

Semi-annual Report

Tundra Vietnam Fund

515602-6824

January 1st 2018 - June 30th 2018



This is a translated copy of the Swedish original. If any conflict occurs in the translation the Swedish version will prevail.



Tundra Vietnam Fund
515602-6824

Management Report

Fund performance

Tundra Vietnam Fund grew by 2,24% in the first half of 2018 compared to the benchmark FTSE Vietnam Index TR (SEK) which grew by 6,53% in the same period.

The Fund's net assets development

Assets under management at June 30th, 2018 amounted to SEK 1 102.2 million, which represents an increase of SEK 350.7 million compared to SEK 750.4 million at December 31st 2017.

The value of issued fund shares amounted to Class A SEK 1 689.2 million, Class C SEK 0 and Class D SEK 8.8 million. The value of redeemed fund shares amounted to Class A SEK 1 212.5 million, Class C SEK 0 and Class D SEK 60.9 million.

The value of the total change of fund shares during the period hence amounted to Class A SEK 476.6 million, Class C SEK 0 and Class D SEK -52.0 million.

Market development

The market (Vietnam Ho Chi Minh Stock Index, SEK) had a great start to the year which stretched till the end of Q1 2018 and posted 22% during Q1. The local benchmark index touched an all-time high in early April. However, it witnessed a strong correction similar to other frontier and emerging markets in Q2 2018 due to (1) continuous foreign net selling as foreign investors turned away from frontier and emerging markets due to the hike in U.S bond yields, (2) external factors such as tensions between the US and North Korea coupled with an increasing risk of a trade war between the U.S and China, which could have direct implications for Vietnam's trade and (3) strong devaluation of the Chinese Yuan and other peers' currencies putting pressure on the Vietnamese Dong. Liquidity declined to USD ~200mn in average daily turnover from USD ~300mn at year start. Total margin lending in the market came to USD 1.5bn (down from USD 2.5bn at the peak). The derivatives market, on the other hand, attracted attention and jumped in liquidity with a total daily turnover approaching USD 500mn at the end of June. The macro-economic situation of Vietnam, however, remained upbeat with a strong 1H GDP growth clocking at 7.1% (highest in 7 years), low CPI at 3.3%, positive trade surplus of USD 2.6bn, record high FDI at USD 20.3bn and all time high foreign FX reserve of USD 63bn.

Fund management and outlook

Our underweight in Real Estate and overweight in Materials and Financials were the main reasons behind relative underperformance. In addition overweight in Information Technology did not bode well for the relative performance. However, underweight in Industrials, Consumer Staples and overweight in Consumer Discretionary added positive relative returns. Vietnam's economy is improving as a result of (1) increasing investment by the government in infrastructure projects including highway networks, metro lines, airport systems, seaports, etc. (2) strong FDI inflow from multinational companies, (3) fast urbanization rate at more than 3% per year, and (4) booming of the middle-income class has also pushed consumer spending. The fund is well positioned to benefit from the better economic prospects and their resultant impact on consumer spending and rising income per capita. The fund is overweight in Consumer discretionary, Financials, Materials, and Information Technology. Expected new IPOs and new listing from both state owned enterprises and



Tundra Vietnam Fund
515602-6824

private sector offer the fund a wide variety of selection for the second half of 2018. Valuations seem to have corrected to a more reasonable and historic levels.

The fund is managed by an investment committee but with Mattias Martinsson as the lead portfolio manager.

Objectives and investment policy

The objective of the fund is to provide financial exposure to economic development in Vietnam and to provide its unitholders with a maximum long-term return on their investment given the fund's level of risk.

The fund takes into account aspects such as corporate governance, environmental and social issues as part of the investment process. The principles from international guidelines are applied (UN Global Compact, Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and OECD Guidelines for Multinational Enterprises). Companies that are involved in controversial weapons are also excluded.

Risks

The fund has a vast majority of its assets invested in Vietnam. A worse than expected development of the Vietnamese economy or the earnings growth among listed companies in the country constitute the primary risk. The fund does not hedge its holdings to currency fluctuations which may affect returns adversely in case the Vietnamese Dong weakens.

Derivatives

According to the fund statutes, the fund has the right to trade in options, futures and other derivatives, and the right to lend securities. The fund had no exposure to derivatives, or similar instruments during the period.



