

# MONTHLY LETTER

## APRIL 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	2.9%	-3.5%	-5.4%	164.5%
Benchmark (MSCI Pakistan Net (EUR))	4.9%	-0.3%	-11.7%	93.7%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.2%
Pricing	Daily	Standard deviation	19.9%
Manager	Tundra Fonder AB	Standard deviation, benchmark	21.8%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	0.85
ISIN	SE0006 789 905	Information ratio	1.11
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	93.9 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 April		Worst performers in April	
	Return (EUR)		Return (EUR)
Pak Oilfields	23.5%	Murree Brewery	-16.4%
Packages Ltd	22.9%	Natl Foods	-14.5%
Intl Indus	21.3%	Ferozesons Labs	-7.9%
Hum Network Ltc	16.5%	Systems Ltd	-7.7%
Oil & Gas Develo	14.1%	Century Paper	-6.2%

### Five largest holdings

Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
United Bank Ltd	5.1%	Pakistan	7.7	7.3	8.5%	7.8%
Mcb Bank Ltd	4.9%	Pakistan	9.0	9.2	7.6%	2.1%
Oil & Gas Develo	3.8%	Pakistan	6.1	8.6	4.8%	14.1%
Pakistan Petrole	3.8%	Pakistan	7.4	11.6	4.3%	13.5%
Engro Corp	3.7%	Pakistan	12.0	9.6	5.2%	-

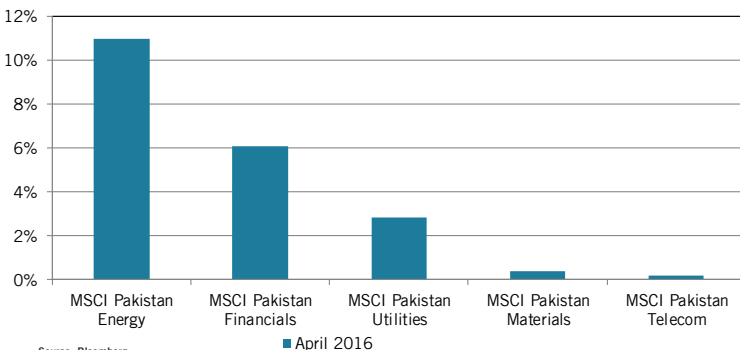
Source: Bloomberg, Tundra Fonder

### 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.

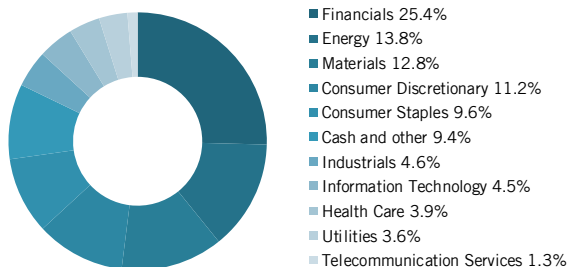
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

### Pakistan sector indices (EUR, total return)

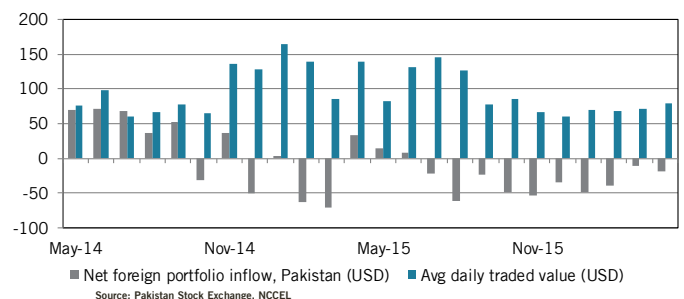


Source: Bloomberg

### Tundra Pakistan Fund: Sector allocation



### Foreign flows and turnover (Pakistan Stock Exchange)



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.

