

MONTHLY LETTER DECEMBER 2016



TUNDRA  FONDER

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Frontier markets rose 0.4% in SEK terms (+2.2% in USD) during the last month of the year. The asset class hence ended 2016 with a total return of +11.0% (+3.2% in USD). In comparison, traditional emerging markets rose 20.0% during 2016 while developed markets rose 14.7%. The primary contributors to the positive return for frontier markets during the past year were Pakistan (+50.8%), Morocco (+45.4%) and Argentina (+12.3%). The biggest negative contributions came from Nigeria (-28.5%) and Vietnam (+6.5%).

On global capital markets, the trends from November continued although slightly less intensely – rising rates, a strengthening USD and rising oil prices. Fed raised the policy rate with 25bps as expected. The central bank's somewhat more than expected hawkish tone surprised. The oil price (Brent as well as WTI) has roughly doubled since the trough in the early parts of the year.

As usual, the development among individual frontier markets was mixed. Pakistan and Morocco ended the month as outperformers at +12.1% and +7.1% respectively. In Pakistan, domestic investors remained bullish on the buy side while foreign investors were net sellers. On the news front, the country announced that 40% of PSX, Pakistan Stock Exchange, will be acquired by the Shanghai Stock Exchange. The news was well perceived and the hope is that the transaction will spur the development of the financial infrastructure in Pakistan. Another positive news was that CPEC, China's infrastructure investment program in Pakistan, was expanded by 30% as a new water power station project, Diamer Basha, was approved. Nigeria also rose during December, +1.9%. President Buhari released the FY17 budget. An expansionary budget with the spending side increased by 20% in comparison to

the FY16 budget due to infrastructure investments and the ambition that the country will reduce its import dependence of e.g. food. The budget is a positive move but the question remains to what extent the government in reality manages to finance it without increasing the budget deficit too much.

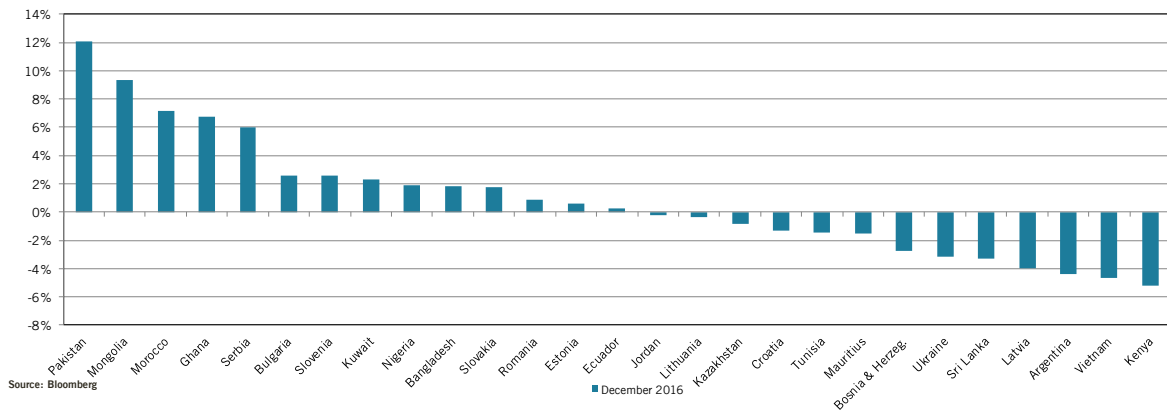
Among the major frontier markets, Vietnam was an underperformer during December, -4.6%. As was the case in several frontier markets, foreign investors dominated the sell side while domestic investors were buyers. The macro news flow remained positive at large and FDI for instance reached a new all-time-high. The Vietnamese economy grew 6.7% during the final quarter of the year, an improvement compared with the previous quarter. The fact that the country's growth rate for the full year (6.2%) not quite reached the target did not come as a surprise given the unfavourable weather conditions hitting the agrarian sector during the first half of the year. Among other noteworthy events during December were several major IPOs and divestments of SOEs which were all well perceived by the market.

The net inflows into frontier funds globally which occurred in October turned into redemptions during November (the latest available data).

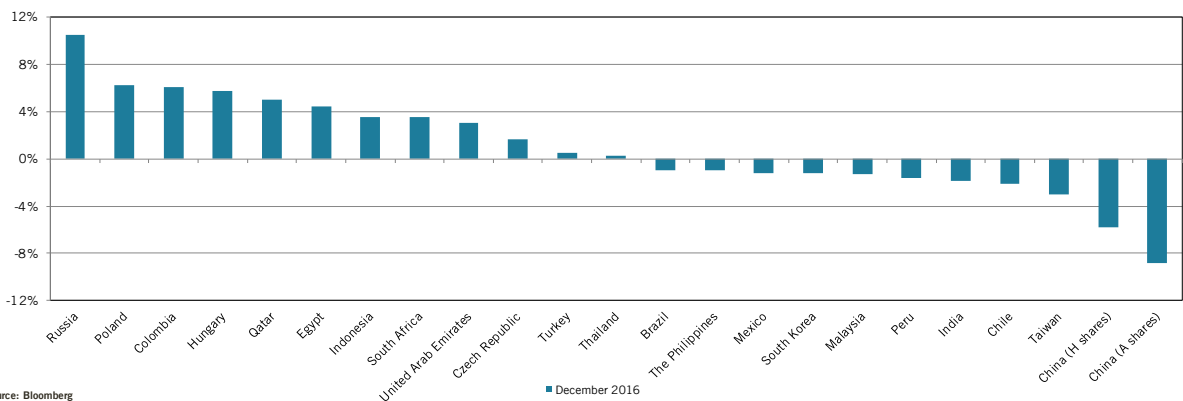
We are optimistic on frontier markets for 2017. The asset class has suffered from several years of net redemptions from funds and valuations are attractive. This is the case particularly if adjusted for some of the major blue chips. In addition to this, several of the major frontier markets have good chances of enjoying accelerating growth rates in 2017.

All return numbers refer to December 30th as the end date.

Return frontier markets (SEK, total return)



Return emerging markets (SEK, total return)



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Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	165.2	-1.3%	14.3%	14.3%	65.2%
Benchmark (MSCI FM xGCC Net (SEK))	5373.7	0.4%	11.0%	11.0%	33.4%

Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	8.8%
Inception price	100.00	Standard deviation	12.9%
Pricing	Daily	Standard deviation, benchmark	12.5%
Manager	Tundra Fonder AB	Beta	0.79
Benchmark index	MSCI FM xGCC Net (SEK)	Information ratio	0.36
Bank account	SEB 5851-1078355	Risk level	5 of 7 (refer to KIID for more info)
ISIN	SE0004211282	Management fee/year	2.5%
PPM	861229		
Bloomberg	TUNDFRO SS		
AuM	436.3 MSEK		

*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since

Best performers in December

	Return (SEK)
Suez Cement Co	24.5%
Adamjee Insur	23.1%
Habib Bank Ltd	18.9%
Meezan Bank	17.7%
Bank Alfalah Ltd	14.5%

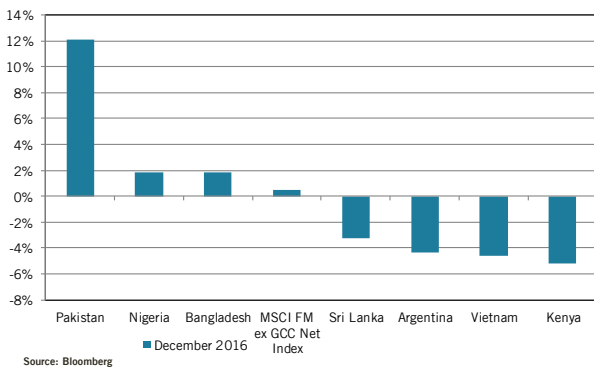
Worst performers in December

	Return (SEK)
Arabian Cement	-16.8%
Banco Macro Sa-B	-11.1%
Grupo Super Cl-B	-11.0%
Vietnam Dairy Pr.	-10.7%
Dat Xanh Real Estate	-9.8%

