

LHV Persian Gulf Fund

31 March 2018

Monthly Return **0.91%**
 NAV of share **11.5420 EUR**
 Fund Size **10 663 762 EUR**
 LHV Asset Management **1 126 746 844 EUR**



Fund Manager's Comment Joel Kukemelk

LHV Persian Gulf Fund's performance in March was +0.9% bringing year to date result to +2.4%. The strongest market in March was Saudi Arabia that rallied before FTSE's upgrade by +8.8% (MSCI index, local currency, net) and weakest market was Oman that declined by -3.3%.

In the beginning of March we attended a large Middle Eastern conference held in Dubai where we had meetings with around 20 GCC companies over the course of three days – we met with six of our fund's top ten company holdings. In summary the message was that because of the implementation of 5% value-added-tax from the beginning of 2018 in Saudi Arabia and the United Arab Emirates part of Q1'18 expected consumption was pulled forward into Q4'17. Since the implementation of VAT has coincided with the finalisation of reforms aimed to make the use of government spending more efficient then consumer confidence is at a long-term low that should significantly improve as the year progresses. Companies remained optimistic about the outlook for the second half of the year – consumer and investor confidence is being increased by oil price that has stabilised between \$60 and \$70 per barrel, weaker USD and stronger fiscal position of the GCC countries and the financial sector gets a boost from rising interest rate environment.

In March we added three new names to the fund portfolio - Mezzan (Kuwait food company), Agility (Kuwait logistics company) and Qatar Insurance (Qatar insurance company). We fully exited our position in Fawaz Abdulaziz Alhokair (Saudi Arabia clothing retailer). As of end of March the fund's single investments' portfolio trades at 8.8x 12 month estimated P/E, 1.0x trailing P/B and offers 4.7% dividend yield.

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.

Share price movement (last 36 months)



Fund Details

Type: eurofund (SICAV, UCITS IV)
 ISIN: LU1138349862
 Depository and Registrar: Swedbank AB (publ) Luxembourg Branch

Morningstar Rating 5 Year

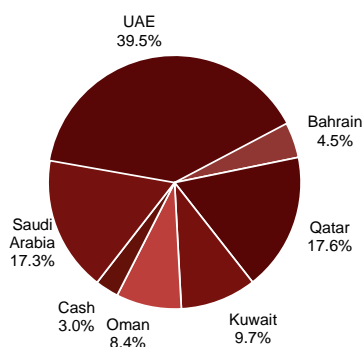
Fund Manager: Joel Kukemelk
 Issue and Redemption Fee: 0%
 Investment Management Fee: 1.75%
 Launched: 13.02.2008
 Re-domiciled: 13.04.2015



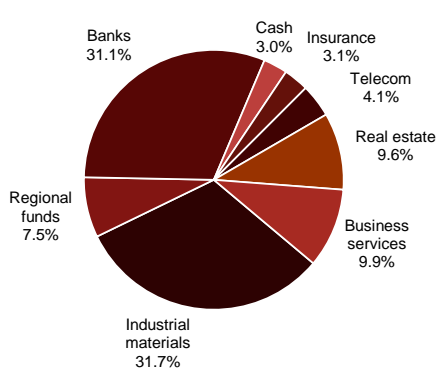
Historical Returns*

	1 month	12 months	36 months	2016-2017 average	2015-2017 average	2013-2017 average	YTD
Fund	0.91%	3.40%	-15.02%	-0.80%	-6.34%	6.56%	2.39%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Sipchem	8.60%
Bank Muscat	8.36%
Ras Al Khaimah Ceramics	8.16%
EFG-Hermes Saudi Arabia Equity	7.51%
Depa	6.48%
Emirates NBD	5.57%
National Bank of Kuwait	5.00%
Aluminium Bahrain	4.52%
Emaar Properties	4.51%
Qatar National Bank	4.46%
Value of top 10 Investments	63%
Total Number of Investments	23

*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.