

# LHV Persian Gulf Fund

31-Aug-17

## Fund Manager's Comment

**Joel Kukemelk**



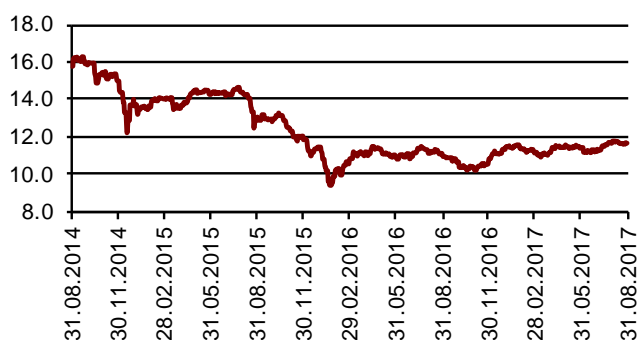
In August LHV Persian Gulf Fund's return was +0.1% with year-to-date performance rising to +2.9%. The strongest markets in August were Kuwait and Oman that rose by +7.6% and +4.2% respectively (MSCI index, local currency, net) and weakest was Qatar that decreased by -6.6%.

Companies' Q2 earnings season was wrapped up in August. From our biggest investments we saw good numbers from Emaar Properties, Dubai Islamic Bank, Al Meera Consumer Goods and Emirates NBD. Financial results meeting our expectations came from Ras Al Khaimah Ceramics (one-time write-off in receivables but underlying trends were decent), Sipchem, Aldar Properties and Aluminium Bahrain (aluminium price has continued to rise recently which should bode well for the company's future). Only Bank of Muscat's numbers were below expectations but because of its very cheap valuation this was more than baked into the share price already.

In August we increased our position in National Bank of Kuwait that is set to benefit from the bank's transition to IFRS 9 and increased likelihood that Kuwait will in the near future be classified into FTSE and/or MSCI Emerging Market indices.

As of end of August fund's single investments' portfolio trades at 10.2x 12 month estimated P/E, 1.1x trailing P/B and offers 3.7% dividend yield.

**Monthly Return** 0.11%  
**NAV of share** 11.6673 EUR  
**Fund Size** 11 459 970 EUR  
**LHV Asset Management** 1 061 818 380 EUR  
**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.

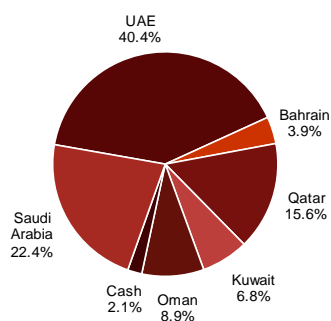
**Morningstar Rating**  
5 Year



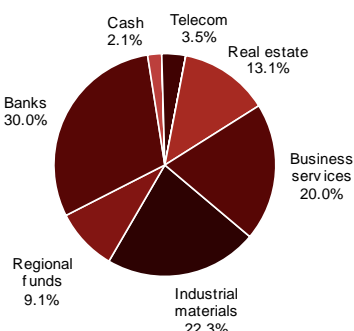
## Historical Returns\*

	1 month	12 months	36 months	2015-2016 average	2014-2016 average	2012-2016 average	YTD
Fund	0.11%	5.73%	-26.04%	-9.09%	-2.58%	9.17%	2.89%

## Country Breakdown



## Industry Breakdown



## Top 10 Investments

Name	% of Assets
EFG-Hermes Saudi Arabia Equity	9.11%
Bank Muscat SAOG	8.91%
Emaar Properties Limited	8.90%
Ras Al Khaimah Ceramics	7.60%
Sipchem	6.25%
Dubai Islamic Bank	6.07%
Al Meera Consumer Goods	4.47%
Emirates NBD	4.24%
Aldar Properties	4.15%
Aluminium Bahrain	3.89%
<b>Value of top 10 Investments</b>	<b>64%</b>
<b>Total Number of Investments</b>	<b>21</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.