

LHV Persian Gulf Fund

31-Mar-16

Monthly Return 4.03%
NAV of share 11.1970 EUR
Fund Size EUR 11 426 198
LHV Asset Management 596 940 884 EUR

Fund Manager's Comment

Joel Kukemelk

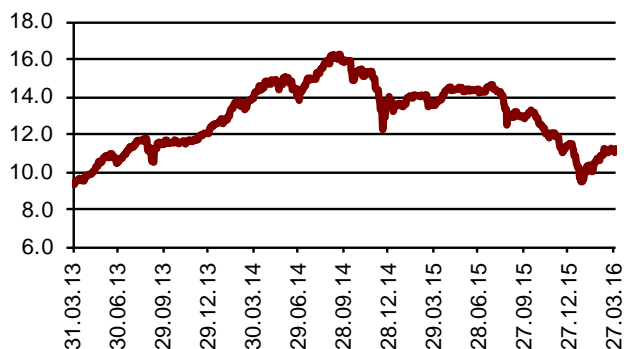


In March LHV Persian Gulf Fund gained +4.0% and this improved fund's YTD result to -2.3%. The Middle Eastern conference that took place in Dubai in March and gathered 455 representatives from the investor community and 117 representatives from the Middle Eastern companies demonstrated well that although GCC companies have been ready for a meaningful slowdown in economic activity then the dreaded big bad surprise hasn't materialised and financial results of companies have been decent. At the same time investor sentiment has been poor and a whole lot of potential bad news has already been discounted into today's market prices – for example 40% of conference attendees expect MENA company earnings to decline by 10% this year and another 40% expects an up to 20% decline in earnings; 1/3 of all respondents feared that GCC currency pegs which have been in place for more than three decades and lived through multiple energy price cycles might be abolished in the next two years; every other respondent believed that oil prices will never again reach \$100 per barrel etc. Such answers tell a lot about current state of investor sentiment in the markets.

In March we initiated a position in Agthia which is a UAE-based drinking water and food producing company. The company's expansion plans (aiming to double revenues by 2020) and valuation levels – trading at 15.5x 2016 estimated earnings – are attractive to us.

As of end of March fund's single investments' portfolio trades at 10.7x 12 month estimated P/E, 1.2x trailing P/B and offers 5.3% dividend yield.

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
3 Year



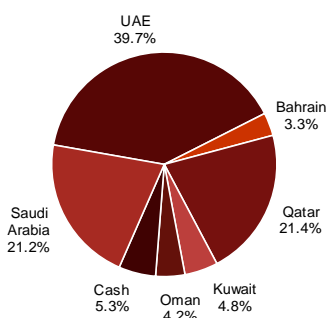
Morningstar Rating
5 Year



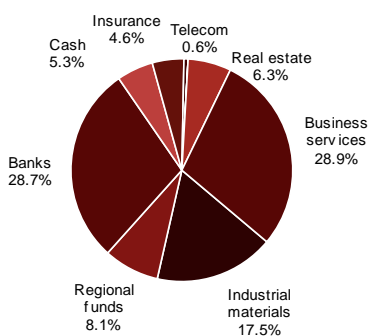
Historical Returns*

	1 month	12 months	36 months	2014-2015 average	2013-2015 average	2011-2015 average	YTD
Fund	4.03%	-17.56%	20.80%	-3.35%	11.77%	8.87%	-2.26%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar Fuel Company	8.90%
EFG-Hermes Saudi Arabia Equity	8.10%
Ras Al Khaimah Ceramics	8.07%
Dubai Islamic Bank	8.05%
Union National Bank	5.78%
Qatar Insurance Company	4.61%
Bank Muscat	4.19%
Agility Public Warehousing	4.16%
Emirates NBD	4.07%
Savola	3.63%
Value of top 10 Investments	60%
Total Number of Investments	28

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.