

# MONTHLY LETTER FEBRUARY 2016



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	-2.8%	-7.7%	-13.3%	20.7%
Benchmark (MSCI FM xGCC Net (EUR))	2.5%	-2.0%	-10.8%	6.5%

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)
	Standard deviation
	Standard deviation, benchmark
	Beta
	Information ratio
	Risk level 7 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**
	AuM
	#SAKNAS!

\* 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 February

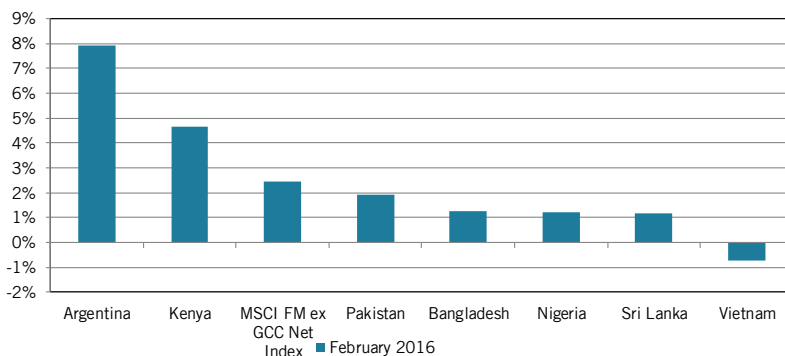
	Return (EUR)		Return (EUR)
Dhg Pharmaceut.	34.8%	Diamond Bank	-23.1%
0	17.3%	Georgia Health	-14.2%
Southern Rubber	15.3%	Tokyo Cement Co	-14.1%
Cresud Sa	11.0%	Nishat Chunian	-13.8%
Bbva Banco Franc	10.2%	Zenith Bank Plc	-12.5%

### Five largest holdings

Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
Zenith Bank Plc	5.5%	Nigeria	3.4	3.5	13.1%	-12.5%
Active Fine Chem	5.1%	Banglad.	-	-	-	-0.9%
Fpt Corp	4.6%	Vietnam	10.4	8.7	4.3%	2.4%
Brac Bank Ltd	4.2%	Banglad.	13.1	10.3	3.4%	-8.2%
IBL	4.2%	Pakistan	-	-	-	-

Source: Bloomberg, Tundra Fonder

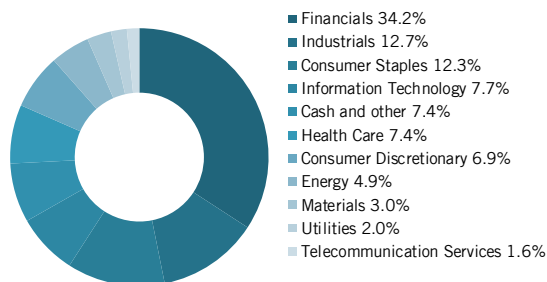
### Major frontier markets (EUR, total return)



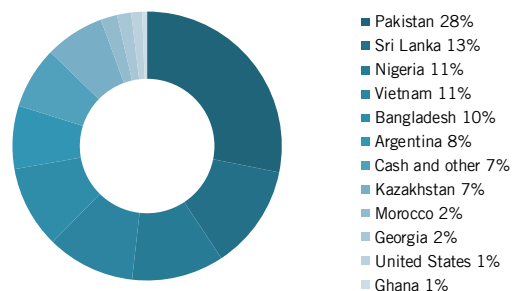
### Fund Objective

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



### Monthly Market Comment

The market

After the sell-off in January, frontier markets stabilized in February and rose 2.5% (MSCI Frontier Markets xGCC Net (EUR)). The asset class hence outperformed emerging as well as developed markets. Year-to-date frontier markets are down 2.8%.

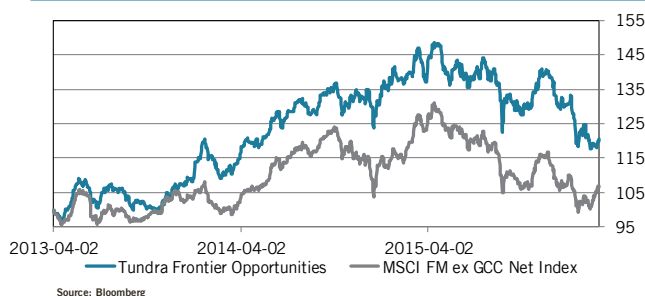
The rise in February was broad-based and only a few markets ended the month in red territory. Among major frontier markets, Argentina outperformed (+8%), but also Kenya (+4%) did well. Vietnam underperformed and fell 1%.

For the first time in a long time, the oil price stabilized and was no longer one of the dominating driving factors.

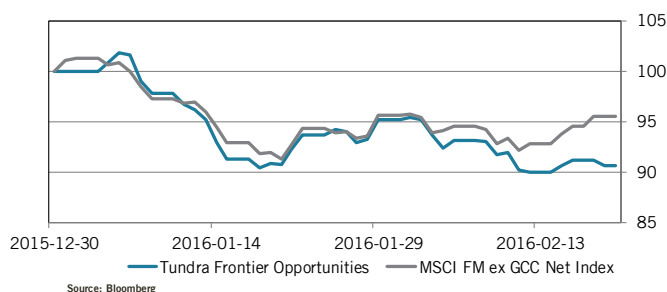
### Monthly Fund Comment

The fund fell 2.8% during the past month, substantially underperforming the benchmark which returned 2.5%. It was a month when everything that could go wrong did go wrong, and ended as one of our single worst months since inception. Approximately 1/4 of the underperformance stemmed from poor country allocation, 3/4 from stock selection. Rather than a few single bets going against us, we witnessed a non-discriminating sell-off in large parts of the universe in the mid and small cap segment. The fund, which takes substantial off benchmark bets, was hence hit hard. Having recently visited Pakistan, our single most important market, where we met with several of the companies being sold down aggressively, we can conclude that it has not been done on fundamental basis, rather the opposite. With twenty years of experience from the markets, we have respect for the market psychology. We can however conclude that for investors being able to ignore the short term turbulence, the current levels provide an entry point one witness maybe 1-2 times per decade.

### 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%	-2.8%											-7.7%

Source: Bloomberg

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