

MONTHLY LETTER OCTOBER 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	0.4%	13.8%	11.1%	212.6%
Benchmark (MSCI Pakistan Net (EUR))	0.8%	18.2%	12.0%	129.5%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.4%
Pricing	Daily	Standard deviation	15.7%
Manager	Tundra Fonder AB	Standard deviation, benchmark	19.5%
Benchmark index	MSCI Pakistan Net (EUR)	Beta	0.73
ISIN	SE0006 789 905	Information ratio	.62
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	116.9 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 October		Worst performers in October	
	Return (EUR)		Return (EUR)
Systems Ltd	15.1%	Century Paper	-15.8%
Kohinoor Text	10.7%	Natl Foods	-9.5%
Askari Bank Ltd	9.8%	Ferozsons Labs	-8.4%
Adamjee Ins.	7.6%	Shezan Intl	-7.9%
Millat Tractors	6.5%	Pakistan Petr.	-7.3%

Five largest holdings					Return 1	
Holding	Portfolio weight	Country	P/E 15E	P/E 16E	Yield	month (EUR)
Habib Bank Ltd	7.0%	Pakistan	-	-	5.8%	3.4%
K-Electric Ltd	5.8%	Pakistan	-	-	0.0%	3.4%
United Bank Ltd	5.7%	Pakistan	-	-	6.0%	3.5%
Mcb Bank Ltd	5.7%	Pakistan	-	-	6.9%	-1.3%
OGDC	4.7%	Pakistan	-	-	5.3%	3.1%

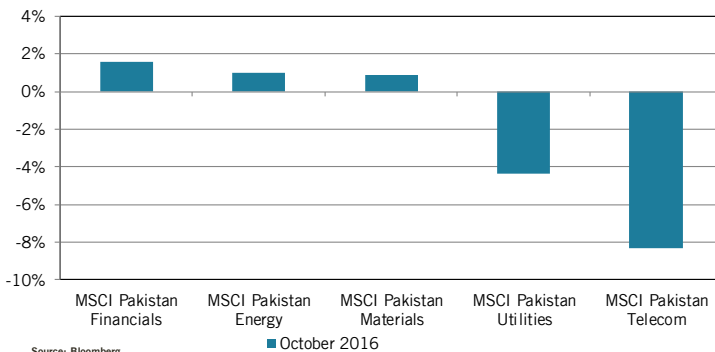
Source: Bloomberg, Tundra Fonder

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.

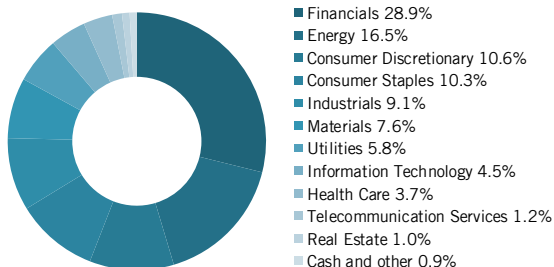
Given the risk profile of the fund the fund management company wishes to particularly emphasize the importance of investing only capital that can be tied up for a very long period in this fund.

Pakistan sector indices (EUR, total return)

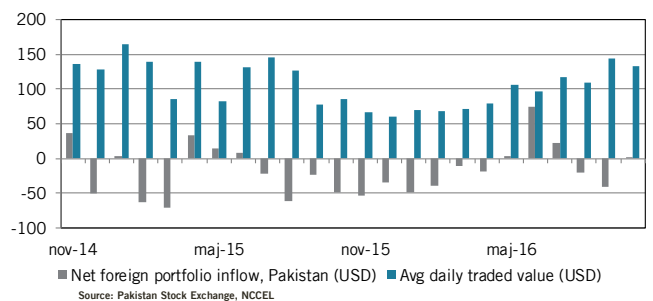


Source: Bloomberg

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

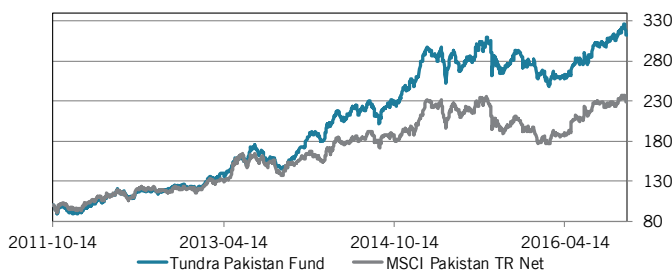
MSCI Pakistan Net (EUR) gained 0.8% during October compared to MSCI Emerging Markets Net (EUR) which gained 2.7%. Foreign investors were net buyers in the market to the tune of USD 2m while daily traded value stood at USD 133m. The market touched its all-time-high in October but retraced back due to political noise. The volatile political situation overshadowed a positive economic news flow led by 1) PTI announced protest against the Panama leak revelations, 2) Fears of complications in conjunction with the planned appointment of a new Chief of Army Staff and 3) An alleged leak of classified information by Government officials to media. On November 1st opposition and the Government agreed on a Supreme Court led judicial commission probing the allegations which should eliminate the risks of derailing protest short term.

On the economic front the news flow continued to be encouraging as the Government raised USD 1bn in Islamic bonds at 5.5%, which took forex reserves to an all-time-high of USD 24bn. S&P upgraded Pakistan's sovereign credit rating to B from B-.

Monthly Fund Comment

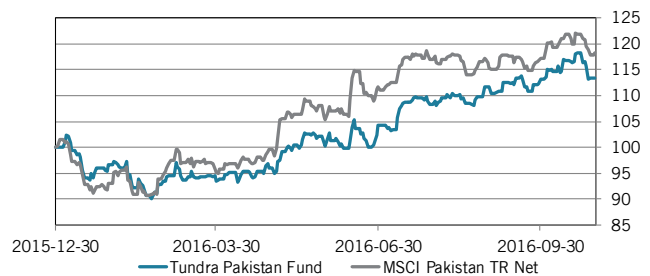
The fund added 0.4% (EUR) during the month slightly underperforming MSCI Pakistan Net (SEK) which gained 3.3%. Our underweights in Materials (Cements & Fertilizers), Energy and Financials along with our overweights in Consumer Staples and Healthcare were the main drivers of negative relative performance. To limit a drop in exports, the Government announced a stimulus package for Textiles, in which the fund had an overweight position. This mitigated underperformance somewhat. Utilities (mainly KEL) also performed positively as Shanghai Electric is likely to acquire a management stake of KEL for USD 1.77bn (a 10% premium to the market price at the time of announcement). No new stocks were added 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													
2012	7.3%	6.5%	6.6%	3.6%	0.7%	-4.8%	9.1%	2.1%	-3.3%	-4.9%	-1.8%	-3.9%	-10.2%
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%	0.4%			13.8%

Source: Bloomberg

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