

# MONTHLY LETTER

## JULY 2016



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	2.3%	-0.8%	-5.8%	29.8%
Benchmark (MSCI FM xGCC Net (EUR))	0.2%	0.9%	-6.7%	9.7%

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)	8.5%
	Standard deviation	12.9%
	Standard deviation, benchmark	12.7%
	Beta	0.79
	Information ratio	0.34
	Risk level	7 of 7 (refer to KIID for more info)
	Management fee/year (all inclusive)**	2.5%
	AuM	36.3 MEUR

\* Risk indicators are based on monthly rolling 24 months of return data.

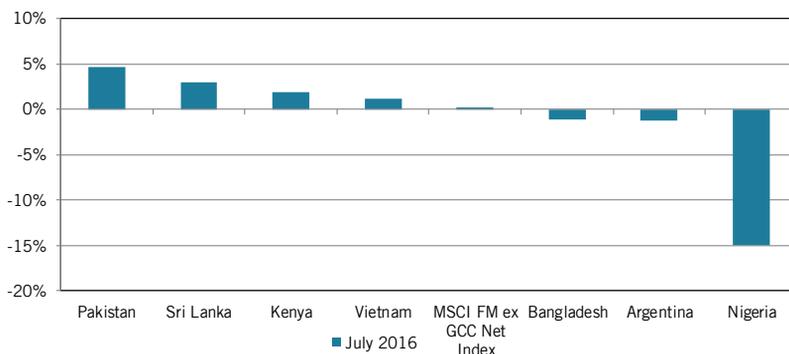
\*\* The management fee includes variable custody fees, audit, legal and marketing expenses.

Best performers in July		Worst performers in July	
	Return (EUR)		Return (EUR)
Gul Ahmed Text.	21.2%	Diamond Bank	-38.0%
Cresud Sa	19.1%	Fbn Holdings Plc	-23.1%
Murree Brewery	17.2%	Saigon General	-17.4%
Shifa In Hospitals	16.3%	United Bank Afr.	-15.1%
Brac Bank Ltd	16.0%	Access Bank Plc	-14.9%

Five largest holdings						Return 1
Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	month (EUR)
Brac Bank Ltd	5.5%	Banglad.	-	-	2.3%	16.0%
IBL	5.4%	Pakistan	-	-	-	0.2%
Fpt Corp	4.2%	Vietnam	10.3	9.5	4.5%	-2.6%
Meezan Bank Ltd	4.0%	Pakistan	9.2	8.7	6.5%	9.7%
Active Fine Chem	4.0%	Banglad.	-	-	-	-1.9%

Source: Bloomberg, Tundra Fonder

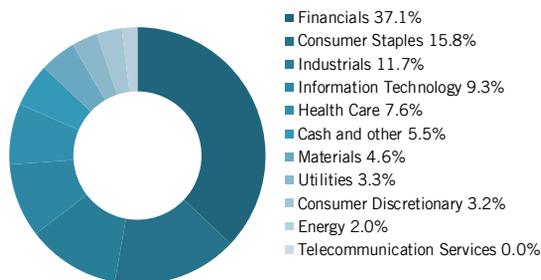
### Major frontier markets (EUR, total return)



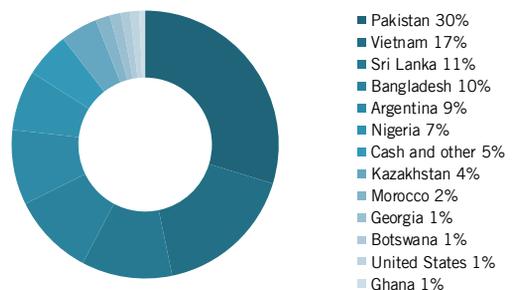
### Fund Objective

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



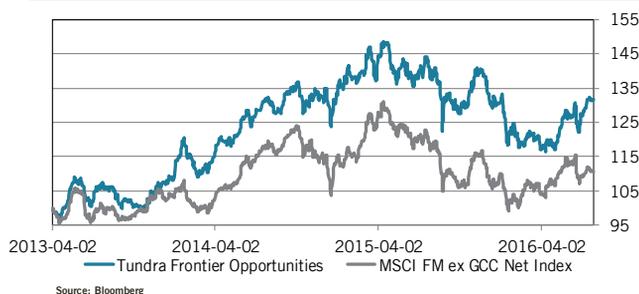
### Monthly Market Comment

MSCI Frontier Markets xGCC Net (EUR) rose 0.2% during the month, compared with the MSCI Emerging Markets Net (EUR), which rose 4.1%. Nigeria continued to weigh down the index with a decline of 14.9% during the month. Foreign investors stayed away from Nigerian equities as the initial devaluation of the naira from 200 to 285 vs the USD was deemed insufficient. From the middle of the month the naira started weakening again and closed the month at around 320 to the USD. In our view the currency has now reached more realistic levels which mean the Nigerian stock market is approaching investable territory again. The distrust of foreign investors, however, remains deep. Sri Lanka was among the winners with a gain of 3.0% during the month. Thai Siam Cement's bid for cement company Holcim Lanka worth USD 400m is a reminder of the long-term value in the Sri Lankan stock market. A corresponding valuation applied to the only listed cement company, Tokyo Cement, would mean about 200% higher share price. As we look ahead, we note that we expect a gradual increase in activity, given that we enter reporting season. Given continued generally conservative valuations, we believe that reports can have a positive effect on markets. The main risk for our markets in the short term we believe are possible effects in case of weak global equity markets.

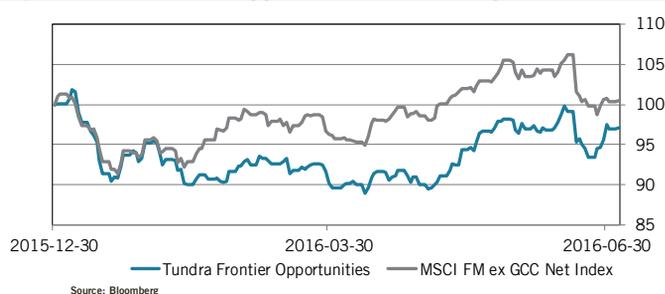
### Monthly Fund Comment

The fund rose 2.3% during the month, compared to the market which rose 0.2%. Good stock selection in Pakistan and Argentina, and underweight in Nigeria affected relative performance positively, while the fund's underweight in Morocco detracted from relative returns. During the month, the fund added to positions in Vietnam Electric (subcontractor for the power industry) and Dat Xanh Group (real estate development). Both shares have underperformed due to upcoming rights issues. Vietnam Electric impending change of listing from Upcom (a smaller exchange in Vietnam for companies preparing for listing in HCMC or Hanoi) to HCMC is another possible positive trigger. The fund also added a new Argentine company, Grupo Supervielle (bank), which is valued at a significant discount relative to other Argentinian bank stocks. The fund sold its position in Vietnamese DHG Pharma after having been given the opportunity to sell its holding to a substantial premium to the market price.

### 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%	7.0%	0.3%	2.3%						-0.8%

Source: Bloomberg

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