

MONTHLY LETTER JANUARY 2016



TUNDRA  FONDER

Capital invested in a fund may either increase or decrease in value and it is not certain that you will be able to recover all of your investment. Historical return is no guarantee of future return. The state of the origin of the Fund is Sweden. This document may only be distributed in or from Switzerland to qualified investors within the meaning of Art. 10 Para. 3,3bis and 3ter CISA. The representative in Switzerland is ACOLIN Fund Service AG, Stadelhoferstrasse 18, CH-8001 Zurich, whilst the Paying Agent is Bank Vontobel Ltd, Gotthardstrasse 43, CH-8022 Zurich. The Basic documents of the fund as well as the annual report may be obtained free of charge at the registered office of the Swiss Representative.

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	-3.6%	-3.6%	-10.8%	166.4%
Benchmark (MSCI Pakistan Net (EUR))	-7.0%	-7.0%	-21.4%	80.7%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	7.2%
Pricing	Daily	Standard deviation	21.4%
Manager	Tundra Fonder AB	Standard deviation, benchmark	22.9%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	0.89
ISIN	SE0006 789 905	Information ratio	1.91
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	128.7 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%	Tpl Trakker Ltd	-21.2%
Maple Leaf Ceme	16.0%	Pak Oilfields	-19.2%
Netsol Technolog	15.1%	Murree Brewery	-15.7%
Crescent Steel	13.9%	Habib Bank Ltd	-14.4%
Kohinoor Text	9.8%	Hum Network Ltd	-13.7%

Five largest holdings

Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
Pak State Oil	5.0%	Pakistan	9.4	6.6	3.7%	-1.7%
Mcb Bank Ltd	4.3%	Pakistan	-	-	7.5%	-10.1%
United Bank Ltd	4.3%	Pakistan	6.8	6.4	8.2%	-6.4%
Nishat Mills Ltd	4.0%	Pakistan	-	-	4.6%	4.0%
Packages Ltd	3.7%	Pakistan	13.5	12.1	2.2%	-6.3%

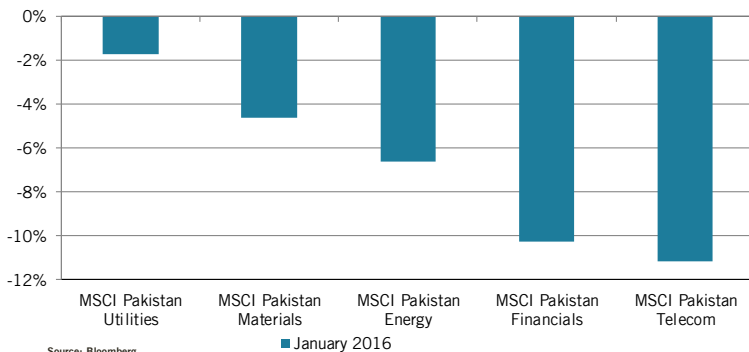
Source: Bloomberg, Tundra Fonder

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.

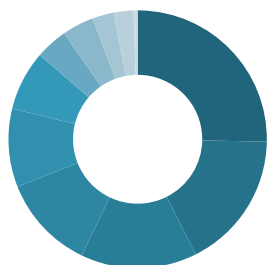
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)



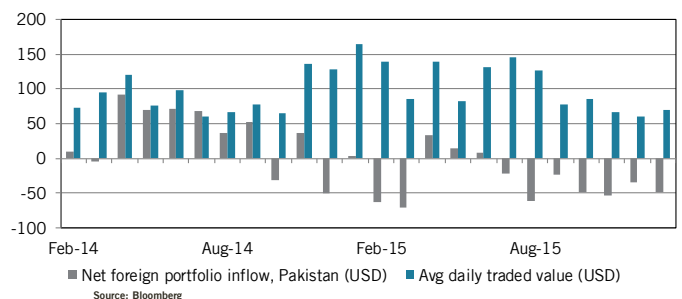
Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



- Financials 25.3%
- Materials 17.3%
- Consumer Discretionary 14.5%
- Energy 11.9%
- Consumer Staples 9.8%
- Cash and other 7.5%
- Industrials 4.1%
- Information Technology 4.0%
- Utilities 2.7%
- Health Care 2.5%
- Telecommunication Services 0.5%

Foreign flows and turnover (Karachi Stock Exchange)



Source: Bloomberg

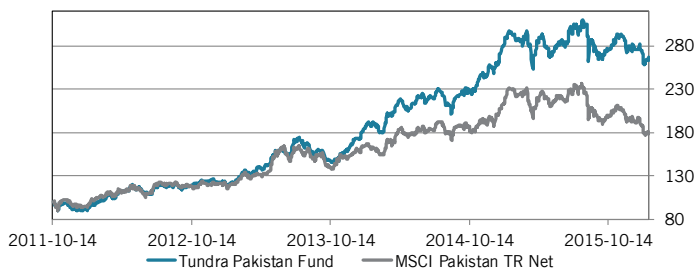
Monthly Market Comment

MSCI Pakistan Net (EUR) lost 7.0% during January, underperforming the MSCI Emerging Markets Net (EUR) which declined by 5.5%. Average daily traded value declined to USD 70m in the first month of 2016. Foreigners' selling streak continued and amounted to USD 49m for the month. Global equity rout and regulatory actions against brokers and individuals had its toll on market performance. Foreigners continued selling blue chip stocks mainly in Banks and Energy amid lack of buying interest from local investors. Inflation seems to be inching up to stand at 3.2 % compared to 2.7% in the previous month. The Central Bank kept its policy rate unchanged at 6% due to anticipated inflationary pressures going forward. Large Scale Manufacturing (LSM) grew by 4.4% Y/Y in 5mFY16 compared to 3.1% Y/Y in the corresponding period last year. The most important development regarding the market was the launch of the Pakistan Stock Exchange, which is a merger of three stock exchanges in the country. This is the first step towards the privatization of the stock exchange, where a foreign bourse is expected to take a strategic equity stake. Overhang from foreign investors suggest short term lackluster performance. However, as earnings season is kicking in there might be renewed excitement which could at least partly offset the foreign selling.

Monthly Fund Comment

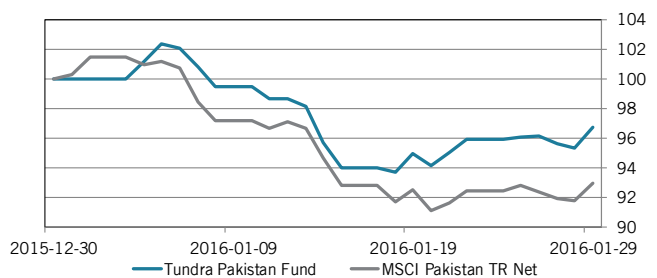
The fund declined 3.6% (EUR) during the month, outperforming the benchmark index which lost 7.0%. Positive performance during the month was mainly attributed to our underweight in index heavy stocks in the Financials, Energy and Fertilizer sectors where foreign investors remained heavy sellers. In addition, our off benchmark bets in Information Technology, Steel and Textiles also fared well during the month. However our illiquid Consumer and Healthcare stocks performed negatively for the fund as local investors sold off to meet redemptions. The fund added exposure to the Financial sector during January.

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%	-4.9%	-1.8%	-3.9%	-10.2%
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%	-6.6%	5.8%	-1.3%	-1.1%	4.8%
2016	-3.6%												-3.6%

Source: Bloomberg

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