

# LHV Persian Gulf Fund

31-May-16

**Monthly Return** -4.06%  
**NAV of share** 10.8974 EUR  
**Fund Size** EUR 12 305 592  
**LHV Asset Management** 635 114 657 EUR

## Fund Manager's Comment

**Joel Kukemelk**



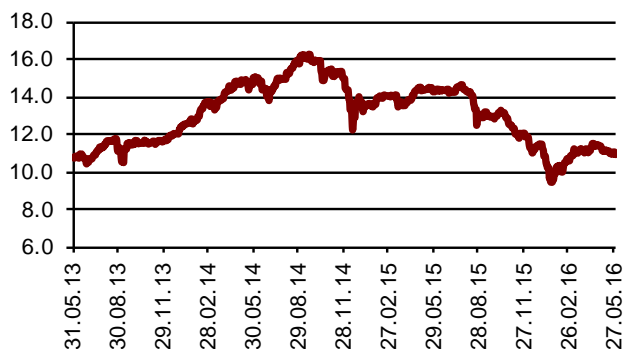
In May LHV Persian Gulf Fund's result was -4.1%, fund's YTD result declined to -4.9%.

Biggest news in May came from Saudi Arabia – in addition to replacing Saudi's long-running (20 years) oil minister Ali al-Naimi with Khalid al-Falih, reform initiatives are being felt more and more also in the local financial markets. Saudi Arabia's stock market was first opened for direct investments by foreign investors about a year ago but now steps are being taken to increase the access to a wider community – minimum AUM requirement is being decreased from \$5 bn to \$1 bn; single foreign investor's maximum ownership in a stock is increased from 5% to 10%, total maximum ownership in a stock is 49%; in H1'17 settlement cycle is standardised with international norms from T+0 to T+2.

These are big steps for Saudi Arabia towards being included in MSCI Emerging Markets Index in a couple of years where it would probably take ca 3% share. In that case GCC countries would make up 5% of MSCI EM index and GCC will become a very important region among investors investing in the emerging markets.

As of end of May fund's single investments' portfolio trades at 10.6x 12 month estimated P/E, 1.3x trailing P/B and offers 5.2% dividend yield.

## Share price movement (last 36 months)



## Investment Objective

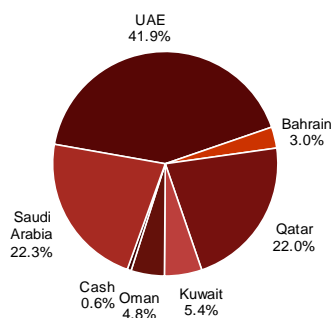
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.



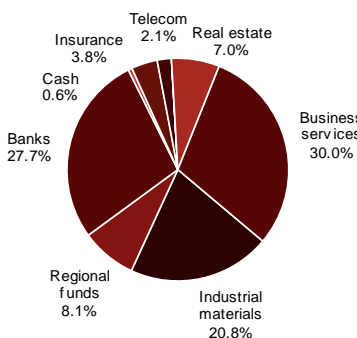
## Historical Returns\*

	1 month	12 months	36 months	2014-2015 average	2013-2015 average	2011-2015 average	YTD
Fund	-4.06%	-23.61%	1.71%	-3.35%	11.77%	8.87%	-4.88%

## Country Breakdown



## Industry Breakdown



## Top 10 Investments

Name	% of Assets
Ras Al Khaimah Ceramics	9.28%
Qatar Fuel Company	9.21%
EFG-Hermes Saudi Arabia Equity	8.08%
Dubai Islamic Bank	7.58%
Union National Bank	5.10%
Agility Public Warehousing	4.81%
Bank Muscat	4.79%
Emaar Properties	4.64%
Emirates NBD	4.19%
Al Meera Consumer Goods	4.10%
<b>Value of top 10 Investments</b>	<b>62%</b>
<b>Total Number of Investments</b>	<b>30</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.