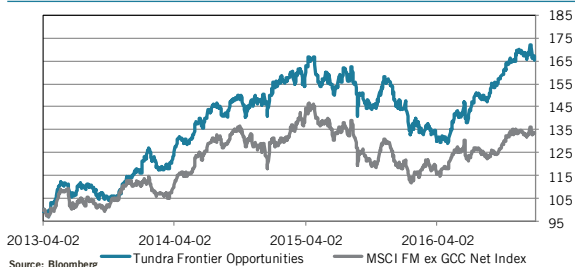
Five largest holdings

Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Active Fine Chem	5.1%	Banglad.	-	-	-	6.7%
Meezan Bank	4.9%	Pakistan	13.4	13.2	4.5%	17.7%
Brac Bank Ltd	4.7%	Banglad.	-	-	-	-2.9%
IBL	4.5%	Pakistan	-	-	-	-
Ferozsons Labs	4.0%	Pakistan	-	-	-	-3.3%

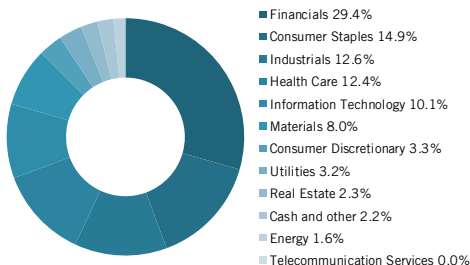
Major frontier markets (SEK, total return)



Tundra Frontier Opportunities vs index (since inception)



Tundra Frontier Opportunities: Sector allocation



The market

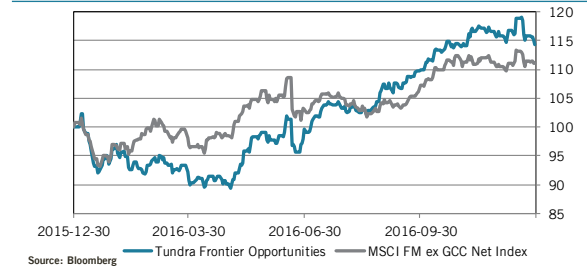
MSCI FMxGCC Net (SEK) rose 0.4% in December, compared with the MSCI EM Net (SEK), which fell 1.5%. For 2016 our benchmark increased by 11%, compared to the MSCI EM Net (SEK), which rose 20% in 2016. During December it was again Pakistan that was sticking out. Despite continued large selling from foreign investors, local investors remained optimistic and drove the market upwards and the market rose an impressive 12%. No other frontier market came even close during the month. Among the losers were Vietnam (-5%), Argentina (-4%) and Sri Lanka (-3%). Entering 2017 we are optimistic. Many of the global concerns we had before us (eg Brexit, Trump, American interest rate increase) are now actual events and foreigners have acted on them throughout the year. Two of our favorite markets, Pakistan and Vietnam, exhibited outflows of more than USD 300m each in 2016. Normally it should have resulted in a catastrophic year for these markets. Local investors' optimism, however, based on increasing economic activity and improved earnings prospects for the listed companies, changed the outcome this time around. As we have previously stated, we believe the impact on the local economies in our major markets from the global worries is limited. After almost three years of foreign outflows from frontier markets, we should reasonably soon see inflows again. Given attractive valuations, provided investors opt out of a number of the most expensive Index constituents, we are optimistic that 2017 can turn out to be a better year than 2016.

The fund

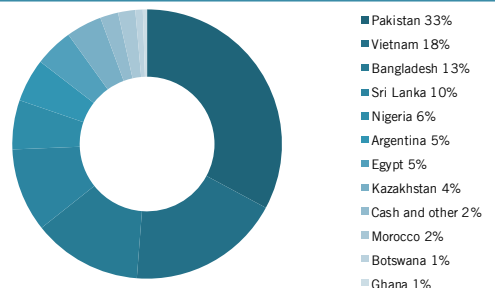
The fund fell 1.3% in December, compared with the MSCI FMxGCC Net (SEK), which rose 0.4%. For the full year 2016 the fund thereby returned 14.3%, which is slightly more than three percentage points better than the benchmark. The Fund has thus, for the third year in a row (the fourth year in a row if we count the 2013 when the fund was launched in April) outperformed its benchmark and delivered a return of more than 65% after all fees, almost twice the return of the MSCI FMxGCC Net (SEK) during the same period.

Text continues on page 10

Tundra Frontier Opportunities vs index (year-to-date)



Tundra Frontier Opportunities: Country allocation



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Tundra Nigeria & Sub-Sahara Fund (class A, SEK)

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Nigeria & Sub-Sahara Fund	53.8	0.6%	-19.6%	-19.6%	-46.2%
Benchmark (S&P Africa Frontier TR Index (SEK))	9778.0	0.0%	-14.2%	-14.2%	-25.1%

Facts		Risk and costs*	
Inception date	2013-05-20	Active risk (Tracking error)	6.8%
Inception price	100	Standard deviation	23.8%
Pricing	Daily	Standard deviation, benchmark	19.5%
Manager	Tundra Fonder AB	Beta	1.18
Benchmark index	S&P Africa Frontier TR Index(SEK)	Information ratio	-0.84
Bank account	SEB 5851-1101667	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0005188091	Management fee/year	2.5%
PPM	878223		
Bloomberg	TUNDNIG SS		
AuM	26.1 MSEK		

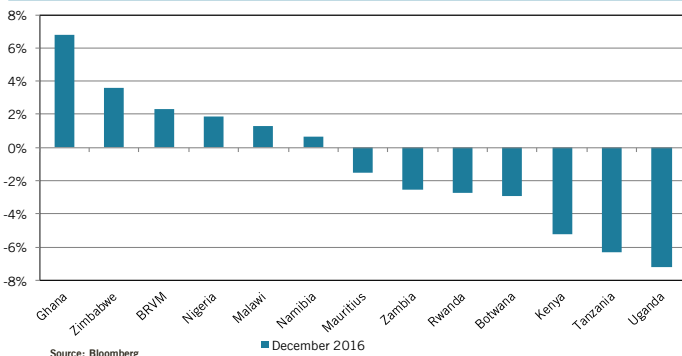
* Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since inception

Best performers in December		Worst performers in December	
	Return (SEK)		Return (SEK)
StanChart Ghana	42.7%	Umeme Ltd	-12.9%
Mtn Group Ltd	12.5%	Presco Plc	-10.4%
Dangote Cement	11.3%	CoOp Bank	-7.6%
Pz Cussons Ghana	9.6%	Diamond Bank	-6.8%
Seplat Petrol	9.2%	Flour Mills Nig	-6.5%

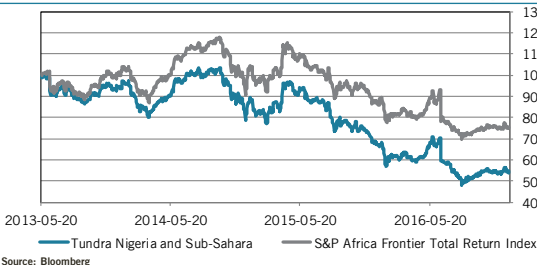
Five largest holdings						
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	Return 1 month (SEK)
Guaranty Trust	9.8%	Nigeria	7.3	5.6	8.1%	7.4%
GlobalXMSCI Nig.	9.1%	Nigeria	-	-	-	-0.2%
Zenith Bank Plc	7.7%	Nigeria	4.5	4.2	11.2%	5.3%
United Bank Afr	6.7%	Nigeria	2.8	2.5	11.0%	3.1%
Ghana Commercial	5.2%	Ghana	4.5	3.0	11.7%	1.3%

