

LHV Persian Gulf Fund

31-Oct-15

Monthly Return -3.47%
NAV of share 12.5063 EUR
Fund Size EUR 15 392 626
LHV Asset Management EUR 559 691 243

Fund Manager's Comment



Joel Kukemelk

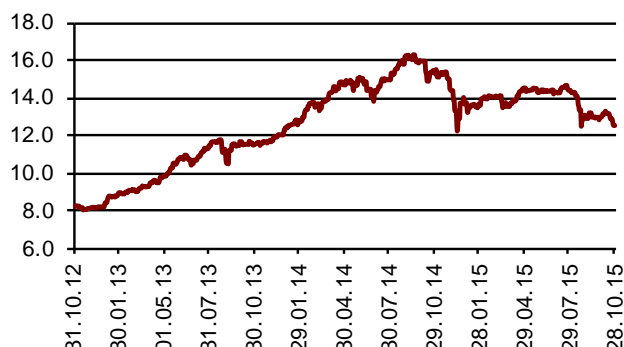


In October LHV Persian Gulf Fund lost -3.5%. Month's strongest stock market (MSCI, local currency, net) was Oman with +1.4% gain and weakest was the United Arab Emirates with -4.6% loss.

Overall Q3 financial results offered a slight disappointment to GCC investors. On the negative side, multiple companies from Saudi Arabia and Qatar that had invested part of their free cash into local stock markets suffered short-term financial losses due to financial market turbulence and this had a negative effect on their net profits. But we also had some nice positive surprises, for example the UAE Dubai Islamic Bank and Oman's Bank Muscat grew their net profits in Q3 yoy by 44% and 15% respectively.

As of end of October LHV Persian Gulf Fund's single investments' fund portfolio trades at 10.4x 12 month estimated P/E, 1.2x trailing P/B and offers 4.6% dividend yield. Once regional investor sentiment starts to shift in GCC then these cheap valuation levels start to get more attention.

Share price movement (last 36 months)



Investment Objective

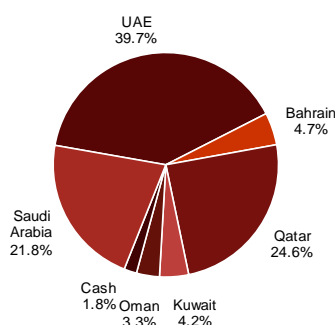
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.



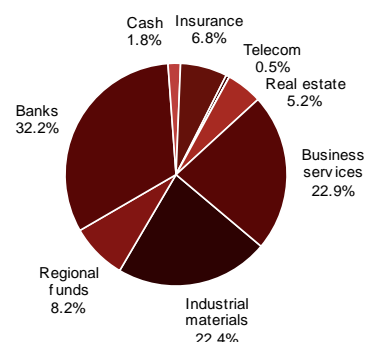
Historical Returns*

	1 month	12 months	36 months	2013-2014 average	2012-2014 average	2010-2014 average	YTD
Fund	-3.47%	-18.26%	52.72%	29.31%	23.33%	17.10%	-8.85%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Ras Al Khaimah Ceramics	9.04%
Dubai Islamic Bank	8.35%
EFG-Hermes Saudi Arabia Equity	8.18%
Union National Bank	8.13%
Qatar Fuel Company	7.45%
Qatar Insurance Company	6.82%
Al Meera Consumer Goods	4.77%
Aluminium Bahrain	4.15%
Depa	4.09%
Emirates NBD	3.63%
Value of top 10 Investments	65%
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 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. Source & Copyright: CITYWIRE. Joel Kukemelk is A rated by Citywire for his 3 year risk adjusted performance for the period 30.09.2012 – 30.09.2015. Starting from 01.03.2014, the historical annual performance figures are geometrical averages.