

LHV Persian Gulf Fund

31-Oct-17

Fund Manager's Comment

Joel Kukemelk



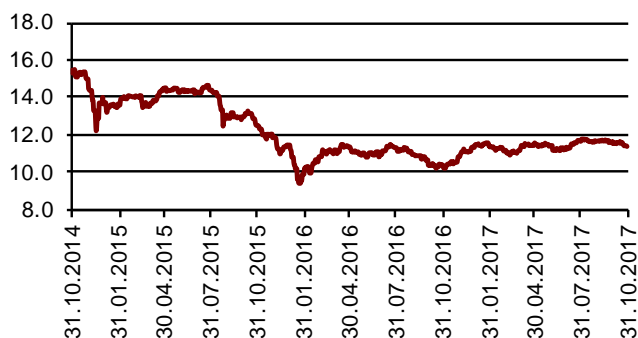
In October LHV Persian Gulf Fund's return was -2.1% with year-to-date performance now at +0.4%. The strongest market in October was United Arab Emirates that rose by +1.7% (MSCI index, local currency, net) and weakest was Saudi Arabia that decreased by -4.3%.

The most important keywords for the GCC region over the next year shall be companies' quarterly financial results, OPEC's oil policy (next scheduled meeting on November 30th) and resulting oil price, FTSE and MSCI decisions on including Saudi Arabia to Emerging Market indices (next meeting in March 2018 and June 2018 respectively), Saudi Aramco IPO in 2018, restoration of co-operation between all GCC countries (resolution of Qatar conflict), reforming GCC region and reducing dependency on oil revenues.

During the second week of November we are in London attending a Middle Eastern conference organised by EFG where we get to meet with more than 30 GCC company managements. We'll write more about these meetings and Q3 results in our next monthly letter.

As of end of October fund's single investments' portfolio trades at 9.8x 12 month estimated P/E, 1.0x trailing P/B and offers 3.9% dividend yield.

Monthly Return -2.09%
NAV of share 11.3817 EUR
Fund Size 10 935 127 EUR
LHV Asset Management 1 084 224 793 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.

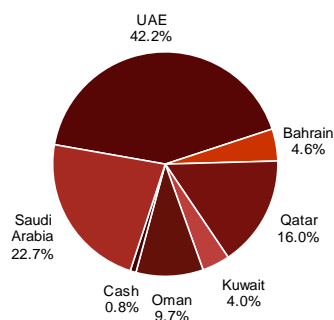
Morningstar Rating
5 Year



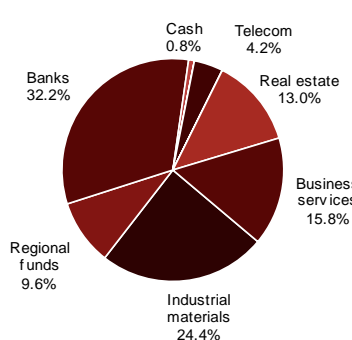
Historical Returns*

	1 month	12 months	36 months	2015-2016 average	2014-2016 average	2012-2016 average	YTD
Fund	-2.09%	9.72%	-25.61%	-9.09%	-2.58%	9.17%	0.37%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Bank Muscat SAOG	9.65%
EFG-Hermes Saudi Arabia Equity	9.55%
Emaar Properties Limited	8.42%
Ras Al Khaimah Ceramics	8.05%
Sipchem	7.07%
Dubai Islamic Bank	5.89%
Union National Bank	4.78%
Aluminium Bahrain	4.62%
Aldar Properties	4.58%
Emirates NBD	4.47%
Value of top 10 Investments	67%
Total Number of Investments	20

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.