Source: Bloomberg, Tundra Fonder

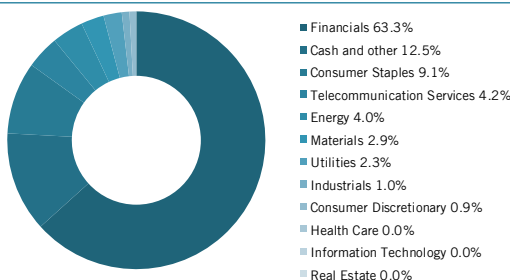
African markets (SEK, total return)



Tundra Nigeria & Sub-Sahara Fund vs index (since inception)



Tundra Nigeria & Sub-Sahara Fund: Sector allocation



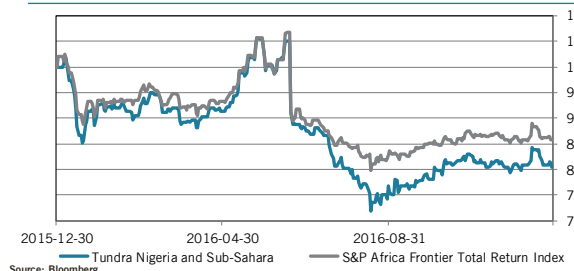
The market

S&P Africa Frontier Total Return Index was unchanged in December, slightly underperforming other frontier markets (MSCI Frontier Markets xGCC Net +0.4%). Sub-Sahara Africa underperformed in 2016 as well, declining 14.2% compared to frontier markets rising 11.0%. Nigeria rose 1.9% finished the year -28.5%, while Kenya declined 5.2% ending 2016 +8.9%. Best SSA performer in December was Ghana rising 6.8%, while Uganda was the worst performer falling 7%. For 2016 Nigeria was the worst performer in SSA, while Namibia (+54.4%) followed by Zimbabwe (+41.3%) was the best performers. 2016 contained a lot of setbacks in most of the larger Sub-Saharan markets, especially in Nigeria. The country's unwillingness to devalue and liberalize the foreign exchange market has led to severe economic consequences. The devaluation in June has unfortunately not given the economy a necessary boost since US-dollar access is still very much limited. The recovery in oil prices helps, but more is needed to regain balance. Any recovery in the equity market requires a significant improvement in the currency situation. The outlook for Kenya has been revised down partly as an effect by the interest rate cap introduced last summer. After two years of falling markets in Nigeria as well as Ghana for known reasons (fall in oil price) we enter 2017 with continued headwind. Most of them are known by now, and should be reflected in current valuations, with e.g. Nigerian banks trading at 3-5x profits and around 50% of book value. A turnaround looks far away, but when it comes markets will recover rapidly.

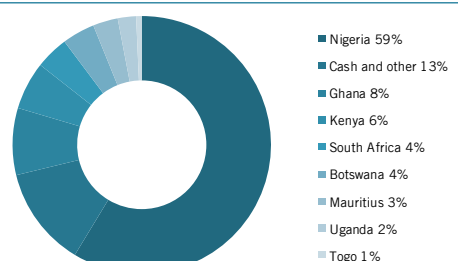
The fund

The fund rose 0.6% in December, better compared to its benchmark which was unchanged. On a country level the fund gained most from the underweight in Kenya and overweight Ghana, while the underweight in Ivory Coast contributed most on the negative side. On a sector level, we gained relative the benchmark from overweights in Financials and good stock picking in Telecoms, while Utility and Energy had the most negative contribution. For the full year the fund fell 19.6%, worse than its benchmark -14.3%. We have gained from our overweight in Nigeria, but lost from our overweight in Ghana and underweight in Kenya. During December we increased our position in Ghana Commercial Bank (financed by decrease in Nigerian banks). The risk/reward profile of GCB warrants a larger position within the portfolio. (All changes in SEK)

Tundra Nigeria & Sub-Sahara Fund vs index (year-to-date)



Tundra Nigeria & Sub-Sahara Fund: Country allocation



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Tundra Pakistan Fund (class A, SEK)

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Pakistan Fund	381.8	5.8%	37.9%	37.9%	281.8%
Benchmark (MSCI Pakistan Net (SEK))	8590.9	12.1%	50.8%	50.8%	194.7%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	8.8%
Inception price	100.00	Standard deviation	19.6%
Pricing	Daily	Standard deviation, benchmark	24.4%
Manager	Tundra Fonder AB	Beta	0.76
Benchmark index	MSCI Pakistan Net (SEK)	Information ratio	-0.03
Bank account	SEB 5851-1076190	Risk level	6 of 7 (refer to KIID for more info)
ISIN	SE0004211308	Management fee/year	2.5%
PPM	705806		
Bloomberg	TUNDPK SS		
AuM	1010.4 MSEK		

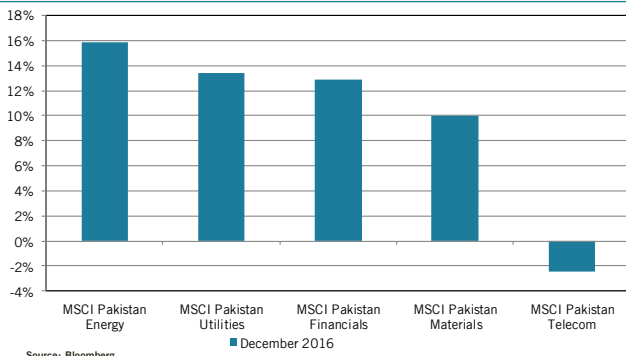
*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data.

Best performers in December		Worst performers in December	
	Return (SEK)		Return (SEK)
Sui Northern	23.8%	Tpl Trakker Ltd	-8.6%
Adamjee Insur	23.1%	Gul Ahmed Text.	-8.5%
Natl Foods	22.5%	Sui Southern	-6.7%
Pak Oilfields	22.4%	Shezan Intl	0.0%
Pakistan Petroleum	21.4%	Natl Bk Pakistan	0.5%

Five largest holdings						
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	month (SEK)
Habib Bank Ltd	6.8%	Pakistan	11.4	12.0	5.1%	18.9%
United Bank Ltd	5.2%	Pakistan	11.2	10.6	5.3%	13.3%
Mcb Bank Ltd	5.1%	Pakistan	10.1	11.3	6.1%	8.4%
IBL	4.8%	Pakistan	-	-	-	-
Meezan Bank Ltd	4.4%	Pakistan	13.4	13.2	4.5%	17.7%

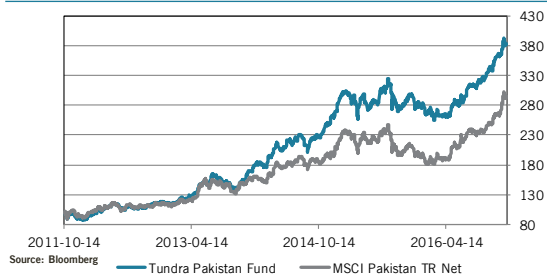
Source: Bloomberg, Tundra Fonder

Pakistan sector indices (SEK, total return)



