

Semi Annual Report

Tundra Frontier Opportunities Fund

515602-4803

2016-01-01 - 2016-06-30

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Market Development

Frontier markets collectively developed positively and increased by nearly 2 % during the first six months of this year. However, as usual, there were significant differences between its constituent markets. Argentina grew by 17% and Pakistan grew by 14 % while Nigeria fell by 21% and Sri Lanka fell by 11 %. Argentina's market continued to develop positively as a consequence of increased optimism regarding the Economic reforms in the country, which could mean higher growth and higher capital inflows. The negative development in Nigeria's market can be explained by the currency's devaluation of about 30% in the end of June. Pakistan's market grew strongly as a consequence of MSCI's announcement in the middle of June about the upgrade of Pakistan to "Emerging Markets-status" as of May 2017. Sri Lanka continued to experience a decreased market demand from foreign investors in the aftermath of the political power shift in the end of 2014, along with a falling currency reserve and a relatively high indebtedness. During March 2016 we noted that foreign investors net invested in frontier markets for the first time in almost 1.5 years. It seems a long trend of outflows has been broken which justifies some optimism going forward.

The Fund's net assets development

Assets under management at June 30, 2016 amounted to SEK 314 million, which represents a decrease of SEK-31 million compared with SEK 345 million at 31 December 2015.

The value of issued fund shares amounted to Class A SEK 23 million, Class C SEK 85 000, Class D and Class F SEK 0. The value of redeemed fund shares amounted to Class A SEK -50 million, Class C SEK 0, Class D and F SEK 0.

The value of the total change of fund shares during the period hence amounted to Class A SEK -27 million, Class C SEK 85 000, Class D and F SEK 0.

Outlook

The fund had a hard time to gain from its stock picking during the first six months, which resulted in a weak performance compared to the market. The Fund's underweight in Nigeria had a positive impact while the Fund's overweight in Sri Lanka had a negative impact. We could establish that on a stock level our sub-portfolio in Pakistan underperformed the market significantly due to investors' focus on the largest index names, where the fund only has a small exposure. In regard to the second half of this year, the presidential election in the United States in November is an event that will affect the global market climate substantially. A turn-out where Donald Trump is elected president would be all but beneficial.

Risks

The fund does not hedge against currency risks, which could come to affect the return in SEK if the currencies in the frontier markets weakens. The central banks in many frontier markets compare its own currency to the US dollar, which creates an indirect connection and risk against the US dollars development, where a weaker US dollar could affect share prices negatively and vice versa. The fund has a relatively high volume in Pakistan, Vietnam, Sri Lanka and Bangladesh. Political instability in one of these countries could affect the return of the fund negatively.

Derivatives

According to the fund statutes, the fund has the right to trade in options, futures and other derivatives, and the right to lend securities. The fund had no exposure to derivatives, or similar instruments during the period.

Mattias Martinsson, CIO and Portfolio manager.

Financial overview

Main Portfolio

	AUM SEK	NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2016-06-30	313 963 415	-	2 179 168.72	-	-	-
2015-12-31	345 307 931	-	2 379 389.86	-	-	-
2014-12-31	916 615 995	-	6 032 099.74	-	-	-
2013-12-31	253 860 513	-	2 154 423.88	-	-	-

Fund Share Class A SEK

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2016-06-30	-	144.08	1 978 065.26	-	-0.70	1.72
2015-12-31	-	145.10	2 178 908.18	-	-4.51	-6.83
2014-12-31	-	151.96	5 964 830.02	-	28.95	17.33
2013-12-31	-	117.84	2 113 195.82	-	17.84 1)	10.95 1)

Index: *MSCI Frontier Markets X GCC NET (SEK)*

1) Period 2013-04-02 - 2013-12-31

Fund Share Class C EUR

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2016-06-30	-	15.29	187 811.43	-	-3.59	-0.62
2015-12-31	-	15.86	187 189.64	-	-1.49	-4.20
2014-12-31	-	16.10	67 269.72	-	21.33	10.23
2013-12-31	-	13.27	41 228.06	-	5.40 2)	2.06 2)

Index: *MSCI Frontier Markets X GCC NET (EUR)*

2) Period 2013-06-12 - 2013-12-31

Fund Share Class D USD

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2016-06-30	-	16.49	6 902.26	-	-1.14	1.51
2015-12-31	-	16.68	6 902.26	-	-11.79 3)	-13.61 3)

Index: *MSCI Frontier Markets X GCC NET (USD)*

3) Period 2015-04-10 - 2015-12-31

Fund Share Class F EUR

		NAV	No. of issued fund shares	Dividend	Performance, %	Performance index, %
2016-06-30	-	15.29	6 389.78	-	-3.59	-0.62
2015-12-31	-	15.86	6 389.78	-	1.34 4)	2.88 4)

