

LHV Persian Gulf Fund

30-Nov-16

Monthly Return 3.09%
NAV of share 10.6935 EUR
Fund Size EUR 11 900 448
LHV Asset Management 958 752 308 EUR

Fund Manager's Comment



Joel Kukemelk

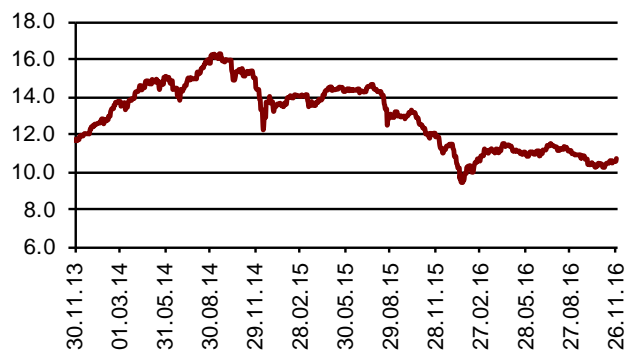


In November LHV Persian Gulf Fund increased by +3.1%, fund's YTD result stands now at -6.7%. Movements across different GCC markets were very big in November – for the second month in a row month's strongest market was Saudi Arabia which rose by +12.3% (MSCI index, local currency, net) and weakest was Qatar that decreased by -3.8%.

When two months ago we wrote that our bull case scenario involves OPEC production cut with Russia freezing then in reality we got even more than we bargained for. In addition to OPEC's 1.2 mln daily production cut Russia reduces its output additionally by 0.3 mln barrels. Mexico is expected to reduce its output by 0.15 mln barrels next year and Oman by 0.05 mln. This effectively means that 1.7 mln barrels of oil per day or 2% of global supply vanishes from the oil market. Almost all OPEC member states will cut their output by 4.6% with the exceptions of Libya and Nigeria (whose production outputs are unstable) and Iran (who received an approval to marginally increase its production to reach pre-sanction production levels).

As of end of November fund's single investments' portfolio trades at just 9.3x 12 month estimated P/E, 1.1x trailing P/B and offers 4.6% dividend yield. At this low valuation level we consider the witnessed jump in oil price an important catalyst for the region's asset prices.

Share price movement (last 36 months)



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.

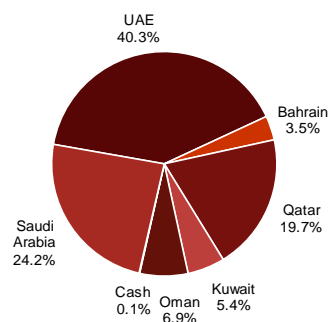
Morningstar Rating
5 Year



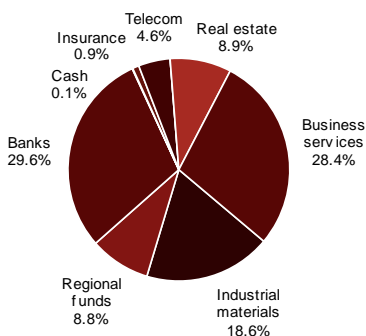
Historical Returns*

	1 month	12 months	36 months	2014-2015 average	2013-2015 average	2011-2015 average	YTD
Fund	3.09%	-9.72%	-8.23%	-3.35%	11.77%	8.87%	-6.66%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
EFG-Hermes Saudi Arabia Equity	8.84%
Dubai Islamic Bank	8.76%
Ras Al Khaimah Ceramics	7.64%
Bank Muscat	6.92%
Qatar Fuel Company	6.04%
Emaar Properties	5.52%
Fawaz Abdulaziz Alhokair	5.03%
Union National Bank	4.85%
Agility Public Warehousing	4.73%
Emirates NBD	4.36%
Value of top 10 Investments	63%
Total Number of Investments	27

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.

Source & Copyright: CITYWIRE. AS LHV Varahaldus are bronze rated by Citywire for rolling risk adjusted performance, across all management teams in the Equity-Middle East and North Africa sector, over the period 30/06/2009 - 30/06/2016.

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