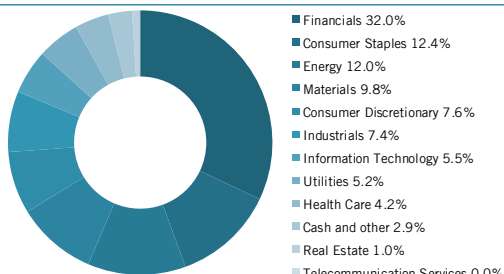
Source: Bloomberg

Tundra Pakistan Fund vs index (since inception)



Source: Bloomberg

Tundra Pakistan Fund: Sector allocation



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The market

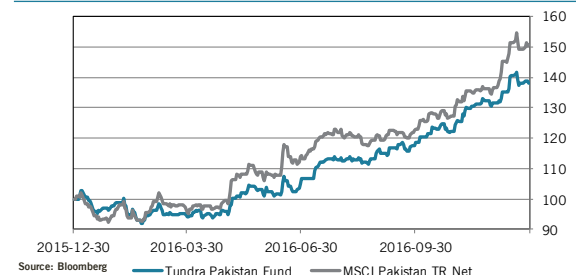
MSCI Pakistan Net (SEK) gained 12.1% during December compared to MSCI EM Net (SEK) which lost 1.5%. In 2016, MSCI Pakistan rose an impressive 51% vs MSCI EM Net which rose 20%. Despite continued foreign selling amounting to USD 145m (almost USD 350m for the year), market posted stellar returns as local investors were flushed with liquidity to counter. Daily traded value also witnessed a 24% M/M increase to stand at USD 165m. The most awaited privatization of Pakistan Stock Exchange finally concluded with a Chinese consortium (led by Shanghai Stock Exchange) along with local financial institutions winning the bid for a 40% strategic stake (company valuation of USD 212m). In the next phase, through an IPO, 20% of the exchange will be offered to the general public. In an interesting development, Diamer Basha Dam has been brought into the CPEC investments plan. The funding was previously declined by international donors. The estimated development cost is USD 14bn for a capacity of 4,500 MW and should result in massive demand of construction materials alongside new jobs creation. Macro data also reflects improvement in the economy apart from current account which seems to be struggling due to sluggish exports amid absence of flows from coalition support fund. Government is likely to announce a stimulus package to revive textile exports to manage balance of payments. Going into 2017 the market is trading at 11.3x 2017 expected earnings. A healthy economy amid positive foreign flows, after inclusion in MSCI emerging markets, can trigger a further re-rating of the market.

The fund

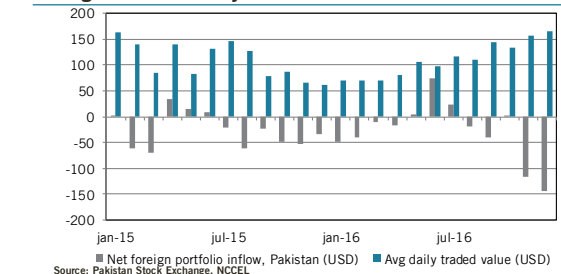
The fund rose 5.8% Net (SEK) during December compared to MSCI Pakistan Net (SEK) which gained 12.1%. Our underweight in Materials (mainly LUCK), Energy (OGDC) and Utilities (HUBC) were the main drivers of negative relative performance. No new stocks were added during the month. For 2016 the fund rose 38% while the market rose 51%. For the first time in 5 years we thus did not manage to beat the benchmark.

Text continues on page 10

Tundra Pakistan Fund vs index (year-to-date)



Foreign flows and daily turnover on the Pakistan Stock Exchange



Source: Pakistan Stock Exchange, NCCEL

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Rysslandsfond	118.8	7.9%	57.1%	57.1%	18.8%
Benchmark (MSCI Russia Net (SEK))	5105.1	10.5%	67.0%	67.0%	32.2%

Facts		Risk and costs*	
Inception date	2011-10-14	Active risk (Tracking error)	9.5%
Inception price	100,00	Standard deviation	20.9%
Pricing	Daily	Standard deviation, benchmark	26.0%
Manager	Tundra Fonder AB	Beta	0.76
Benchmark index	MSCI Russia Net (SEK)	Information ratio	-0.23
Bank account	SEB 5851-1076212	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0004211274	Management fee/year	2.5%
PPM	741637		
Bloomberg	TUNDRYS SS		
AuM	40.7 MSEK		

*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data

Best performers in December

	Return (SEK)
Rosneft	22.1%
Aeroflot	16.9%
Mobile Telesyst	16.0%
Etalon GDR	14.9%
Transneft Pjsc	14.8%

Worst performers in December

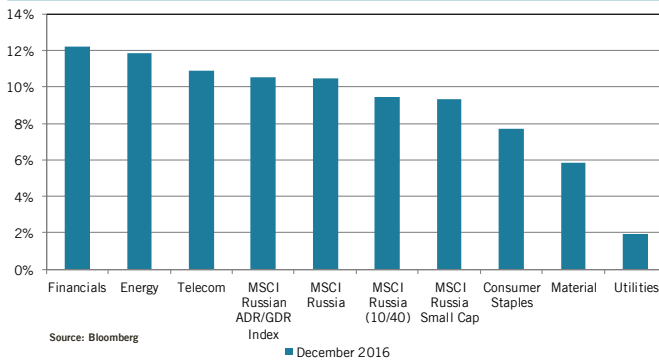
	Return (SEK)
Rusal	0.1%
Dixy	0.3%
Mail.Ru Grou-Gdr	0.4%
Novolipetsk Steel	0.5%
Severstal	3.7%

Five largest holdings

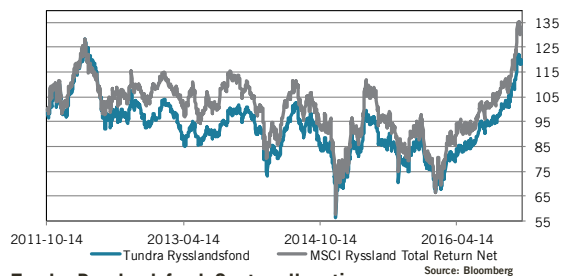
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield month (SEK)	Return 1
Sberbank	9.5%	Russia	17.6	7.5	2.7%	12.6%
Gazprom	9.4%	Russia	3.2	3.8	5.3%	7.1%
Magnit	8.2%	Russia	17.8	17.8	2.7%	9.3%
Tatneft	4.6%	Russia	8.8	9.3	2.8%	13.4%
Surgutnefteg-Prf	4.5%	Russia	2.3	12.0	5.2%	5.3%

Source: Bloomberg, Tundra Fonder

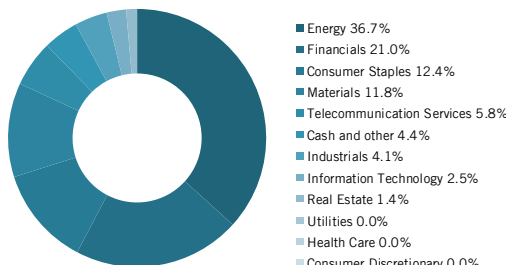
Russian sectors and indices (SEK, total return)



Tundra Rysslandsfond vs index (since inception)



Tundra Rysslandsfond: Sector allocation



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The market

Russian equity market, the MSCI Russia Net (SEK), continued to be strong during December when it rose 10.5% compared to other emerging markets (MSCI Emerging Markets Net SEK), which fell 1.5%. In 2016, the Russian market ended up 67.0%, while emerging markets have risen 20.0%. Among the major emerging markets only Brazil has performed better during 2016.

