

MONTHLY LETTER OCTOBER 2016



TUNDRA  FONDER

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Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	1.3%	6.2%	2.7%	38.6%
Benchmark (MSCI FM xGCC Net (EUR))	1.8%	4.0%	-0.8%	13.1%

Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	8.9%
Pricing	Daily	Standard deviation	10.5%
Manager	Tundra Fonder AB	Standard deviation, benchmark	11.6%
Benchmark index	MSCI FM xGCC Net (EUR)	Beta	0.62
ISIN	SE0006 789 897	Information ratio	0.55
IBAN	SE445000000058648209218	Risk level 6 of 7 (refer to KIID for more info)	
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	45.5 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 October		Worst performers in October	
	Return (EUR)		Return (EUR)
Soc Des Brassier	17.4%	Saigon General	-11.5%
Georgia Health	15.5%	Diamond Bank	-10.2%
Systems Ltd	15.1%	Hoa Phat Grp Jsc	-8.8%
Tpl Properties L	9.8%	Ferozesons Labs	-8.4%
Adamjee Ins.	7.6%	Shifa In Hosp.	-6.4%

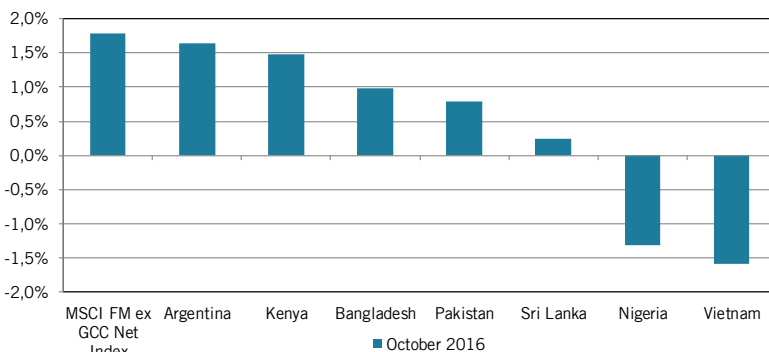
Five largest holdings						
Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	Return 1 month (EUR)
Fpt Corp	4.7%	Vietnam	10.9	9.7	4.7%	-4.6%
IBL	4.3%	Pakistan	-	-	-	0.2%
Brac Bank Ltd	4.3%	Bangl.	17.9	13.7	2.3%	2.4%
Active Fine Chem	4.2%	Bangl.	-	-	-	-2.1%
Ferozesons Labs	3.9%	Pakistan	-	-	-	-8.4%

Source: Bloomberg, Tundra Fonder

Fund Objective

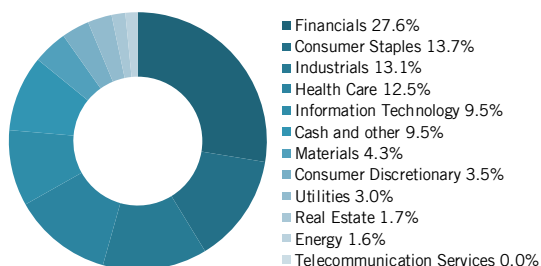
The Fund intends to give financial exposure to economic development in emerging markets and frontier markets through equities. The Fund Management Company particularly focuses on those markets that have large population and low GDP. Therefore countries which are part of the MSCI Frontier Markets index (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)

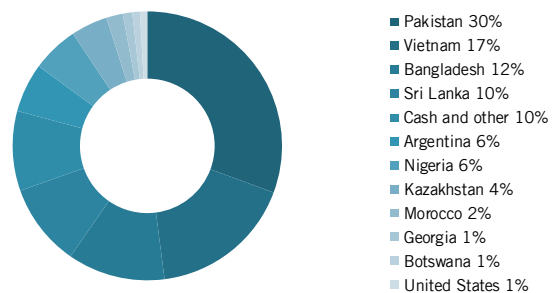


Source: Bloomberg

Tundra Frontier Opportunities: Sector allocation



Tundra Frontier Opportunities: Country allocation



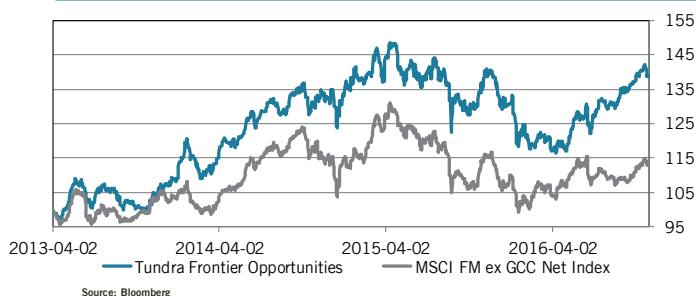
Monthly Market Comment

MSCI Frontier Markets xGCC Index Net (EUR) rose 1.8% during the month, compared with the MSCI Emerging Markets Net (EUR) that rose 2.7%. Morocco and Kazakhstan belonged to the winners with gains of 6.9% and 2.3% respectively. Worst performers were Romania (-3.0%) and Nigeria (-1.3%). Among major potential events during the month of November is the appointment of a new Chief of Army Staff in Pakistan, historically a sensitive moment. This time, however, we expect an undramatic succession. Given that the Pakistani stock market performed poorly during the last weeks of October we believe it will take unexpected turbulence associated with these events to affect the stock market negatively. On the global stage, we have the US presidential elections among factors that could affect global equities. We continue to see possible turbulence in global stock markets as the biggest threat to a positive development short-term.

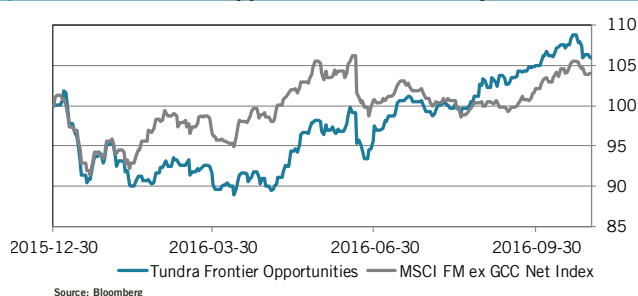
Monthly Fund Comment

The fund rose 1.3% (EUR) during the month, which was worse than the benchmark (+1.8%). At the country level, we lost some relative performance given underweight in Morocco and lack of investments in Lebanon. The fund also saw corrections in many of its recently best performing positions after five months of strong relative performance. This was most clearly seen in Vietnam. Among individual positions, Systems Ltd (3% of the fund), Georgia Healthcare (1%) and Societe des Brasseries (2%) performed particularly positive with gains of 15%+ each. Among the negative positions were Saigon General Service (barely 1% of the fund) and Feroz (4%), with declines of 11% and 8% respectively. During the month, the fund increased its positions in Vietnam (property developer DXG which has been under pressure from a soon to be concluded rights issue), Bangladesh (Active Fine, which is a supplier to the rapidly growing pharmaceutical industry) and in Pakistan (pharmaceutical company Feroz which has come down due to a generational change in the portfolio). For 2016 the portfolio is trading at a holdings weighted P/E of just over 10 times whereas the expected earnings growth in 2017 is just above 15%.

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%	4.2%	1.4%	1.3%			6.2%

Source: Bloomberg

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