

MONTHLY LETTER

APRIL 2016



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	0.8%	-9.6%	-16.6%	17.7%
Benchmark (MSCI FM xGCC Net (EUR))	2.6%	-1.4%	-13.8%	7.2%

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)	7.9%
	Standard deviation	11.5%
	Standard deviation, benchmark	12.2%
	Beta	0.73
	Information ratio	-0.13
	Risk level	7 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**	2.5%
	AuM	33 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 April	Return (EUR)	Worst performers in April	Return (EUR)
Diamond Bank	20.2%	Murree Brewery	-16.4%
Zenith Bank Plc	17.5%	Bim Son Cement J	-15.6%
Georgia Health	17.4%	Active Fine Chem	-10.3%
Guaranty Trust	16.7%	Kcell	-10.4%
Access Bank Plc	14.9%	Kmg Ep	-7.0%

Five largest holdings

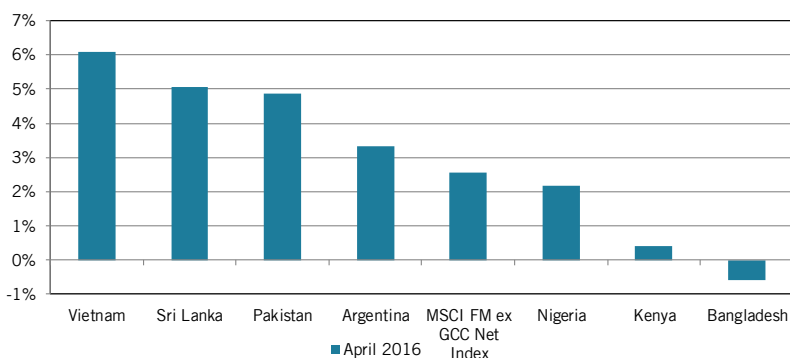
Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
Fpt Corp	4.6%	Vietnam	10.6	9.3	4.4%	2.7%
Zenith Bank Plc	4.5%	Nigeria	3.9	4.2	12.9%	17.5%
Active Fine Chem	4.4%	Banglade	-	-	-	-10.3%
Pak Elektron	4.2%	Pakistan	-	-	-	0.0%
IBL	4.1%	Pakistan	-	-	-	-

Source: Bloomberg, Tundra Fonder

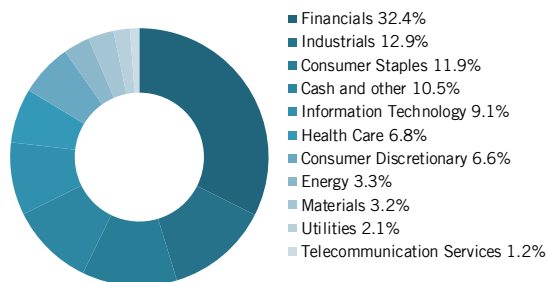
Fund Objective

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.

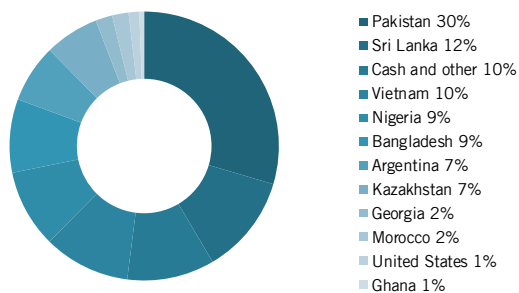
Major frontier markets (EUR, total return)



Tundra Frontier Opportunities: Sector allocation



Tundra Frontier Opportunities: Country allocation



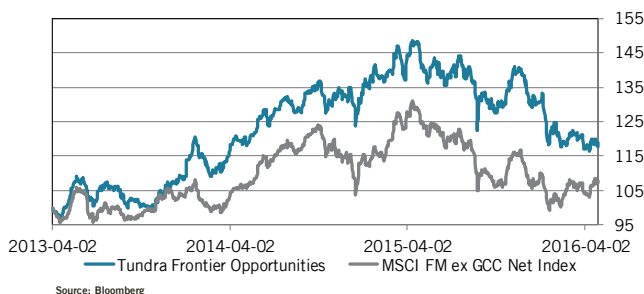
Monthly Market Comment

MSCI Frontier Market xGCC Net (EUR) rose 2.6% during the month. It was a broad upswing in which only two markets (Kazakhstan and Bangladesh) fell. Bangladesh is a market that few foreign investors have access to. In addition, the energy sector is small, which meant that the market got a little out of focus. Commodity dependent Kazakhstan's development is at first glance surprising. The country should be a market that clearly benefit from stronger commodity prices. Company specific negative news however meant that the stock market instead fell. Among the winners in April we note Morocco (9%). With its 14% YTD gain it is the best market in the benchmark. From a valuation perspective the rise is surprising. With an average P/E of 18x and expected earnings growth of 4-5%, the market is in our eyes expensive. To a large extent we think the problems in other African markets (primarily Nigeria) have led to some investors "hiding" in Morocco which is known for being very defensive.

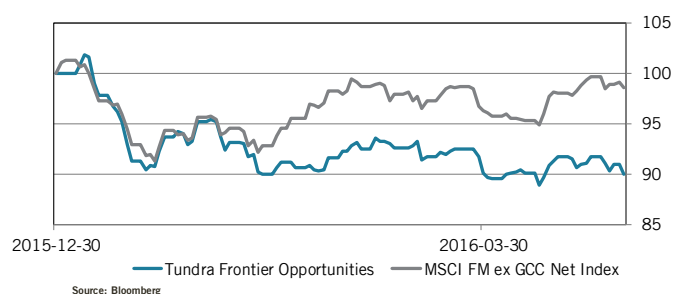
Monthly Fund Comment

The fund closed up 0.8% (EUR) during the month, again underperforming the benchmark (+2.6%). The relative underperformance this month stemmed primarily from stock selection. Our holdings in Pakistan, Bangladesh and Vietnam developed significantly worse than the market as a whole. Underweights in Argentina and Morocco also cost some relative performance. In Bangladesh and Vietnam, we had to give back some previous company specific excess returns. Our "commodity hedge" Kazakhstan worked very poorly due to company specific developments. In Pakistan, the energy sector performed strongly, a long time underweight. We believe we have seen the bottom in the oil price and that we found a new trading range (USD 30-60/barrel). Current oil price levels are now in line with full-year estimates. In our universe oil producers trade at 8-10x annual profit. This is in line with the average valuation in the frontier universe where profits are expected to increase by just above 10%. For the asset class as a whole, we believe a more predictable oil price environment will improve sentiment. For the energy sector to specifically compete with alternative investments within the asset class, we believe it is necessary either to find oil companies with significant production growth or that one believes in a stronger oil price for the rest of the year than we do.

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%	-2.8%	0.8%									-9.6%

Source: Bloomberg

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Risks

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