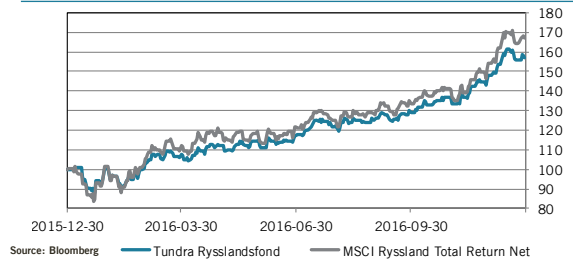
Oil prices rose 13% in USD and the ruble strengthened 2% against the SEK during December. In 2016 oil prices rose 56% in USD which gave stability to the Russian economy and fuel to the Russian stock market. This despite the fact that the EU and the US retained its sanctions against Russia because of the annexation of Crimea and the war in eastern Ukraine throughout 2016. The past year saw a rebound in some commodity prices such as crude oil, coal and metals. Some coal prices rose more than 100% in 2016. Natural gas rose as well. For instance, Henry Hub, America's most widely used natural gas benchmark, rose 68%.

In December, there were inflows into Russian funds, although the Russian ETFs completely dominated the inflows. In addition to rising oil prices, the market continued to interpret Donald Trump's victory as something positive for Russia. Meanwhile, the purchase managers index recorded 53.7 for the manufacturing sector in November, which is the highest level in 69 months. In 2016, Russian 2-year USD bond yields fell from 3.9% to 2.7%.

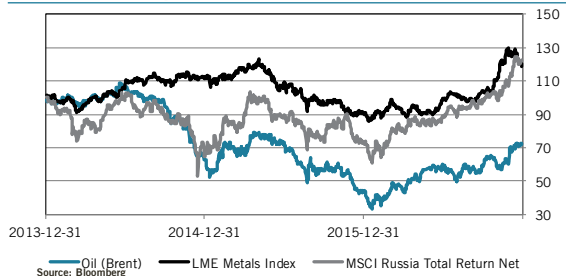
The fund

Tundra Russia fund rose 7.9% in December while the market, measured by MSCI Russia Net, rose 10.5% both in SEK. The fund rose 57.1% during the year while the index was up 67.0%. The underweight in Energy was the biggest reason for the underperformance during December. This despite the fact that stock selection within Energy outperformed the sector index. The underweight in Financials also had a negative impact on the relative performance during the month.

Tundra Rysslandsfond vs index (year-to-date)



MSCI Russia, oil price and LME Metals Index (USD)(rebased)





Monthly Letter December 2016

Tundra Sustainable Frontier Fund (class A, SEK)

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Sustainable Frontier Fund	105.1	-1.0%	16.9%	16.9%	5.1%
Benchmark (MSCI FM xGCC Net (SEK))	5373.7	0.4%	11.0%	11.0%	-0.2%

Facts		Risk and costs*	
Inception date	2015-08-03	Active risk (Tracking error)	-
Inception price	100.00	Standard deviation	-
Pricing	Daily	Standard deviation, benchmark	-
Manager	Tundra Fonder AB	Beta	-
Benchmark index	MSCI FM xGCC Net (SEK)	Information ratio	-
Bank account	SEB 5851-1107312	Risk level	6 of 7 (refer to KIID for more info)
ISIN	SE0005797206	Management fee/year	2.5%
PPM	-		
Bloomberg	TUNDSUS SS		
AuM	175.9 MSEK		

*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data

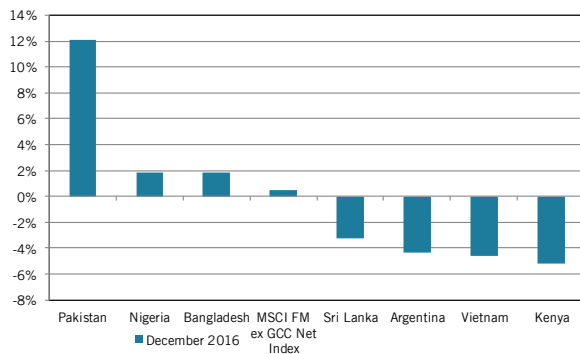
Best performers in December		Worst performers in December	
	Return (SEK)		Return (SEK)
Suez Cement Co	24.5%	Arabian Cement C	-16.8%
Adamjee Insur	23.1%	Banco Macro Sa-B	-11.1%
Habib Bank Ltd	18.9%	Grupo Super Cl-B	-11.0%
Meezan Bank Ltd	17.7%	Viet Nam Dairy P	-10.7%
Bank Alfalah Ltd	14.5%	Dat Xanh Real Es	-9.8%

Five largest holdings					Return 1 month (SEK)	
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield	
Meezan Bank Ltd	5.1%	Pakistan	13.4	13.2	4.5%	1.5%
Systems Ltd	5.0%	Pakistan	12.3	16.3	-	-0.5%
Fpt Corp	4.8%	Vietnam	11.0	9.7	4.3%	-0.4%
Internat. Brands	4.3%	Pakistan	-	-	-	-
K-Electric Ltd	3.9%	Pakistan	-	-	-	0.6%

The market

MSCI FMxGCC Net (SEK) rose 0.4% in December, compared with the MSCI EM Net (SEK), which fell 1.5%. For 2016 our benchmark increased by 11%, compared to the MSCI EM Net (SEK), which rose 20% in 2016. During December it was again Pakistan that was sticking out. Despite continued large selling from foreign investors, local investors remained optimistic and drove the market upwards and the market rose an impressive 12%. No other frontier market came even close during the month. Among the losers were Vietnam (-5%), Argentina (-4%) and Sri Lanka (-3%). Entering 2017 we are optimistic. Many of the global concerns we had before us (e.g. Brexit, Trump, American interest rate increase) are now actual events and foreigners have acted on them throughout the year. Two of our favorite markets, Pakistan and Vietnam, exhibited outflows of more than USD 300m each in 2016. Normally it should have resulted in a catastrophic year for these markets. Local investors' optimism, however, based on increasing economic activity and improved earnings prospects for the listed companies, changed the outcome this time around. As we have previously stated, we believe the impact on the local economies in our major markets from the global worries is limited. After almost three years of foreign outflows from frontier markets, we should reasonably soon see inflows again. Given attractive valuations, provided investors opt out of a number of the most expensive Index constituents, we are optimistic that 2017 can turn out to be a better year than 2016.

Major frontier markets (SEK, total return)



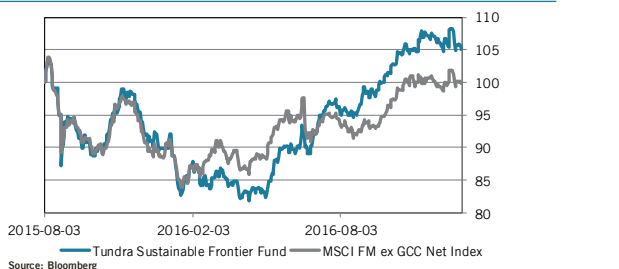
Source: Bloomberg

The fund

The fund fell 1.0% in December, compared with the MSCI FMxGCC Net (SEK), which rose 0.4%. For the full year 2016 the fund thereby returned 16.9%, which is just below six percentage points better than the benchmark. The fund had a very tough start to 2016 when the fund had difficulty getting rewarded for its traditionally strong stock picking. Starting May this was followed by the strongest six months' outperformance the fund has ever achieved.

