

# LHV Persian Gulf Fund

30-Apr-17

**Monthly Return** 2.46%  
**NAV of share** 11.4370 EUR  
**Fund Size** EUR 11 864 234  
**LHV Asset Management** 1 032 810 998 EUR  
**Share price movement (last 36 months)**

## Fund Manager's Comment

**Joel Kukemelk**

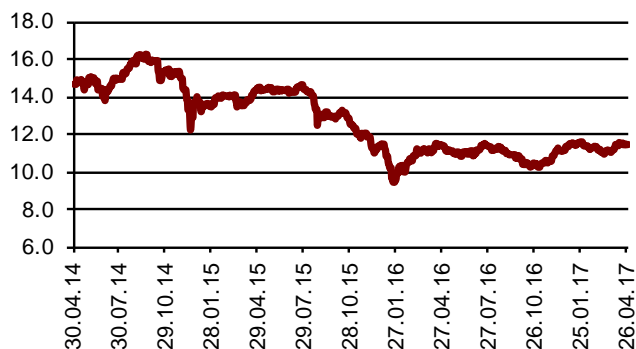


In April LHV Persian Gulf Fund increased by +2.5% bringing year-to-date performance to +0.9%. Strongest market in April was Oman which rose by +1.6% (MSCI index, local currency, net) and weakest was Kuwait that decreased by -2.1%. In Oman we are holding a big position in Bank Muscat shares which rose by +4.7% in April.

In April we completely exited our positions in Air Arabia and Qatar Insurance. In both cases companies were struggling with their latest quarterly results and the near-term outlook seemed bleak. During the month we sizeably increased our position in Abu Dhabi's real estate developer Aldar Properties that offers at just 0.7x book value and 7.7x estimated 2017 earnings in our opinion very good value.

At the end of May we are expecting to hear news about oil production volumes from the regular biannual gathering of OPEC member states and MSCI's decision on the issue whether or not to add Saudi Arabia already this year to the watch-list of MSCI Emerging Markets Index inclusion. IEA warned in an article published in Wall Street Journal at the end of April that global oil discoveries fell to a record low in 2016 since records began in 1950 and that very low energy sector investments will result in serious petroleum supply shortage by 2020.

As of end of April fund's single investments' portfolio trades at just 9.3x 12 month estimated P/E, 1.0x trailing P/B and offers 4.0% 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.

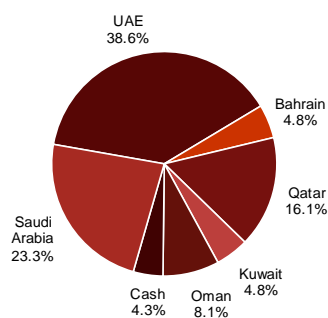
**Morningstar Rating 5 Year**



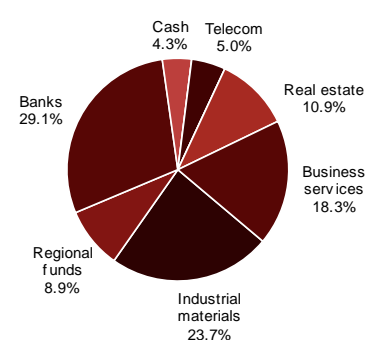
## Historical Returns\*

	1 month	12 months	36 months	2015-2016 average	2014-2016 average	2012-2016 average	YTD
Fund	2.46%	0.70%	-22.05%	-9.09%	-2.58%	9.17%	0.86%

## Country Breakdown



## Industry Breakdown



## Top 10 Investments

Name	% of Assets
EFG-Hermes Saudi Arabia Equity	8.92%
Ras Al Khaimah Ceramics	8.80%
Bank Muscat	8.10%
Dubai Islamic Bank	7.44%
Emaar Properties	6.82%
Sipchem	6.82%
Fawaz Abdulaziz Alhokair	4.57%
Union National Bank	4.49%
Ooredoo	4.42%
Emirates NBD	4.36%
<b>Value of top 10 Investments</b>	<b>65%</b>
<b>Total Number of Investments</b>	<b>21</b>

## 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](http://lhv.ee/persian).

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