Index: *MSCI Frontier Markets X GCC NET (EUR)*

4) Period 2015-10-16 - 2015-12-31

Balance sheet

<i>In SEK</i>	<i>Note</i>	<i>2016-06-30</i>	<i>2015-12-31</i>
Assets			
Transferable securities		295 783 309	343 115 722
Total	<i>1</i>	295 783 309	343 115 722
Bank accounts		19 118 085	3 246 127
Pre-paid expenses and accrued income		893 210	568 731
Total		315 794 604	346 930 580
Liabilities			
Accrued expenses and deferred income		766 064	814 866
Other Liabilities		1 065 125	807 783
Total		1 831 189	1 622 649
Total Net Asset	<i>1,2</i>	313 963 415	345 307 931

Accounting principles and valuation of financial instruments

Amounts in SEK unless otherwise stated

Accounting principles

The Fund applies the Mutual Funds Act, 2004: 46 and the Financial Supervisory Authority of accounting for mutual funds 2013: 9 and follows the Swedish Fund Associations guidelines.

Valuation of financial instruments

The financial instruments are valued at market value according to the following order.

1. The financial instruments traded in an active market will be valued on the closing price at the balance sheet date if it is not a trading day, the most recent trading day prior to the closing date.
2. If the financial instrument is not traded in an active market, the market value is derived from information from similar transactions that have taken place under market conditions.
3. Unless method 1 or 2 can be used, or misleading the market value determined by an established market valuation.

Key Figures

The Fund follows the Swedish Fund Associations guidelines of key performance indicators.

Notes

Note 1 Financial Instruments, portfolio

As of 30th June 2016

Holdings

Branch	Number	Market Value	%
Transferable Securities			
Category 1			
JSC KAZMUNAIGAS GDR, Kazakhstan, USD	102 656	6 244 593	1,99
OIL & GAS DEV ORD, Pakistan, PKR	700	7 843	0,00
Energy		6 252 435	1,99
BIM SON CEMENT JSC, Vietnam, VND	600 000	3 535 311	1,13
HOA PHAT GROUP JSC, Vietnam, VND	242 000	3 642 967	1,16
TOKYO CEMENT CO LANK, Sri Lanka, LKR	1 096 327	2 606 494	0,83
TOKYO CEMENT ORD, Sri Lanka, LKR	2 100 000	4 356 380	1,39
VIETNAM ELEC EQUIP, Vietnam, VND	145 000	1 350 451	0,43
Material		15 491 603	4,93
ACCESS ENGINEERING P, Sri Lanka, LKR	6 754 837	8 620 161	2,75
HEMAS HOLDINGS PLC, Sri Lanka, LKR	561 227	2 812 506	0,90
JOHN KEELLS HLDG ORD, Sri Lanka, LKR	1 106 805	8 706 855	2,77
JOHN KEELLS WTS 2, Sri Lanka, LKR	59 444	20 783	0,01
PAK ELEKTRON LTD, Pakistan, PKR	1 687 337	8 827 890	2,81
TPL TRAKKER LTD, Pakistan, PKR	2 830 000	2 881 676	0,92
Industry		31 869 871	10,15
GUL AHMED TEXTILE, Pakistan, PKR	185 000	545 652	0,17
NISHAT MILLS ORD, Pakistan, PKR	753 297	6 584 322	2,10
Durable Goods		7 129 974	2,27
CEYLON THEATRES ORD, Sri Lanka, LKR	399 174	2 744 737	0,87
GUINNESS GHANA BREWE, Ghana, GHS	640 010	2 541 933	0,81
MASAN GROUP CORP, Vietnam, VND	310 000	7 836 607	2,50
MURREE BREWERY ORD, Pakistan, PKR	75 000	3 733 417	1,19
RICHARD PIERIS & CO, Sri Lanka, LKR	2 861 706	1 384 075	0,44
SAIGON GENERAL SERVI, Vietnam, VND	60 760	1 154 868	0,37
SOCIETE DES BRASSERI, Morocco, MAD	4 366	6 064 168	1,93
VIETNAM DAIRY PRODUC, Vietnam, VND	59 000	3 229 678	1,03
Staples		28 689 483	9,14
ACTIVE FINE CHEMICAL, Bangladesh, BDT	2 703 144	13 970 615	4,45
DHG PHARMA ORD, Vietnam, VND	80 000	3 193 184	1,02
FEROZESONS LABORATORIES, Pakistan, PKR	70 000	5 902 992	1,88
GEORGIA HEALTHCARE GROUP-WI, GB, GBP	133 000	4 343 831	1,38
RENATA ORD, Bangladesh, BDT	15 265	1 957 657	0,62
SHIFA HOSPITAL LTD, Pakistan, PKR	5 337	129 701	0,04
Health Care		29 497 979	9,40
ACC BANK OF NIG ORD, Nigeria, NGN	25 000 000	4 293 492	1,37
ADAMJEE INSUR ORD, Pakistan, PKR	700 000	2 813 986	0,90