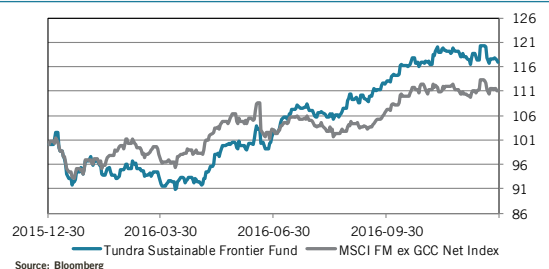
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Tundra Sustainable Frontier Fund vs index (since inception)



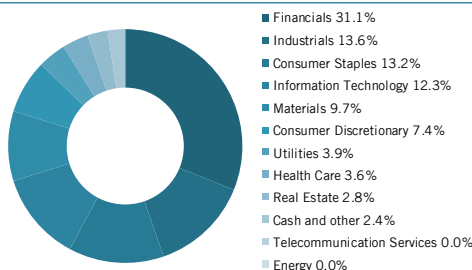
Source: Bloomberg

Tundra Sustainable Frontier Fund vs index (year-to-date)

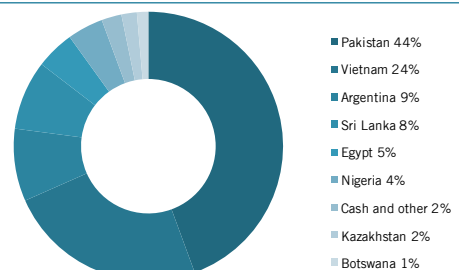


Source: Bloomberg

Tundra Sustainable Frontier Fund: Sector allocation



Tundra Sustainable Frontier Fund: Country allocation



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 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. You can also contact us to receive the documents free of charge. Please contact us if you require any further information: +46 8-55 11 45 70.

Return	NAV (SEK)	1 month	YTD	1 year	Inception
Tundra Vietnam Fund	150.5	-3.6%	18.1%	18.1%	50.5%
Benchmark (FTSE Vietnam Index Net (SEK))	2250.4	-4.6%	6.5%	6.5%	22.6%

Facts		Risk and costs*	
Inception date	2014-05-06	Active risk (Tracking error)	7.3%
Inception price	100,00	Standard deviation	17.8%
Pricing	Dagligen	Standard deviation, benchmark	18.3%
Manager	Tundra Fonder AB	Beta	0.89
Benchmark index	FTSE Vietnam Index TR (SEK)	Information ratio	1.63
Bank account	SEB 5851-1103805	Risk level	7 of 7 (refer to KIID for more info)
ISIN	SE0005797099	Management fee/year	2.5%
PPM	762823		
Bloomberg	TUNDVIE SS		
AuM	412.4 MSEK		

*Risk indicators are based on monthly rolling 24 months of return data. Funds with inception date within 24 months use weekly return data since

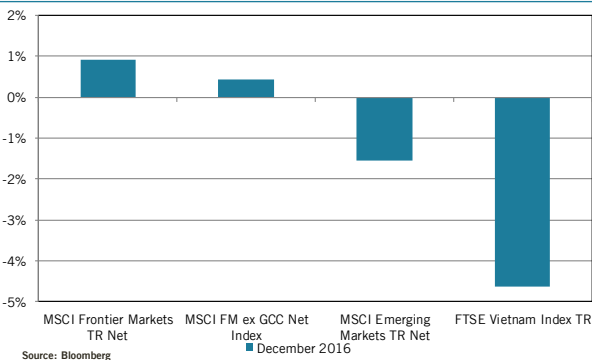
Best performers in December		Worst performers in December	
	Return (SEK)		Return (SEK)
Vndirect Securit	10.8%	Petrovietnam Nho	-13.8%
Southern Rubber	9.1%	Vietnam Dairy Pr.	-10.7%
Agriculture Prin	6.8%	Dat Xanh Real Estate	-9.8%
Kido Group Corp	4.9%	Thanh Cong Textile	-8.8%
Pha Lai Thermal	3.1%	Vietnam Js Comm.	-8.3%

Five largest holdings

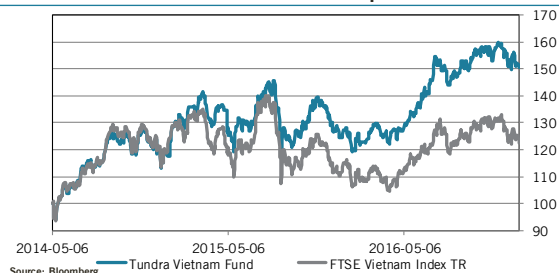
Holding	Portfolio weight	Country	P/E 2015E	P/E 2016E	Yield month (SEK)	Return 1
Hoa Phat Grp Jsc	8.0%	Vietnam	10.4	6.4	3.9%	0.5%
Vingroup Jsc	6.8%	Vietnam	37.2	44.6	-	-1.9%
Fpt Corp	6.7%	Vietnam	11.0	9.7	4.3%	-0.4%
Vietnam Dairy Pr.	6.5%	Vietnam	24.9	20.3	4.5%	-10.7%
Masan Group	4.5%	Vietnam	37.8	19.6	-	-0.8%

Source: Bloomberg, Tundra Fonder

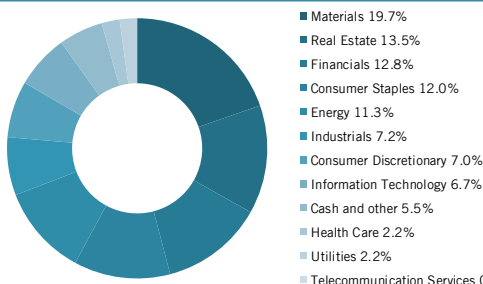
Various frontier market indices (SEK, total return)



Tundra Vietnam Fund vs index (since inception)



Tundra Vietnam Fund: Sector allocation



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The market

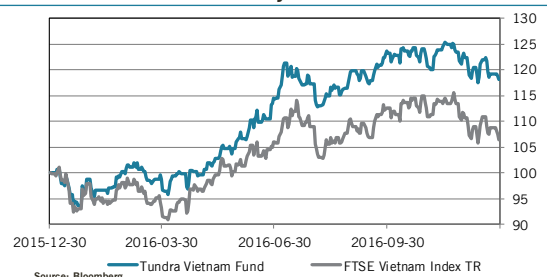
FTSE Vietnam Net (SEK) decreased 4.6% versus 0.4% gain for MSCI Frontier Market xGCC Net (SEK) while MSCI Emerging Market Net (SEK) lost 1.5% in the same period. For the year as a whole FTSE Vietnam Net (SEK) gained 6.5%, vs the 20% gain of MSCI EM Net (SEK). Foreign selling of USD 53.5m in December continued to negatively impact market sentiment. The selling pressure was however centered mainly around two names - VIC and VNM with a total of USD 70.7m net sell value. Apart from this, foreign investors were actually small buyers in other names. Daily average trading turnover increased to USD129m, mainly thanks to the re-balancing activities of the ETFs. Major events of the months included: (1) listing of Saigon Beverage Company: market was excited to be able to buy shares of the most favorite beer brand and share price shoot up 79.7% within the month; (2) the auction of 9% Vinamilk stake owned by the government: 5.4% was bought at 7% premium to market price, total transaction size reached USD500m; and (3) listing of Novaland, the second largest real estate developer: share price surged 20% on the listing date. The strong interest for new listings is a comforting sign and we see share prices jump strongly in most of the recent cases. Macro wise, most indicators are stable and positive. PMI in December stayed at a healthy level for the 13th consecutive month at 52.4, showing that manufacturing sector further expanded. CPI increased marginally at 0.23%, and FDI gained another USD1.6 bn in disbursement. Q4 GDP also improved marginally to 6.7% from 6.6% in Q3. Vietnam completed the year 2016 rather positively with GDP growth of 6.2%, a trade surplus of USD 2.68bn, inflation at 4.7%, record high forex reserves of USD 40.5bn, and all time high FDI disbursements of USD 15.9bn. Looking forward to 2017, the government is keen on achieving their high GDP growth target of 6.7%. We would expect to see a lot of new initiatives ahead from the government to achieve this target as a result.

