

# MONTHLY LETTER JANUARY 2016



TUNDRA  FONDER

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## Tundra Frontier Opportunities Fund (class F, EUR)

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	-5.0%	-5.0%	-10.3%	24.6%
Benchmark (MSCI FM xGCC Net (EUR))	-4.4%	-4.4%	-9.9%	4.0%

Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	6.6%
Pricing	Daily	Standard deviation	11.9%
Manager	Tundra Fonder AB	Standard deviation, benchmark	12.3%
Benchmark index	MSCI FM xGCC Net (EUR)	Beta	0.83
ISIN	SE0006 789 897	Information ratio	0.54
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	35.6 MEUR
Auditor	PWC		

\* Risk indicators are based on monthly rolling 24 months of return data.

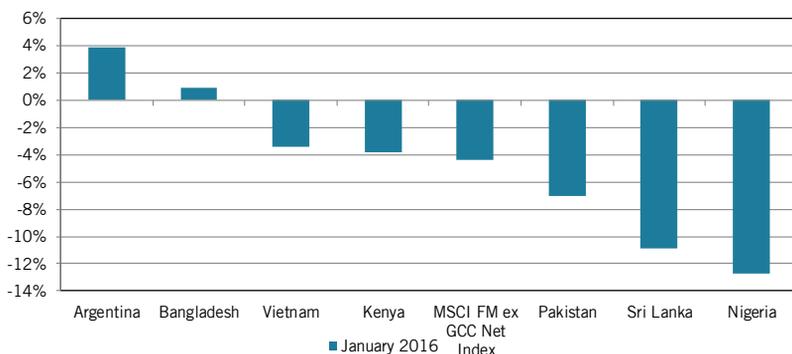
\*\* The management fee includes variable custody fees, audit, legal and marketing expenses.

Best performers in January		Worst performers in January	
	Return (EUR)		Return (EUR)
Nishat Chunian	16.0%	Cresud Sa	-22.4%
Netsol Technolog	15.1%	Fbn Holdings Plc	-22.2%
Pak Elektron	8.3%	Diamond Bank	-21.6%
Bim Son Cement .	7.9%	Tpl Trakker Ltd	-21.2%
Vingroup Jsc	5.2%	Tokyo Cement Co	-18.6%

Five largest holdings						Return 1
Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	month (EUR)
Active Fine Chem	6.0%	Banglad.	-	-	-	-0.4%
Zenith Bank Plc	5.9%	Nigeria	3.9	3.8	13.0%	-9.6%
Brac Bank Ltd	4.4%	Banglad.	-	-	3.3%	-3.3%
Fpt Corp	4.4%	Vietnam	10.2	8.3	4.3%	-2.3%
International Bran	4.1%	Pakistan	-	-	-	-

Source: Bloomberg, Tundra Fonder

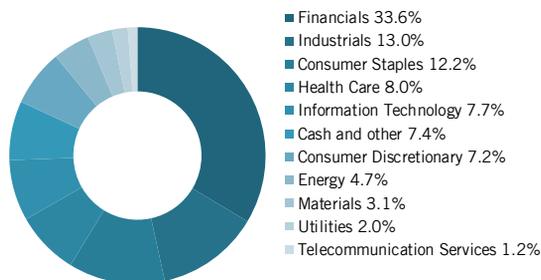
### Major frontier markets (EUR, total return)



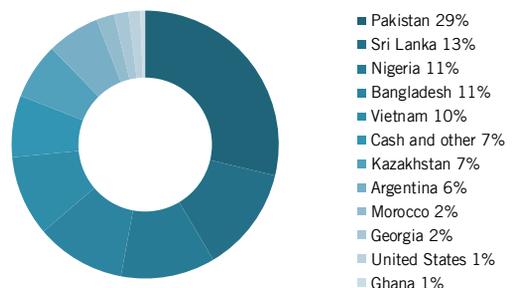
### Fund Objective

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](http://www.tundrafonder.se)). You can also contact us to receive the documents free of charge.

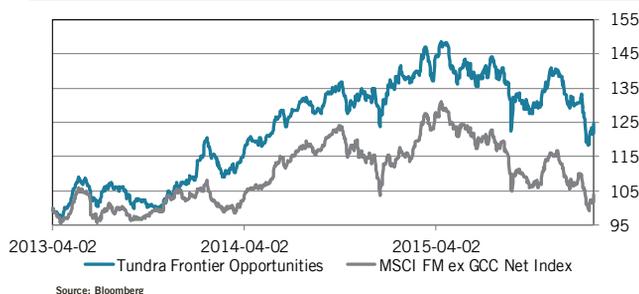
### Monthly Market Comment

MSCI Frontier Markets xGCC Index Net (EUR) fell 4.4% in January, compared with MSCI Emerging Markets Net (EUR), which fell 5.5%. The dollar strengthened slightly more than 2% against the Swedish krona, which saved another wise weak month somewhat. Commodity-exporting countries fell sharply during the month. Nigeria lost 13% and Kazakhstan fell 10% (EUR). Argentina (+4%) and Bangladesh (+1%) managed to buck the global trend. Continued concerns about weak commodity prices, primarily oil, characterized the market during the first half of January. The price of oil (measured in Arab Light) fell from USD 31/bbl to nearly USD 22 on Jan. 21 after which the price bounced back to USD 30/barrel. The discussions in the market now center around portfolio flows. Rumors of upcoming large outflows from sovereign wealth funds are used as arguments for why seemingly cheap markets can become even cheaper. Few participants put any emphasis on the fact that the substantial fall in commodity prices represents a strong economic stimulus to most frontier markets (outside the Middle East), most of which are net importers of commodities and several of which currently are carrying out major infrastructure investments.

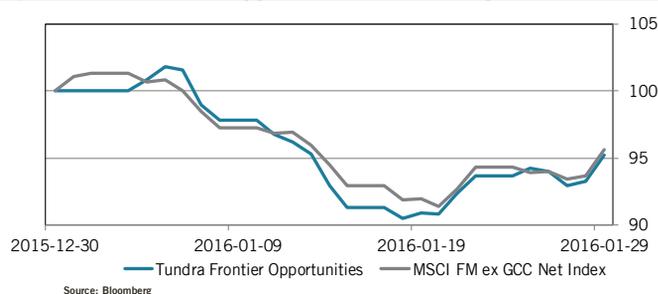
### Monthly Fund Comment

The fund dropped 5.0% in January, which was lower than the benchmark index, which dropped 4.4%. The underweight in Argentina was the single most important reason for the relatively weak performance, while the fund's overweight in Bangladesh as well as the underweight in Nigeria mitigated the drop slightly. Good stock picking in Pakistan also contributed positively. Textile manufacturer Nishat Chunian (just below 3% of the Fund) rose 16% after the government announced a stimulus program for the textile sector. The IT company Netsol (2% of the fund) continued up another 15% in the wake of the large software contract the company won in December. Negative contribution from stock selection was obtained mainly from Nigeria and Kazakhstan. Nigerian United Bank of Africa (more than 3% of the fund) fell 14% during the month in a weak market. Sri Lankan cement manufacturer Tokyo Cement fell 19% in a weak market. During the month the fund decreased its exposure in Brac Bank (Bangladesh) as well as Vinamilk and HSG (Vinamilk). The fund made its first investment in the Pakistani insurance sector 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%	-2.9%	5.5%	1.7%	-4.9%	-1.5%
2016	-5.0%												-5.0%

Source: Bloomberg

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