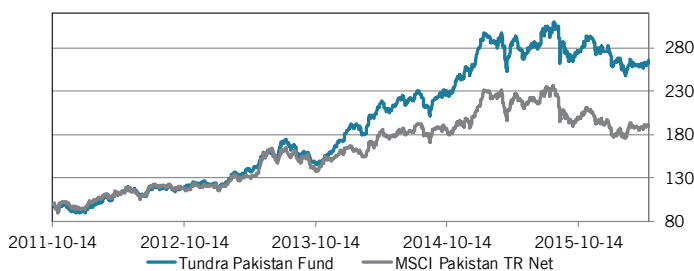
### Monthly Market Comment

MSCI Pakistan Net (EUR) gained 4.9% during April, significantly outperforming the MSCI Emerging Markets Net (EUR) which lost 0.1%. Pakistan joined other frontier markets in a general recovery in line with the reversal in global oil and commodity prices. Daily traded value has been on the rising trajectory for the past few months touching USD 80m in April, while foreign net selling came in at USD 18m. Easing off rifts between the regulator and broker community increased the retail participation in the market while quarterly results season also played its role in increasing the volumes. Energy names remained in limelight tracking a bull run in international crude while stabilizing interest rates and a slight rise in inflation was the key trigger for banking stocks. However, political noise as an aftermath of Panama leaks, with financial integrity of Prime minister in question, limited the upside move. Given a comfortable situation in FX reserves, the Finance Minister announced that the Government will not opt for another IMF program. As financial budget is set to be revealed next month, Government has approved the FY17 Budget Strategy Paper with a target to spend PKR 1.5 trillion (~EUR 13bn) on development, reduce fiscal deficit to 4% of GDP, increase economic growth rate to 6.5% and restricting inflation to 6%. May is likely to be dominated by speculation with regard to MSCI's decision in June whether to upgrade Pakistan back into the emerging market index.

### Monthly Fund Comment

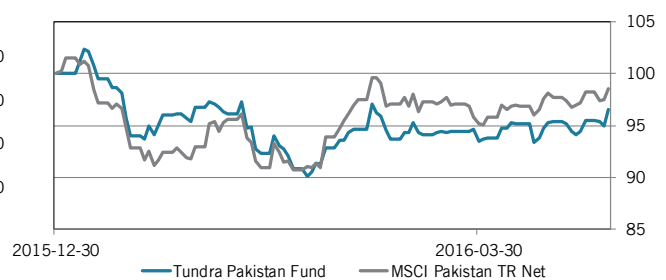
The fund gained 2.9% (EUR) during the month underperforming the benchmark index which increased 4.9% (EUR). The negative attribution was mainly related to our underweight in index heavy Financials (HBL and MCB) and Energy (OGDC). Overweights in Consumer Staples (MUREB and NATF) and Healthcare (Feroz) also performed negatively for the fund. On the positive side, off benchmark bets in Consumer Discretionary (NML and NCL) and an underweight in Materials (Fertilizers) mitigated the underperformance somewhat. The fund added exposure in Financials during the month.

### 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%	0.2%	2.9%									-3.5%

Source: Bloomberg

## **Important: Please read this information/disclaimer**

This publication is issued by Tundra Fonder AB ("Tundra"). The information – assumptions, opinions, valuations, recommendations etc – presented in this publication have been compiled by Tundra. The publication is based on generally available information from sources that Tundra believes to be reliable. However, Tundra cannot guarantee the accuracy of this information. This publication – as well as all or parts of its content – may not be duplicated or distributed under any circumstances without the written permission of Tundra.

## **Use of information**

This publication is intended exclusively for the use of Tundra's clients in Sweden and is thus not intended for any individual or company in the USA, Canada, Japan or Australia, or in any other country where the publication or availability of the material is prohibited or restricted in any way.

The Fund or the Fund Company Tundra Fonder is not registered under the United States Securities Act of 1933, the United States Investment Company Act of 1940, or any other applicable law of the United States. Therefore fund units may not be offered, sold or in any other way distributed to physical or legal persons in the United States of America. It is the responsibility of individuals or entities acquainting themselves with this publication to inform themselves of and comply with these regulations. A legal entity may be prevented from investing in Tundra's fund by law or internal regulations. Foreign law may prevent investments to be made from outside of Sweden. Tundra will not verify that investments from outside of Sweden are made in accordance with foreign law and Tundra will not accept responsibility for any such investments. It is the responsibility of persons reading this publication to inform themselves of, and to follow these rules. Should any such person or company nonetheless accept offers from Tundra, of whatever kind they may be, it may be disregarded. No part of this publication should be construed as a solicitation or recommendation to conduct or make use of any type of investment or to enter into any other transactions. The opinions expressed in this publication reflect the present views of the participants and may thus be subject to change. The information in this publication does not take into account the specific investment goal, financial situation or needs of any specific recipient. The information should not be regarded as a personal recommendation or investment advice. The client should always seek adequate professional advice before taking any investment decision and each such investment decision is taken independently by the client and at the client's own risk. Tundra accepts no liability whatsoever for any direct or consequential loss of any kind arising from the use of this publication. Tundra's employees may hold, indirect or indirect investments mentioned in this publication.

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

## **Risks**

Investments in financial instruments are associated with risk and an investment may both increase and decrease in value or even become worthless. Historical returns are no guarantee of future returns. International investments, particularly those on new markets in developing and growth countries (such as Eastern Europe (including Russia), Asia, Latin America and Africa), are normally associated with a higher level of risk than investments in Swedish or other developed markets' securities. These risks include both political and economic uncertainty in other countries as well as currency fluctuations. These risks are particularly high on new markets since these countries may have relatively unstable governments and immature markets and economies.