The fund

The fund lost 3.6% Net (SEK) during the month, slightly outperforming the benchmark index which lost 4.6%. For the full year the fund gained 18.1% compared to the benchmark return of 6.5%.

Text continues on page 10

Tundra Vietnam Fund vs index (year-to-date)



Daily turnover on the Ho Chi Minh Stock Exchange



Tundra Frontier Opportunities Fund (cont. from page 4)

The fund had a very tough start to 2016 when the fund had difficulty getting rewarded for its traditionally strong stock picking. Starting May this was followed by the strongest six months' outperformance the fund has ever achieved. Underweight and good stock picking in Nigeria was an important reason for the outperformance in 2016, as was our country allocation to Pakistan (stock selection in Pakistan however attributed negatively for the first time in 5 years) and good stock picking in Vietnam and Sri Lanka. Lack of Moroccan holdings was the single most important negative attribution but this is an allocation we are very comfortable with going into 2017. The average portfolio valuation measured as P/E for 2017 is just below 10 times based on an expected 10% average profit growth in the calendar year. Given the fund's focus on local structural growth and to a large extent absence of cyclical business where profitability is dependent on external factors, we see this as an attractive valuation.

Tundra Pakistan Fund (cont. from page 6)

The most important reason was that the fund failed to fully keep up with the massive multiple expansion in blue chips during 2016 as the fund traditionally has earned its alpha more from stock picking outside the largest blue chips. When you don't beat the benchmark you have however also made mistakes. We conclude that we were too conservative in terms of growth and margin expectations in certain sectors and as a result exited too early or did not participate. In addition, the fund held ~10% in pre-IPOs during 2016 where the main unlocking of value is expected in the first half of 2017. Looking into 2017, outside some late rewards in parts of the portfolio, we expect a more normal year where our stock picking is more rewarded than was the case during 2016. Since launch the fund has added 83% of alpha and we will do what we can to continue to add to that in 2017.

Tundra Sustainable Frontier Fund (cont. from page 6)

Underweight and good stock picking in Nigeria was an important reason for the outperformance in 2016, as was our country allocation to Pakistan (stock selection in Pakistan however attributed negatively for the first time in 5 years) and good stock picking in Vietnam and Sri Lanka. Lack of Moroccan holdings was the single most important negative attribution but this is an allocation we are very comfortable with going into 2017. The average portfolio valuation measured as P/E for 2017 is just below 10 times based on an expected 10% average profit growth in the calendar year. given the fund's focus on local structural growth and to a large extent absence of cyclical business where profitability is dependent on external factors, we see this as an attractive valuation.

Tundra Vietnam Fund (cont. from page 9)

Our underweight in index heavy Consumer Staples (VNM), Industrial (ITA) and Real Estate (VIC) generated positive relative returns. Listing of our investment in an unlisted stock (NVL) also added to the alpha, as price opened up with a decent premium. On the negative side, underweight in Financials (VCB & STB) and overweight in Energy (PVD) resulted in negative relative returns. No new stocks were added in the fund during December.

	Return SEK (%)			
	December	3 months	Year to date	12 months
Emerging Markets				
MSCI Emerging Markets TR Net	-15	11	20,0	20,0
Brazil	-0,9	7,6	80,9	80,9
Chile	-2,1	7,8	24,3	24,3
Colombia	6,1	3,0	35,7	35,7
The Philippines	-0,9	-8,0	0,5	0,5
India	-1,8	-3,0	7,3	7,3
Indonesia	3,6	-2,7	25,8	25,8
China (A shares)	-8,8	3,1	-11,6	-11,6
China (H shares)	-5,8	-2,0	8,8	8,8
Malaysia	-1,3	-3,4	3,4	3,4
Egypt	4,4	-19,2	-4,2	-4,2
Mexico	-1,2	-2,9	-2,0	-2,0
Peru	-1,6	8,1	66,9	66,9
Poland	6,2	9,0	6,1	6,1
Russia	10,5	25,0	67,0	67,0
South Africa	3,5	12	27,1	27,1
South Korea	-1,2	-0,5	17,0	17,0
Taiwan	-3,0	3,2	28,4	28,4
Thailand	0,3	3,6	36,2	36,2
Czech Republic	1,6	1,9	1,7	1,7
Turkey	0,5	-9,0	-3,7	-3,7
Hungary	5,7	15,2	43,8	43,8
United Arab Emirates	3,1	3,9	23,1	23,1
Qatar	5,0	6,1	14,2	14,2
Latin America	-0,9	4,5	41,8	41,8
Asia	-3,8	-1,2	13,7	13,7
EMEA	5,3	7,4	29,0	29,0
Frontier Markets				
MSCI Frontier Markets 100 TR Net	0,9	6,0	10,9	10,9
MSCI Frontier Markets xGCC Net	0,4	3,5	11,0	11,0
Argentina	-4,4	-7,4	12,3	12,3
Bangladesh	1,9	9,0	18,6	18,6
Bosnia & Herzeg.	-2,7	-5,7	4,6	4,6
Bulgaria	2,6	23,6	30,6	30,6
Ecuador	0,3	7,6	2,3	2,3
Morocco	7,1	16,8	45,4	45,4
Estonia	0,6	0,5	18,1	18,1
Tunisia	-1,4	0,2	8,5	0,0
Ghana	6,8	-6,0	-17,0	-17,0
Kazakhstan	-0,9	4,6	15,4	15,4
Kenya	-5,2	-0,8	8,9	8,9
Croatia	-1,3	2,1	30,6	30,6
Kuwait	2,3	15,9	10,6	10,6
Latvia	-4,0	2,2	28,0	28,0
Lithuania	-0,4	-0,4	1,4	1,4
Mauritius	-1,5	3,2	17,4	17,4
Mongolia	9,3	5,6	-16,0	-16,0
Nigeria	1,9	0,9	-28,5	-28,5
Pakistan	12,1	22,5	50,8	50,8
Jordan	-0,2	11,4	7,1	7,1
Romania	0,9	0,7	22,3	22,3
Serbia	6,0	19,5	21,8	21,8
Slovakia	1,8	1,8	13,3	13,3
Slovenia	2,6	-13,3	-9,5	-9,5
Sri Lanka	-3,3	0,4	1,9	1,9
Ukraine	-3,2	2,7	26,2	26,2
Vietnam	-4,6	-5,5	6,5	6,5
Developed Markets				
MSCI World TR Net	0,6	7,4	14,7	14,7
Hong Kong	-8,0	-4,0	10,0	10,0
Nasdaq	-0,7	6,9	14,3	14,3
Nikkei 225	-0,8	5,3	10,4	10,4
OMX Stockholm 30	2,6	4,6	8,2	8,2
S&P 500	0,0	8,9	16,7	16,7
Singapore	-3,5	1,6	8,7	8,7
STOXX Europe 600	3,4	5,0	6,1	6,1
Sectors (Emerging Markets)				
Financials	-0,9	4,7	21,9	21,9
Industrials	-2,7	-1,1	5,8	5,8
Consumer Staples	-1,9	-5,6	8,6	8,6
Energy	3,3	13,9	46,7	46,7
IT	-3,0	-1,2	26,1	26,1
Utilities	-2,0	-1,7	11,4	11,4
Healthcare	-4,5	-4,6	-0,2	-0,2
Materials	-1,1	9,9	42,5	42,5
Consumer Discretionary	-1,6	-4,5	8,9	8,9
Telecom	-1,1	-1,1	9,4	9,4

