

LHV Persian Gulf Fund

28-Feb-17

Monthly Return -1.65%
NAV of share 11.2088 EUR
Fund Size EUR 12 008 277
LHV Asset Management 1 007 128 663 EUR
Share price movement (last 36 months)

Fund Manager's Comment

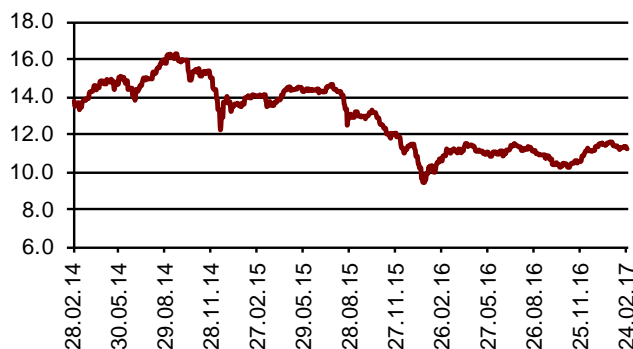
Joel Kukemelk



In February LHV Persian Gulf Fund decreased by -1.6% bringing year-to-date performance down to -1.1%. Strongest market in February was Bahrain which rose by +8.3% (MSCI index, local currency, net) and weakest was Kuwait that rallied hard last month but decreased by -2.8% this month. We participated nicely in the rally of the Bahrain market with our position in Aluminium Bahrain that has also benefitted from the rising aluminium prices during the last year.

In the end of February we completely exited from the UAE logistics company Aramex that we had been holding on to for many years. While our average cost for the shares was 1.76 AED then we sold them for 4.98 AED – the reason for the exit was valuation driven since from the beginning of this year the stock had risen by more than 20% and during the last year had risen by more than 60% reaching 2017 estimated P/E multiple of 16.5x. We actually have multiple attractive alternatives where to invest the funds that we receive from the sale.

As of end of February fund's single investments' portfolio trades at just 9.8x 12 month estimated P/E, 1.0x trailing P/B and offers 4.3% dividend yield.



Investment Objective

LHV Persian Gulf Fund invests in listed equities in the GCC (Gulf Cooperation Council) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.

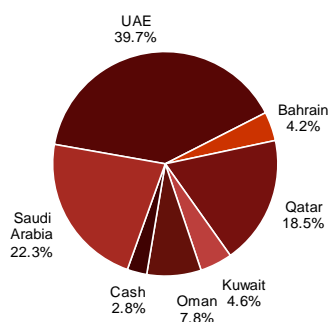
Morningstar Rating
5 Year



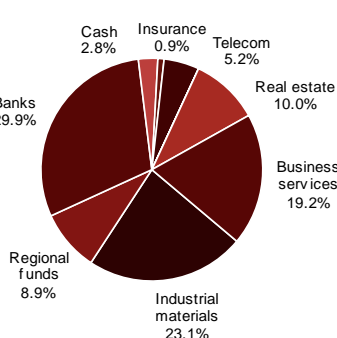
Historical Returns*

	1 month	12 months	36 months	2015-2016 average	2014-2016 average	2012-2016 average	YTD
Fund	-1.65%	4.14%	-18.38%	-9.09%	-2.58%	9.17%	-1.15%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Ras Al Khaimah Ceramics	8.94%
EFG-Hermes Saudi Arabia Equity	8.94%
Dubai Islamic Bank	8.02%
Bank Muscat	7.80%
Emaar Properties	7.17%
Sipchem	7.04%
Union National Bank	4.68%
Ooredoo	4.57%
Qatar National Bank	4.48%
Emirates NBD	4.40%
Value of top 10 Investments	66%
Total Number of Investments	23

Fund Details

Type:	eurofund (SICAV, UCITS IV)	Depository:	Swedbank AB (publ) Luxembourg Branch
ISIN of share:	LU1138349862	Issue and Redemption Fee:	0%
Registrar of share:	Swedbank AB (publ) Luxembourg Branch	Investment Management Fee:	1.75%
Fund Manager:	Joel Kukemelk	Launched:	2/13/2008, re-domiciled 4/13/2015

*The fund's historical performance does not promise or offer any indications regarding future performance. The performance chart shows the performance of the LHV Persian Gulf Fund - Class A Unit (EE3600095287) until the merger of LHV Persian Gulf Fund into the SEF-LHV Persian Gulf Fund on 2015-04-13 and since then the performance of the SEF- LHV Persian Gulf Fund Share (LU1138349862).

Information presented herein should not be interpreted as investment advice, investment recommendation or any other investment or ancillary service.

Please refer to the prospectus and the key investor information and ask for additional information lhv.ee/persian.

Historical annual average performance figures are geometrical averages based on last calendar years.