

LHV Persian Gulf Fund

31-Dec-16

Monthly Return 6.04%
NAV of share 11.3392 EUR
Fund Size EUR 12 809 375
LHV Asset Management 973 875 776 EUR

Fund Manager's Comment



Joel Kukemelk

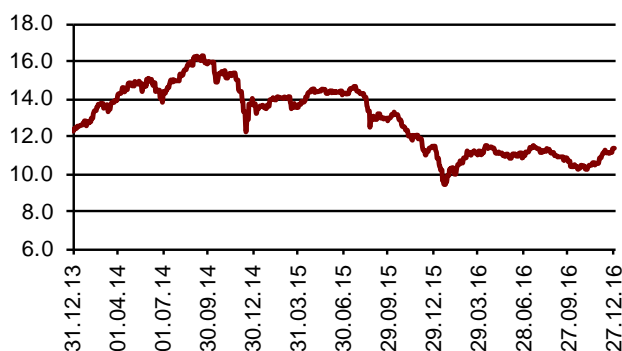


In December LHV Persian Gulf Fund increased by +6.0% bringing fund's 2016 result to -1.0%. Month's strongest market was Qatar which rose by +6.9% (MSCI index, local currency, net) and weakest was Bahrain that increased by +1.3%.

In 2016 we made multiple changes in the fund portfolio. In addition to changing the weights of existing positions we added 5 new names to the fund portfolio during the year – Agthia, Ooredoo, Al Tayyar, Al Othaim and Aldar Properties. By the end of the year we had completely exited from 6 investments - Samba Financial, First Gulf Bank, Commercial Bank of Qatar, Emaar Malls, Savola and Agthia. Similar to the beginning of last year we are seeing best investment opportunities in the stock exchanges of the United Arab Emirates and Saudi Arabia.

As of end of December fund's single investments' portfolio trades at just 10.1x 12 month estimated P/E, 1.1x trailing P/B and offers 4.4% dividend yield. On the back of improving sentiment this creates good conditions for the region's asset prices to rise in 2017.

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.

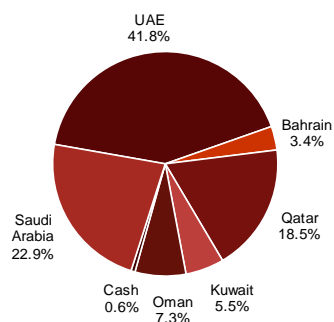
Morningstar Rating
5 Year



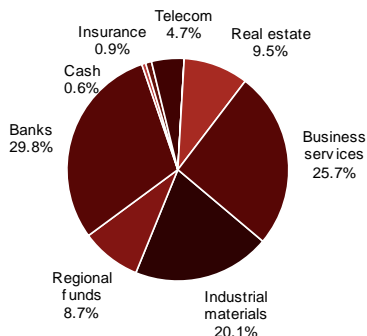
Historical Returns*

	1 month	12 months	36 months	2015-2016 average	2014-2016 average	2012-2016 average	YTD
Fund	6.04%	-1.02%	-7.55%	-9.09%	-2.58%	9.17%	-1.02%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Dubai Islamic Bank	8.78%
EFG-Hermes Saudi Arabia Equity	8.74%
Ras Al Khaimah Ceramics	8.73%
Bank Muscat	7.30%
Emaar Properties	6.53%
Agility Public Warehousing	4.92%
Sipchem	4.71%
Union National Bank	4.60%
Qatar Fuel Company	4.48%
Fawaz Abdulaziz Alhokair	4.40%
Value of top 10 Investments	63%
Total Number of Investments	26

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.

Source & Copyright: CITYWIRE. AS LHV Varahaldus are bronze rated by Citywire for rolling risk adjusted performance, across all management teams in the Equity-Middle East and North Africa sector, over the period 30/06/2009 - 30/06/2016.

Historical annual average performance figures are geometrical averages based on last calendar years.