	Return in USD (%)			
	December	3 months	Year to date	12 months
Soft commodities				
Coffe	-7,1	-9,6	10,8	10,8
Cocoa	-10,9	-23,0	-34,2	-34,2
Corn	1,0	1,6	-10,5	-10,5
Palm oil	3,9	6,7	34,7	34,7
Rice	-3,6	-5,4	-18,9	-18,9
Soya	-3,6	4,0	11,9	11,9
Wheat	1,3	-3,9	-21,3	-21,3
Energy				
Coal (cooking coal, China)	-0,7	38,9	111,3	111,3
Coal (steam coal, South Africa)	0,3	15,7	72,9	72,9
Natural Gas (Henry Hub)	11,1	28,1	68,2	68,2
Oil (Arabian Light)	20,6	23,8	76,3	76,3
Oil (Brent)	12,6	15,8	55,8	55,8
Oil (WTI)	8,7	11,4	46,8	46,8
Fertilizers				
Ammonia	11,1	19,0	-37,5	-37,5
Phosphorus	-4,5	-16,0	-22,2	-22,2
Potash	3,9	6,0	-13,1	-13,1
Sulfur	0,0	7,7	-36,4	-36,4
Urea	11,0	27,9	9,1	9,1
Metals				
Aluminum	-2,3	1,2	10,8	10,8
Gold	-2,3	-12,8	8,2	8,2
Copper	-5,0	13,8	16,9	16,9
Nickel	-10,9	-5,2	15,2	15,2
Palladium	-12,0	-5,5	24,2	24,2
Platinum	-0,8	-12,1	3,6	3,6
Silver	-3,5	-16,9	15,0	15,0
Steel	4,9	28,1	76,4	76,4
Zinc	-4,7	8,4	57,8	57,8

	SEK per 1 local currency				Change (%)			
	2016-12-30	2016-09-30	2015-12-30	2015-12-30	December	3 months	Year to date	12 months
Argentina (Peso)	0.5702	0.5609	0.6487	0.6487	-1.8	1.7	-12.1	-12.1
Bangladesh (Taka)	0.1147	0.1096	0.1074	0.1074	-2.4	4.7	6.9	6.9
Bosnia Hercegovina (Mark)	4.8738	4.9319	4.6980	4.6980	-2.3	-12	3.7	3.7
Brazil (Real)	2.7819	2.6320	2.1274	2.1274	2.2	5.7	30.8	30.8
Bulgaria (Lev)	4.8730	4.9328	4.6972	4.6972	-2.4	-12	3.7	3.7
Chile (Peso) X100	0.0135	0.0131	0.0119	0.0119	-1.2	3.4	13.6	13.6
Colombia (Peso) x100	0.0030	0.0030	0.0027	0.0027	0.6	12	13.8	13.8
Egypt (Pound)	0.4992	0.9667	10754	10754	-2.8	-48.4	-53.6	-53.6
Euro	9.5751	9.6345	9.1913	9.1913	-2.1	-0.6	4.2	4.2
Philippines (Peso)	0.1826	0.1772	0.1793	0.1793	-1.6	3.1	1.8	1.8
United Arab Emirates (Dirham)	2.4654	2.3377	2.2923	2.2923	-1.8	5.5	7.6	7.6
Hong Kong (Dollar)	1.676	1.070	1.0863	1.0863	-1.8	5.5	7.5	7.5
India (Rupee)	0.1333	0.1289	0.1268	0.1268	-1.1	3.4	5.1	5.1
Indonesia (Rupia) X100	0.0007	0.0007	0.0006	0.0006	-1.2	2.1	10.1	10.1
Japan (Yen) X100	0.0774	0.0847	0.0698	0.0698	-4.1	-8.6	10.9	10.9
Kazakstan (Tenge)	0.0271	0.0256	0.0248	0.0248	0.0	6.1	9.2	9.2
Kenya (Shilling)	0.0883	0.0848	0.0823	0.0823	-2.4	4.2	7.3	7.3
China (Renminbi)	1.3039	1.2870	1.2973	1.2973	-2.5	1.3	0.5	0.5
Croatia (Kuna)	1.2618	1.2834	1.2028	1.2028	-2.7	-1.7	4.9	4.9
Kuwait (Dinar)	29.6144	28.4783	27.7369	27.7369	-2.0	4.0	6.8	6.8
Latvia (Lati)	13.5535	13.7349	13.0720	13.0720	-2.5	-1.3	3.7	3.7
Malaysia (Ringgit)	2.0185	2.0748	1.9621	1.9621	-2.2	-2.7	2.9	2.9
Morocco (Dirham)	0.8942	0.8820	0.8499	0.8499	-2.2	1.4	5.2	5.2
Mexico (Peso)	0.4369	0.4429	0.4856	0.4856	-2.9	-1.4	-10.0	-10.0
Mongolia (Togrog)	0.0036	0.0038	0.0042	0.0042	-2.6	-3.1	-13.9	-13.9
Nigeria (Naira)	0.0287	0.0273	0.0423	0.0423	-1.8	5.4	-32.1	-32.1
Pakistan (Rupee)	0.0868	0.0822	0.0803	0.0803	-1.3	5.5	8.1	8.1
Peru (new Sol)	2.6983	2.5378	2.4691	2.4691	-0.1	6.3	9.3	9.3
Polan (Zloty)	2.1626	2.2461	2.1583	2.1583	-1.5	-3.7	0.2	0.2
Qatar (Rial)	2.4868	2.3579	2.3119	2.3119	-1.8	5.5	7.6	7.6
Romania (Lei)	2.0998	2.1708	2.0284	2.0284	-3.2	-3.3	3.5	3.5
Russia (Rubel)	0.1172	0.1366	0.1117	0.1117	2.3	7.8	28.3	28.3
Serbia (Dinar)	0.0772	0.0784	0.0755	0.0755	-2.7	-1.6	2.3	2.3
Singapore (Dollar)	6.2590	6.2992	5.9491	5.9491	-2.7	-0.6	5.2	5.2
Sri Lanka (Rupee)	0.0605	0.0585	0.0584	0.0584	-2.3	3.3	3.6	3.6
Sydafrika (rand)	0.6591	0.6257	0.5411	0.5411	0.6	5.3	21.8	21.8
South Korea (Won)	0.0075	0.0078	0.0072	0.0072	-4.8	-3.7	4.6	4.6
Taiwan (Dollar)	0.2801	0.2738	0.2556	0.2556	-3.1	2.3	9.6	9.6
Thailand (Bhat)	0.2527	0.2482	0.2336	0.2336	-2.1	1.8	8.2	8.2
Czech (Koruny)	0.3524	0.3571	0.3400	0.3400	-2.4	-1.3	3.7	3.7
Turkey (Lira)	2.5700	2.8623	2.8802	2.8802	-4.2	-10.2	-10.8	-10.8
Ukraine (Hryvnia)	0.3317	0.3311	0.3501	0.3501	-8.1	0.2	-5.3	-5.3
Hungary (Forint)	0.0308	0.0313	0.0293	0.0293	-1.5	-1.7	4.9	4.9
USD	9.0555	8.5865	8.4198	8.4198	-1.8	5.5	7.6	7.6
Vietnam (Dong) X1000	0.0004	0.0004	0.0004	0.0004	-2.2	3.3	6.2	6.2

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