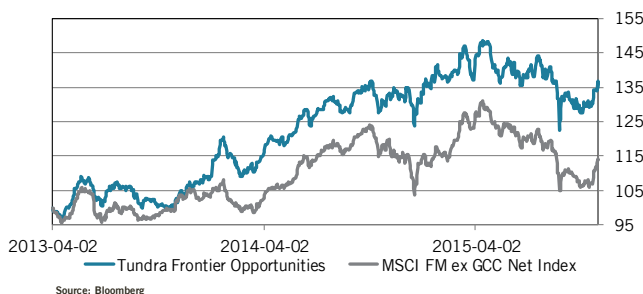
Monthly Market Comment

MSCI Frontier Markets xGCC Net (EUR) rose 7.1% during the month. This constitute the first month with rising local share prices since April 2015. Argentina (which constitutes 13% of the index) rose 47%, which explains a large part of the rise. Among other markets Kazakhstan (+10%), Vietnam (+9%) and Pakistan (+8%) showed strong performance, while Bangladesh (-8%), Nigeria (-4%) and Kenya (-3%) were the worst markets. Argentina's strong performance is explained by the unexpected outcome of the first round of the Argentine presidential election where the market's favorite Macri unexpectedly received almost as much votes as the expected winner, Kirchner-affiliated Scioli. A second round will be held on November 22. Unexpected strong support for Macri in the first round now means that he is the narrow favorite in the second round, something the market now is pricing in. A win for Macri would short term mean increased likelihood that economic policy in Argentina would improve. The single most important event of the month was otherwise China's decision on October 23 to ease monetary policy further. At least for the short term this could mark an end to of the concerns of emerging and frontier markets that began in conjunction with the China allowed the renminbi to depreciate 4% over a few days during the month of August.

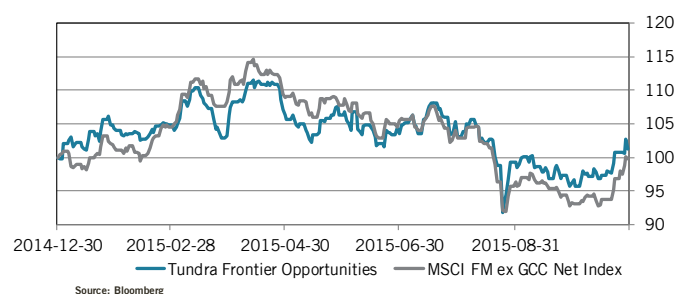
Monthly Fund Comment

The fund rose 5.5% during the month, compared to the market which rose 7.1%. Our underweight in Argentina (7% vs 13% weight in the index) was obviously the single largest negative contribution on country level over the month while absence of Kenyan holdings gave the largest positive contribution. Good stock selection in most markets, in particular Bangladesh, Morocco, Nigeria and Vietnam added relative performance. Outside our Argentine holdings Moroccan brewery SBM excelled with a gain of nearly 20%. Positive earnings from Vinamilk meant that the stock rose nearly 21% during the month. Our favorite bank in Pakistan, Meezan Bank (4% of the fund), however, had a tough month and rebounded 6%. During the month an old time favorite, Murree Brewery, returned to the portfolio. The stock has been outside the portfolio since January 2014. We financed the purchase by selling a small part of our holding in Brac Bank.

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%			1.9%

Source: Bloomberg

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