Tundra Vietnam Fund
515602-6824

Financial overview

Main portfolio

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2018-06-30	1 101 167 808	-	5 675 010,04	-	-	-
2017-12-31	750 420 774	-	3 954 768,18	-	-	-
2016-12-31	414 863 068	-	2 740 521,71	-	-	-
2015-12-31	202 084 179	-	1 583 672,83	-	-	-
2014-12-31	125 181 518	120,90	1 035 453,54	-	20,90 ¹⁾	22,42 ¹⁾

Index: FTSE Vietnam (SEK)

1) Period: 2014-05-06 - 2014-12-31

Fund share class A SEK

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2018-06-30	-	194,05	5 405 395,17	-	2,24	6,53
2017-12-31	-	189,79	3 430 544,31	-	25,36	34,58
2016-12-31	-	151,39	2 369 652,61	-	18,65	7,01
2015-12-31	-	127,59	1 355 520,97	-	5,53 ²⁾	-5,84 ²⁾

Index: FTSE Vietnam (SEK)

2) Since 2015-04-13 Tundra Vietnam Fund was replaced by Tundra Vietnam Fund Fund Share Class A

Fund share class C EUR

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2018-06-30	-	18,51	6,48	-	-4,09	0,21
2017-12-31	-	19,30	6,48	-	22,00	30,99
2016-12-31	-	15,82	6,48	-	2,46 ³⁾	-0,83 ³⁾

Index: FTSE Vietnam (EUR)

3) Period: 2016-06-30 - 2016-12-31



Tundra Vietnam Fund
515602-6824

Fund share class D USD

	AUM, SEK	NAV	No. of issued fund units	Dividend	Performance, %	Performance index, %
2018-06-30	-	21,66	269 608,39	-	-6,23	-2,40
2017-12-31	-	23,10	524 217,40	-	39,07	49,45
2016-12-31	-	16,61	370 862,62	-	9,85	-0,82
2015-12-31	-	15,12	228 151,87	-	-2,01 ⁴⁾	-5,17 ⁴⁾

Index: FTSE Vietnam (USD)

4) Period: 2015-04-13 - 2015-12-31



Tundra Vietnam Fund
515602-6824

Balance sheet

<i>In SEK</i>	<i>Note</i>	<i>2018-06-30</i>	<i>2017-12-31</i>
Assets			
Transferable securities		1 072 226 787	734 212 094
Total	<i>1</i>	1 072 226 787	734 212 094
Bank accounts		45 525 340	20 172 948
Pre-paid expenses and accrued income		4 538 703	877 096
Other assets		42 442	-
Total assets		1 122 333 272	755 262 138
Liabilities			
Accrued expenses and deferred income		2 512 806	1 479 503
Other liabilities		18 652 658	3 361 861
Total liabilities		21 165 464	4 841 364
Total Net assets	<i>1,2</i>	1 101 167 808	750 420 774



Tundra Vietnam Fund
515602-6824

Accounting principles and valuation of financial instruments

Amounts in SEK unless otherwise stated

Accounting principles

The Fund applies the Mutual Funds Act, 2004: 46 and the Financial Supervisory Authority of accounting for mutual funds 2013: 9 and follows the Swedish Fund Associations guidelines.

Valuation of financial instruments

The financial instruments are valued at market value according to the following order.

1. The financial instruments traded in an active market will be valued on the closing price at the balance sheet date if it is not a trading day, the most recent trading day prior to the closing date.
2. If the financial instrument is not traded in an active market, the market value is derived from information from similar transactions that have taken place under market conditions.
3. Unless method 1 or 2 can be used, or misleading the market value determined by an established market valuation model.

Key Figures

The Fund follows the Swedish Fund Associations guidelines of key performance indicators



Notes

Note 1 Financial instruments

As of June 30th 2018.

Holdings

Sector	Number held	Value SEK	Share %
Transferable securities			
Category 1			
CNG VIETNAM JSC, Vietnam, VND	605 290	6 558 297	0,60
PETROVIETN DRILLING, Vietnam, VND	5 834 504	31 039 833	2,82
PV GAS SOUTHERN ORD, Vietnam, VND	923 421	10 886 992	0,99
PV TRANS ORD, Vietnam, VND	4 949 690	29 274 500	2,66
Energy		77 759 622	7,06
BIM SON CEMENT JSC, Vietnam, VND	2 450 935	6 113 565	0,56
DONGHAI JOINT STOCK, Vietnam, VND	558 974	9 324 341	0,85
HATIEN 1 CEMENT JSC, Vietnam, VND	2 513 804	11 267 097	1,02
HOA PHAT GROUP JSC, Vietnam, VND	4 522 341	67 682 643	6,15
HOA SEN GROUP, Vietnam, VND	10 569 396	49 844 624	4,53
NAM KIM STEEL JSC, Vietnam, VND	3	18	0,00
PETROLIMEX PETROCHEM, Vietnam, VND	286 150	1 806 723	0,16
PVFCCO ORD, Vietnam, VND	1 980 000	13 273 224	1,21
Material		159 312 235	14,47
AGRICULTURE PRINTING, Vietnam, VND	135 700	2 797 811	0,25
CII ORD, Vietnam, VND	2 303 000	23 741 185	2,16
GEMAGEPT ORD, Vietnam, VND	870 305	8 751 328	0,79
PETROSETCO ORD, Vietnam, VND	27 240	99 266	0,01
POWER CONSTRUCTION, Vietnam, VND	687 505	8 654 882	0,79
VIETNAM ELEC EQUIP, Vietnam, VND	1 856 945	24 317 622	2,21
VIETNAM ELECTRIC CAB, Vietnam, VND	72 140	1 379 810	0,13
Industrials		69 741 904	6,33
DRC ORD, Vietnam, VND	2 400 410	22 079 041	2,01
DRY SELL & STORAGE B, Vietnam, VND	1 450 670	23 576 941	2,14
PHU NHUAN JEWELRY JSC, Vietnam, VND	420 000	15 223 518	1,38
SAIGON GENERAL SERVI, Vietnam, VND	350 730	6 288 014	0,57
SOUTHERN RUBBER INDU, Vietnam, VND	1 034 640	5 605 145	0,51
THANH CONG TEXTILE G, Vietnam, VND	109 147	899 715	0,08
TNG INVESTMENT & TRADING JSC, Vietnam, VND	2 541 210	10 300 461	0,94
Consumer discretionary		83 972 836	7,63
KIDO FROZEN FOODS, Vietnam, VND	993 300	13 549 749	1,23
MASAN GROUP CORP, Vietnam, VND	1 581 960	48 708 569	4,42



