

# LHV Persian Gulf Fund

31-Aug-15

**Monthly Return** -9.19%  
**NAV of share** 13.0625 EUR  
**Fund Size** EUR 16 832 414  
**LHV Asset Management** EUR 545 240 229

## Fund Manager's Comment



**Joel Kukemelk**



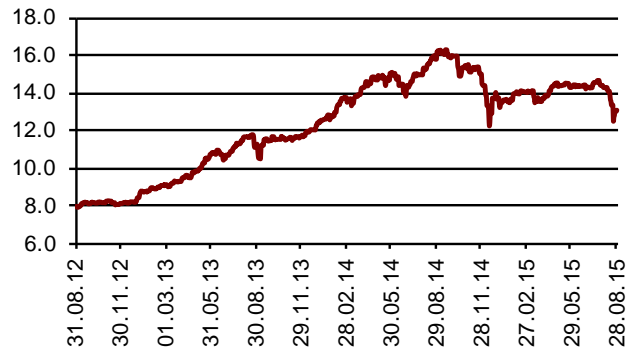
In August LHV Persian Gulf Fund lost -9.2%. Month's strongest stock market (MSCI, local currency, net) was Qatar with -1.9% loss and weakest was Saudi Arabia with -17.3% loss. As of end of August LHV Persian Gulf Fund's single investments' fund portfolio trade at an attractive

10.5x 12 month estimated P/E, 1.2x trailing P/B and offers 4.4% dividend yield.

Although by end of August Brent oil price rose to \$54 then during the middle of the month the price touched as low as \$42 – price level that's not satisfying to GCC countries over the long term. According to IMF budget break-even oil price in 2015 is \$49 in Kuwait, \$60 in Qatar, \$74 in the UAE, \$87 in Saudi Arabia, \$103 in Oman and \$127 in Bahrain. Luckily GCC countries have gathered immense reserves to comfortably go through these turbulent times – there are more than \$2 trillion of reserves in GCC sovereign wealth funds.

For financing budget deficits there are multiple options including increasing government debt levels (these are very low in the GCC), implementing new taxes (currently very few taxes have been implemented) or decreasing reserves. For example Saudi Arabia's foreign currency reserves are today more than €600 billion or 70% more than during 2008/2009 financial crisis when oil prices were trading at similar low levels. Therefore GCC countries' capability to cope with the low oil prices for longer periods of time have increased markedly over the last years.

## 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



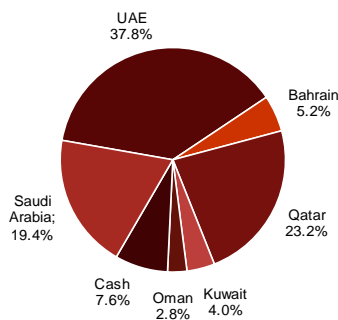
**Morningstar Rating**  
5 Year



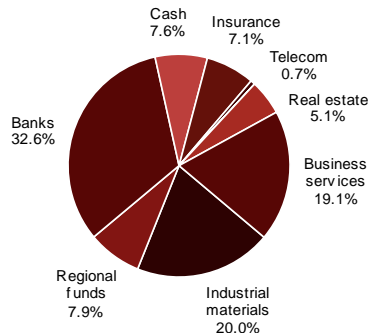
## Historical Returns\*

	1 month	12 months	36 months	2013-2014 average	2012-2014 average	2010-2014 average	YTD
Fund	-9.19%	-17.19%	64.72%	29.31%	23.33%	17.10%	-4.79%

## Country Breakdown



## Industry Breakdown



## Top 10 Investments

Name	% of Assets
Dubai Islamic Bank	9.08%
Ras Al Khaimah Ceramics	8.07%
EFG-Hermes Saudi Arabia Equity	7.85%
Union National Bank	7.71%
Qatar Insurance Company	7.12%
Al Meera Consumer Goods	4.67%
Qatar Fuel Company	4.63%
Aluminium Bahrain	4.57%
Depa	3.65%
Savola	3.57%
Value of top 10 Investments	61%
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 Managers:	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). LHV Persian Gulf Fund has been merged into the SEF – LHV Persian Gulf Fund on 2015-04-13. 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). Source & Copyright: CITYWIRE. Joel Kukemelk is A rated by Citywire for his 3 year risk adjusted performance for the period 31.07.2012 – 31.07.2015. Starting from 01.03.2014, the historical annual performance figures are geometrical averages.