

LHV Persian Gulf Fund

31-May-17

Monthly Return -0.26%
NAV of share 11.4075 EUR
Fund Size EUR 11 769 690
LHV Asset Management 1 024 172 392 EUR
Share price movement (last 36 months)

Fund Manager's Comment

Joel Kukemelk

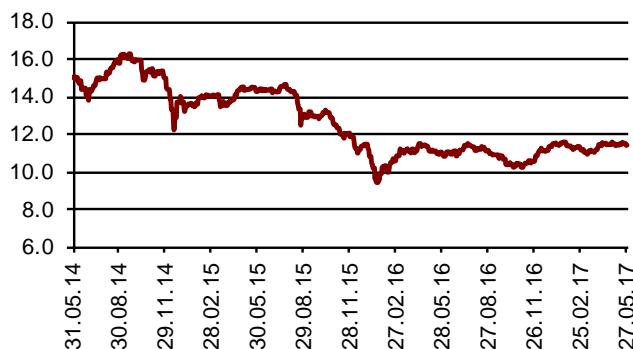


In May LHV Persian Gulf Fund's return was -0.3% bringing year-to-date performance to +0.6%. Strongest market in May was Saudi Arabia which rose by +1.0% (MSCI index, local currency, net) and weakest was Oman that decreased by -2.8%.

After the release of Q1 financial results and the fall witnessed in the shares we added Dubai Entertainments into the fund portfolio in May. Dubai Entertainments is a theme park operator that opened its doors at the end of last year and has been off to a weak start and will likely also face two following weak quarters due to seasonality but we expect to see decent results from them at the end of the year as the park has ramped up and we want to position for that already beforehand. Today these shares trade at just 0.8x-0.9x book value.

During OPEC's meeting on May 25th decision was taken to prolong the 6 month oil production cut by another 9 months until at least end of March 2018. Although financial markets reacted to the production cut extension announcement without additional cuts with a disappointment taking oil prices quickly lower, we feel that as we enter the seasonally stronger period for oil demand then the extension of the cuts will greatly increase the pace of bringing down global oil inventories to historical averages.

As of end of May fund's single investments' portfolio trades at 9.9x 12 month estimated P/E, 1.1x trailing P/B and offers 3.9% 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.

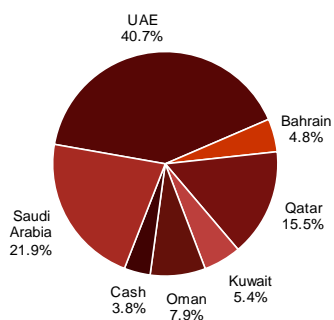
Morningstar Rating 5 Year



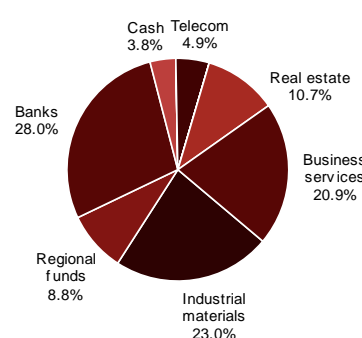
Historical Returns*

	1 month	12 months	36 months	2015-2016 average	2014-2016 average	2012-2016 average	YTD
Fund	-0.26%	4.68%	-24.09%	-9.09%	-2.58%	9.17%	0.60%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Ras Al Khaimah Ceramics	9.29%
EFG-Hermes Saudi Arabia Equity	8.79%
Bank Muscat	7.93%
Dubai Islamic Bank	7.17%
Emaar Properties	6.58%
Sipchem	5.46%
Agility Public Warehousing	4.97%
Fawaz Abdulaziz Alhokair	4.94%
Ooredoo	4.33%
Aluminium Bahrain	4.23%
Value of top 10 Investments	64%
Total Number of Investments	22

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.