

MONTHLY LETTER FEBRUARY 2016



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	-2.9%	-6.4%	-10.2%	157.8%
Benchmark (MSCI Pakistan Net (EUR))	1.9%	-5.2%	-18.1%	84.1%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.3%
Pricing	Daily	Standard deviation	21.4%
Manager	Tundra Fonder AB	Standard deviation, benchmark	22.8%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	0.87
ISIN	SE0006 789 905	Information ratio	1.34
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	105.1 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 February		Worst performers in February	
	Return (EUR)		Return (EUR)
Noon Pakistan	60.0%	Shezan Intl	-15.3%
Ghani Glass	21.3%	Nishat Chunian	-13.8%
Pak Oilfields	17.4%	Avanceon Ltd	-12.3%
Efu Life Assuran	11.8%	Crescent Steel	-11.1%
Fauji Fertilizer	10.8%	Ferozesons Labs	-10.7%

Five largest holdings

Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
Pak State Oil	4.8%	Pakistan	9.4	6.7	3.8%	-0.4%
Mcb Bank Ltd	4.5%	Pakistan	8.3	8.5	7.9%	1.4%
United Bank Ltd	4.5%	Pakistan	7.1	6.7	8.8%	4.6%
Packages Ltd	3.8%	Pakistan	12.1	10.8	2.7%	-10.4%
IBL	3.4%	Pakistan	-	-	-	-

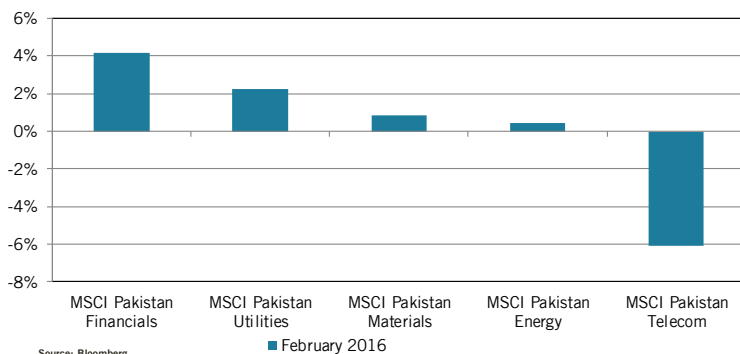
Source: Bloomberg, Tundra Fonder

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.

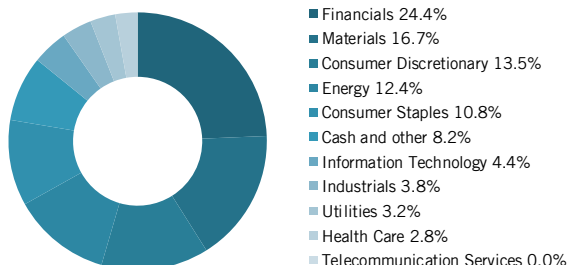
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)

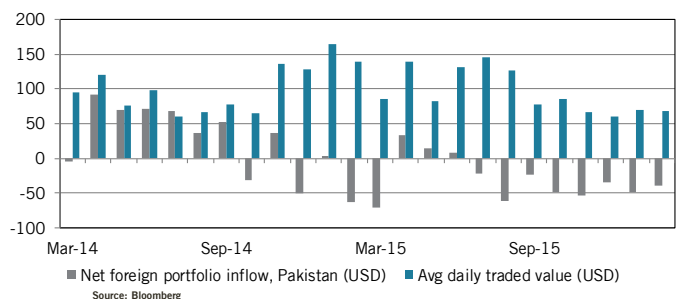


Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



Foreign flows and turnover (Karachi Stock Exchange)



Source: Bloomberg

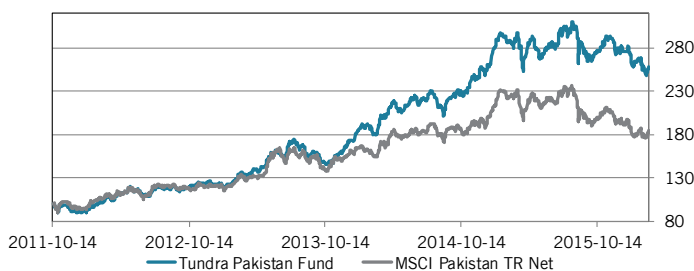
Monthly Market Comment

MSCI Pakistan Net (EUR) gained 1.9% during February, outperforming the MSCI Emerging Markets Net (EUR) which declined by 0.8%. Daily traded value remained dismal at USD 69m during the month. Foreigners selling continued and amounted to USD 40m. February turned out to be the recovery month after months of negative returns, given improvement in global sentiment. Blue chip stocks in the Energy sector witnessed renewed buying interest from local and foreign investors following the recovery in global oil prices. Oil prices bounced back more than 30% in February on anticipation of potential pact in freezing oil prices by main oil players. However, mid-caps in Consumer and Industrial sectors were the worst hit. The Pakistan-IMF talks for 10th quarterly review under the Extended Fund Facility (EFF) were successful and the IMF team recommended releasing the 11th tranche of USD 500m to Pakistan. The fiscal deficit recorded at 1.7% of GDP which is within the government's target of 2.1% of GDP, as government is benefitting from lower oil prices. Government signed a 15 year deal with Qatar to import 3.75m tons of LNG (~500mmcf) where first shipment is expected in March'16. Positive macro indicators should reflect in the stock prices in medium term however short term the market direction is likely to be foreign flow driven.

Monthly Fund Comment

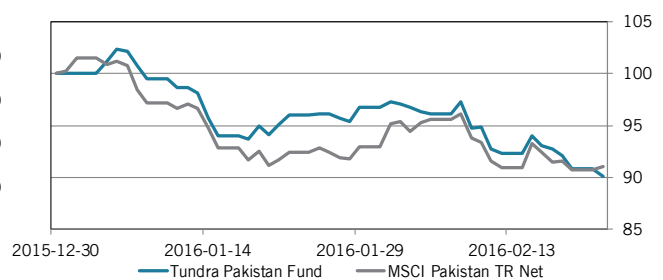
The fund declined 2.9% Net (EUR) during the month, largely underperforming the benchmark index which gained 1.9% (EUR). Relative negative performance stemmed from our huge overweight in off-benchmark mid-caps, relatively less liquid in Consumer Discretionary and Staples. In addition, fund also lost due to underweight in Financial stocks. However our stock selection in the Energy names contributed positively towards the fund performance. No major changes were made to the fund during February.

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										-4.9%	-1.8%	-3.9%	-10.2%
2012	7.3%	6.5%	6.6%	3.6%	0.7%	-4.8%	9.1%	2.1%	-3.3%	3.5%	3.3%	-1.3%	37.5%
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%	-2.9%											-6.4%

Source: Bloomberg

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