		Tundra Vietnam Fund	
		515602-6824	
VIETNAM DAIRY PRODUC, Vietnam, VND	910 000	60 293 861	5,48
Consumer staples		122 552 179	11,13
TRAPHACO ORD, Vietnam, VND	390 850	12 079 976	1,10
Health care		12 079 976	1,10
BANK FOR FOREIGN TRADE, Vietnam, VND	2 150 900	48 621 796	4,42
HDBANK, Vietnam, VND	3 514 000	49 509 990	4,50
LDG INVESTMENT JSC, Vietnam, VND	8 696 895	41 014 024	3,72
LIEN VIET POST JOINT, Vietnam, VND	5 566 149	24 297 167	2,21
MILITARY COM BANK, Vietnam, VND	1 139 103	12 430 935	1,13
SAIGON SECURITIES IN, Vietnam, VND	4 972 000	55 227 929	5,02
VIETNAM JS COMM BANK, Vietnam, VND	2 179 710	20 601 234	1,87
VNDIRECT ORD, Vietnam, VND	4 933 490	33 360 804	3,03
Financial		285 063 879	25,89
FPT CORP, Vietnam, VND	3 706 343	64 137 401	5,82
Information technology		64 137 401	5,82
PETROVIET NHON TRACH, Vietnam, VND	1 391 159	15 778 021	1,43
PLPC ORD, Vietnam, VND	639 970	4 389 904	0,40
Utilities		20 167 926	1,83
DAT XANH ORD, Vietnam, VND	6 020 924	63 711 196	5,79
VINCOM RETAIL JSC, Vietnam, VND	3 230 000	48 844 653	4,44
VINGROUP JSC ORD, Vietnam, VND	1 548 601	64 882 979	5,89
Real estate		177 438 828	16,11
Total Category 1		1 072 226 787	97,37
Total transferable securities		1 072 226 787	97,37
Total securities		1 072 226 787	97,37
Other assets and liabilities		28 941 021	2,63
Total net assets		1 101 167 808	100,00

The Fund's holdings of securities have been classified into the following categories:

1. Transferable securities admitted on a regulated market or an equivalent market outside the EEA.
2. Other financial instruments trading on a regulated market or an equivalent market outside the EEA.
3. Transferable securities that are the subject of regular trading in other markets that are regulated and open to the public.
4. Other financial instruments that are regularly traded on any other market that is regulated and open to the public.
5. Transferable securities within one year from the issue are being admitted to trading on a regulated market or an equivalent market outside the EEA.



Tundra Vietnam Fund
515602-6824

6. Transferable securities within one year from the issue will become subject to regular trading on any other market.

7. Other financial instruments.

Note 2 Changes in Net assets

	<i>2018-01-01- 2018-06-30</i>	<i>2017-01-01- 2017-12-31</i>
Net assets start of year	750 420 774	414 863 068
Fund share class A SEK		
Issued fund units	1 689 161 386	371 659 817
Redeemed fund units	-1 212 545 071	-171 579 495
Total	476 616 315	200 080 322
Fund share class C EUR		
Issued fund units	-	-
Redeemed fund units	-	-
Total	-	-
Fund share class D USD		
Issued fund units	8 827 030	27 418 673
Redeemed fund units	-60 875 234	-3 087 550
Total	-52 048 204	24 331 123
Net results according to income statement	-73 821 077	111 146 261
Net assets at end of the period	1 101 167 808	750 420 774