

# MONTHLY LETTER FEBRUARY 2017



TUNDRA  FONDER

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## Tundra Frontier Opportunities Fund (class F, EUR)

Return (EUR)	1 month	YTD	1 year	Inception
Tundra Frontier Opportunities	3.7%	4.1%	24.2%	49.7%
Benchmark (MSCI FM xGCC Net (EUR))	1.7%	4.3%	14.0%	21.5%

Facts		Risk and costs*	
Inception date	2013-04-02	Active risk (Tracking error)	8.8%
Pricing	Daily	Standard deviation	12.8%
Manager	Tundra Fonder AB	Standard deviation, benchmark	12.3%
Benchmark index	MSCI FM xGCC Net (EUR)	Beta	0.78
ISIN	SE0006 789 897	Information ratio	0.31
IBAN	SE445000000058648209218	Risk level	5 of 7 (refer to KIID for more info)
BIC	ESSESESS	Management fee/year (all inclusive)**	2.5%
Custodian	SEB	AuM	50.7 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 February

	Return (EUR)		Return (EUR)
Juhayna Food	41.1%	Ferozesons Labs	-15.2%
Egypt Intl Ph.	37.3%	Diamond Bank	-13.0%
Obour Land	35.1%	Gul Ahmed Tex	-11.1%
Active Fine Chem	24.9%	Fbn Holdings Plc	-11.0%
Dat Xanh Real E.	23.2%	Tri-Pack Films	-10.5%

### Five largest holdings

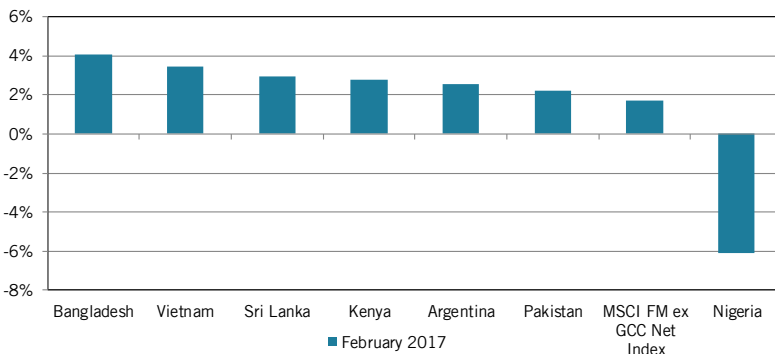
Holding	Portfolio weight	Country	P/E 16E	P/E 17E	Yield	Return 1 month (EUR)
Active Fine Chem	5.5%	Banglad.	-	-	-	24.9%
Ferozesons Labs	4.8%	Pakistan	-	19.5	-	-15.2%
Gb Auto	4.7%	Egypt	340.0	10.1	2.4%	2.2%
Fpt Corp	4.5%	Vietnam	9.8	8.5	4.8%	2.1%
Brac Bank Ltd	4.4%	Banglad.	13.9	11.2	-	0.3%

Source: Bloomberg, Tundra Fonder

### Fund Objective

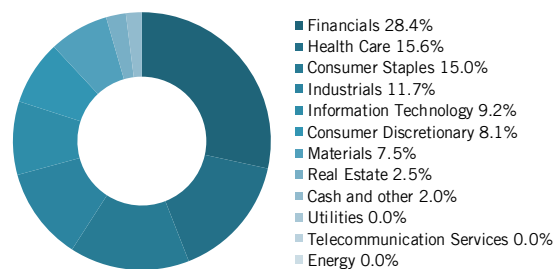
The Fund intends to give financial exposure to economic development in emerging markets and frontier markets through equities. The Fund Management Company particularly focuses on those markets that have large population and low GDP. Therefore countries which are part of the MSCI Frontier Markets index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

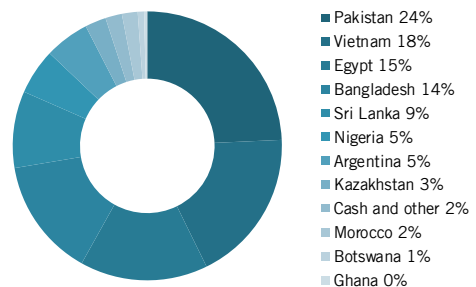


Source: Bloomberg

### Tundra Frontier Opportunities: Sector allocation



### Tundra Frontier Opportunities: Country allocation



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](http://www.tundrafonder.se)). You can also contact us to receive the documents free of charge.

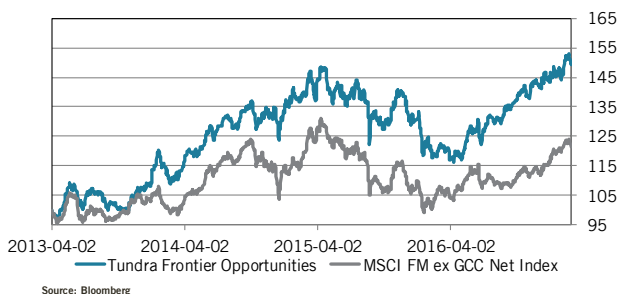
### Monthly Market Comment

MSCI Frontier Markets xGCC Net (EUR) increased 1.7% during the month, compared with MSCI Emerging Markets Net (EUR), which rose 4.8%. Among individual markets Croatia and Romania stood out with gains of 8% and 7% respectively. Nigeria and Morocco were the underperformers among the major markets declining 6% and 2% respectively. It was a relatively uneventful month where the global news flow calmed down.

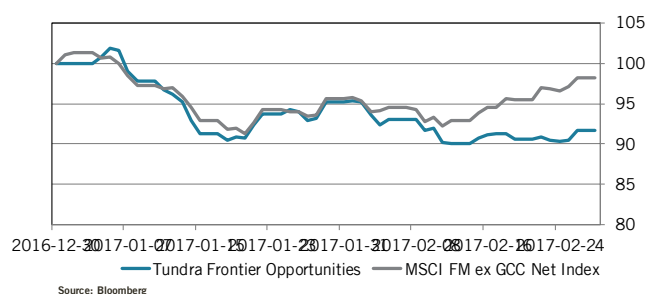
### Monthly Fund Comment

The fund rose 3.7% compared with the benchmark index which rose 1.7%. A large portion of the outperformance came from our exposure in Egypt, where the Egyptian pound strengthened almost 21% against the Swedish krona during the month. The gain should be seen against the background that the value of the Egyptian pound before the bounce had halved in value since Egypt let the currency float freely at the beginning of November. Significant positive contribution also came from Bangladesh, where one of the fund's larger holdings, the healthcare company Active Fine rose 25% during the month. Good stock picking in Vietnam and Sri Lanka also contributed positively to the relative performance. The relative performance was negatively affected by the fund's holdings in Pakistan where continued weak development of one of the fund's larger holdings, the pharmaceutical company Feroz (-15%), was the single most important reason. Underweights in Argentina and Romania also contributed negatively to relative returns. During the month, the fund continued to increase its positions in Egypt. After topping up our exposure in the vehicle manufacturer GB Auto is now the fund's third largest holding (almost 5%). The Fund also increased its exposure in the Vietnamese automotive retailer Savico and Feroz. The purchases were financed with selling primarily in Pakistan where the holdings in Karachi Electric and Pak Elektron were sold after strong share price runs.

### 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%	2.8%	0.9%	10.2%
2017	0.3%	3.7%											4.1%

Source: Bloomberg

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