AN PHU REAL ESTATE, Vietnam, VND	16 946	64 419	0,02
BANCO MACRO ADR REP, Argentina, USD	11000	6 907 240	2,20
BANK AL FALAH ORD, Pakistan, PKR	1 059 000	2 185 413	0,70
BBVA BANCO FRAN ADR, Argentina, USD	30 000	5 236 142	1,67
BRAC BANK LTD, Bangladesh, BDT	2 800 000	16 045 466	5,11
CRESUD SA.-SPONS ADR, Argentina, USD	52 200	6 240 273	1,99
DIAMOND BANK ORD, Nigeria, NGN	25 500 000	1 725 668	0,55
FBN HOLDINGS ORD, Nigeria, NGN	5 273 023	615 355	0,20
GRUPO FINANCIERO ADR, Argentina, USD	25 000	6 459 515	2,06
GUARANTY TRST BK GDR, Nigeria, USD	16 075	503 203	0,16
HABIB BANK LTD ORD, Pakistan, PKR	200 000	3 184 878	1,01
JSC HALYK BANK GDR, Kazakhstan, USD	213 034	8 831 529	2,81
LETSHEGO, Botswana, BWP	2 000 000	3 979 020	1,27
MEEZAN BANK, Pakistan, PKR	3 628 489	12 492 178	3,98
MILITARY COM BANK, Vietnam, VND	860 840	4 875 885	1,55
SAMPATH BANK ORD, Sri Lanka, LKR	316 205	4 193 700	1,34
UNITED BANK FOR AFRICA ORD, Nigeria, NGN	58 036 069	8 204 089	2,61
WEST AF PROV INS ORD, Nigeria, NGN	1 771 156	26 636	0,01
VINGROUP JSC ORD, Vietnam, VND	2	38	0,00
ZENITH INTL BANK ORD, Nigeria, NGN	27 000 000	12 806 486	4,08
Financials		111 684 609	35,57
AVANCEON LTD, USA, PKR	1 500 000	3 495 864	1,11
FPT CORP, Vietnam, VND	861 620	14 706 415	4,68
NETSOL TECHNOLOG ORD, Pakistan, PKR	611 403	2 470 458	0,79
SYSTEMS LTD, Pakistan, PKR	2 153 500	10 055 236	3,20
IT		30 727 973	9,79
KARACHI ELECTRIC ORD, Pakistan, PKR	16 969 069	11 113 771	3,54
Power Utilities		11 113 771	3,54
Summa Category 1		272 457 698	86,78
Category 6			
INTERNATIONAL BRANDS, Pakistan, PKR	2 297 069	18 630 233	5,93
Staples		18 630 233	5,93
TPL PROPERTIES LTD, Pakistan, PKR	4 637 000	4 695 378	1,50
Financials		4 695 378	1,50
Summa Category 6		23 325 611	7,43
Total transferable securities		295 783 309	94,21
Total securities		295 783 309	94,21
Other assets and liabilities		18 180 106	5,79
Total Net Asset		313 963 415	100,00

The Fund's holdings of securities have been classified into the following categories:

1. Transferable securities admitted on a regulated market or an equivalent market outside the EEA.
2. Other financial instruments trading on a regulated market or an equivalent market outside the EEA.
3. Transferable securities that are the subject of regular trading in other markets that are regulated and open to the public.
4. Other financial instruments that are regularly traded on any other market that is regulated and open to the public.
5. Transferable securities within one year from the issue are being admitted to trading on a regulated market or an equivalent market outside the EEA.
6. Transferable securities within one year from the issue will become subject to regular trading on any other market.
7. Other financial instruments.

Note 2 Changes in Net Asset

	<i>2016-01-01- 2016-06-30</i>	<i>2015-01-01- 2015-12-31</i>
Net asset, start of the year	345 307 931	916 615 995
	345 307 931	916 615 995
Fund share class A SEK		
No. of issued fund shares	22 870 521	300 096 276
No. of redeemed fund shares	-49 992 612	-867 731 072
Added in fund merger 2015 (QuAsia)		7 895 861
Sum	-27 122 091	-559 738 935
Fund share class C EUR		
No. of issued fund shares	85 027	75 501 750
No. of redeemed fund shares	0	-68 340 757
Added in fund merger 2015 (QuAsia)		14 045 394
Sum	85 027	21 206 387
Fund share class D USD		
No. of issued fund shares	0	999 463
No. of redeemed fund shares	0	0
Sum	0	999 463
Fund share class F EUR		
No. of issued fund shares	0	935 240
No. of redeemed fund shares	0	0
Sum	0	935 240
Net result according to income statement	-4 307 452	-34 710 219
Net Asset, at end of the period	313 963 415	345 307 931