

MONTHLY LETTER SEPTEMBER 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	1.4%	13.4%	17.1%	211.8%
Benchmark (MSCI Pakistan Net (EUR))	0.8%	17.2%	19.6%	127.7%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.2%
Pricing	Daily	Standard deviation	18.8%
Manager	Tundra Fonder AB	Standard deviation, benchmark	22.5%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	0.78
ISIN	SE0006 789 905	Information ratio	.88
IBAN	SE925000000058648288185	Risk level	5 of 7 (refer to KIID for more info)
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	114.3 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 September		Worst performers in September	
	Return (EUR)		Return (EUR)
Millat Tractors	21.4%	Tpl Properties L	-17.0%
Natl Foods	15.2%	Efu Life Assuran	-9.4%
Aisha Steel Mill	13.3%	Dg Khan Cement	-6.2%
Nishat Mills Ltd	11.8%	Packages Ltd	-5.6%
Tpl Trakker Ltd	11.3%	Murree Brewery	-5.8%

Five largest holdings

Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
Habib Bank Ltd	7.0%	Pakistan	9.2	9.7	6.2%	2.7%
Mcb Bank Ltd	5.9%	Pakistan	9.4	10.4	7.0%	6.8%
K-Electric Ltd	5.7%	Pakistan	11.0	7.6	0.0%	-0.4%
United Bank Ltd	5.7%	Pakistan	9.3	9.0	6.4%	-1.6%
Nishat Mills Ltd	4.5%	Pakistan	-	10.1	3.5%	11.8%

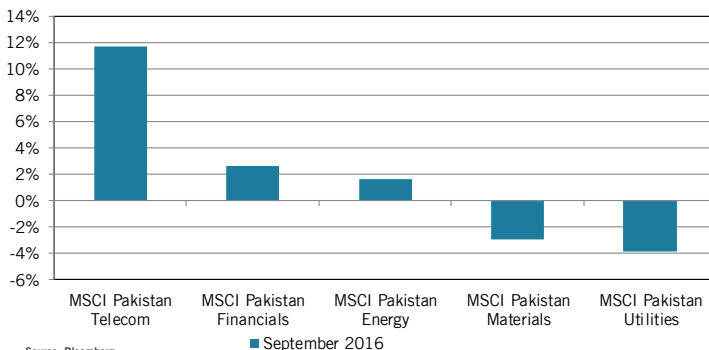
Source: Bloomberg, Tundra Fonder

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.

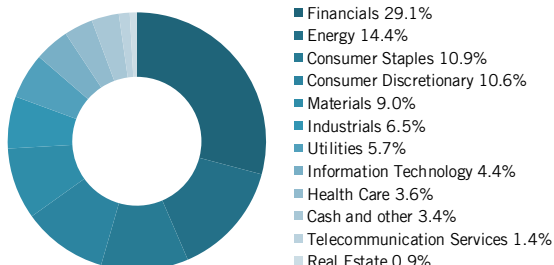
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)

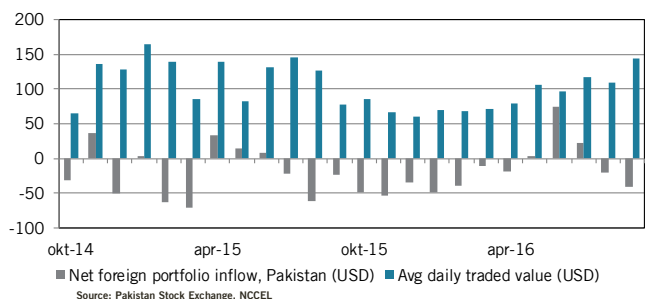


Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



Foreign flows and turnover (Pakistan Stock Exchange)



Source: Pakistan Stock Exchange, NCCEL

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). You can also contact us to receive the documents free of charge.

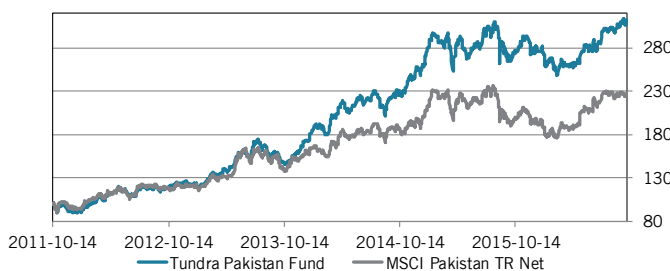
Monthly Market Comment

MSCI Pakistan Net (EUR) added 0.8% during the month, slightly underperforming MSCI Frontier Markets xGCC Net (EUR) which gained 2.2% and in line with MSCI Emerging Markets Net (SEK). Average daily traded value amounted to USD 144m vs 110m in August. Foreigners were again net sellers of USD 41m. Renewed tensions with India was the major event during the month. Cross border shootings was followed by a real scare on September 29th when India announced all over the world's news channels that it had undertaken "surgical strikes" in Pakistan. Initially this was interpreted as Indian soldiers' feet on Pakistani soil which would have been a serious escalation of the ongoing conflict along the border. It was later referred to as an Indian "PR stunt" and most sources, both on the Pakistani and Indian side, claimed no troops had actually crossed the border. Materials, primarily cement names, dragged the market down as rising coal prices (important input cost) in combination with significant expansion plans concerned investors about margins going forward. Autos and Textiles stood out positively. Autos rose strongly on optimism of increasing sales as consumers' purchase power improves whereas Textiles rose on hopes of a new stimulus package to the sector. Focus shifted a bit from MSCI blue chips to mid- and small caps as locals did most of the trading.

Monthly Fund Comment

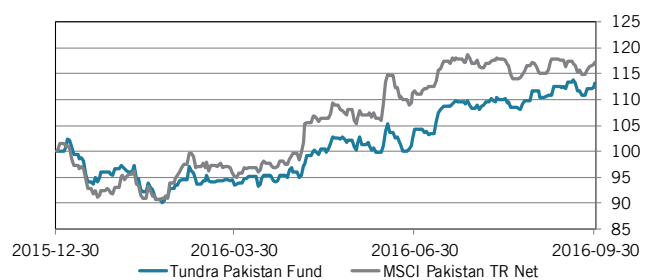
The fund rose 1.4%, outperforming MSCI Pakistan Net (EUR) which rose 0.8%. Our underweight in Materials (primarily Cement and Fertilizers) added performance, as did our overweights in Textiles, IT and Consumer Staples. Our underweight in Autos contributed negatively to performance however. During the month, the fund added two new holdings: Millat Tractors, which is a leading tractor manufacturer, and Daewoo Express, which is involved in passenger transportation. The latter company is a so called pre-IPO, which means it is due for listing within 12 months. We expect a listing in the first half of 2017. Given a strong brand name and strong growth in demand for the company's services we expect interest to be significant when listed. We will inform more about the background to our investment going forward.

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													
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%	4.0%	3.7%	4.3%	3.1%	1.4%				13.4%

Source: Bloomberg

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