

LHV Persian Gulf Fund

31-Aug-16

Monthly Return -2.53%
NAV of share 11.0354 EUR
Fund Size EUR 12 762 155
LHV Asset Management 926 752 980 EUR

Fund Manager's Comment

Joel Kukemelk



In August LHV Persian Gulf Fund declined by -2.5%, fund's YTD result stands now at -3.7%.

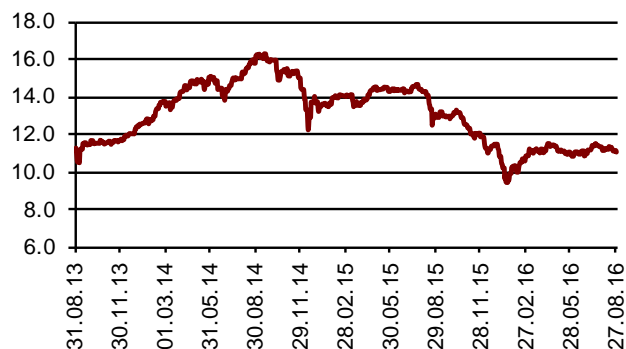
August's strongest market was Qatar which rose by +4.0% (MSCI index, local currency, net) and weakest was Oman that decreased by -2.4%.

During the last two months Qatar's stock exchange performance has been boosted by the knowing that Qatar is being added to FTSE Emerging Market Index in the middle of September resulting in more than half a billion USD inflow from passive investors tracking the index. Since index inclusion is taking place in two steps then the same amount of additional index weight and money inflow is expected in March 2017 – this might prevent the sell-the-news effect on the Qatar market after the first phase of the index inclusion.

2 years after OPEC embarked on global oil production market share fight member states are set to meet in Algeria on September 26-28. Compared to previous OPEC meetings this time situation is a bit different. Iran has reached its pre-sanction oil production level and Saudi Arabia is looking to list its oil producing giant Saudi Aramco in the beginning of next year. Motivation to reach a mutual agreement and prevent the flooding of the oil market seems to exist now on multiple fronts. This would help to ensure that oil market would reach a balance sometime in the beginning of next year resulting in higher prices.

As of end of August fund's single investments' portfolio trades at 10.4x 12 month estimated P/E, 1.2x trailing P/B and offers 4.7% dividend yield.

Share price movement (last 36 months)



Investment Objective

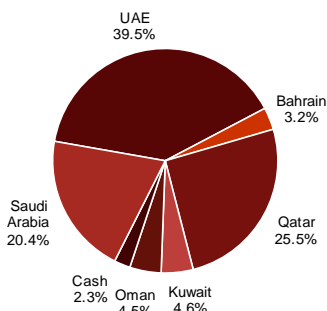
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.



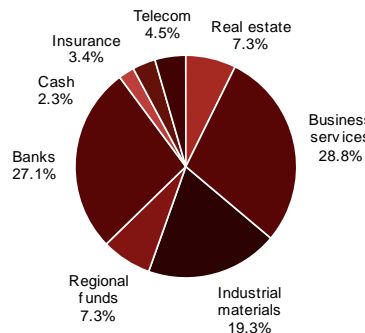
Historical Returns*

	1 month	12 months	36 months	2014-2015 average	2013-2015 average	2011-2015 average	YTD
Fund	-2.53%	-15.52%	-0.69%	-3.35%	11.77%	8.87%	-3.67%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar Fuel Company	8.99%
Dubai Islamic Bank	8.88%
Ras Al Khaimah Ceramics	8.38%
EFG-Hermes Saudi Arabia Equity	7.30%
Union National Bank	5.21%
Emaar Properties	5.10%
Bank Muscat	4.51%
Al Meera Consumer Goods	4.23%
Agility Public Warehousing	4.06%
Emirates NBD	4.01%
Value of top 10 Investments	61%
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.