

LHV Persian Gulf Fund

31 August 2018

Monthly Return **-2.01%**
 NAV of share **11.1538 EUR**
 Fund Size **8 755 516 EUR**
 LHV Asset Management **1 194 651 996 EUR**



Fund Manager's Comment Joel Kukemelk

LHV Persian Gulf Fund's performance in August was -2.0% bringing year to date result to -1.1%. The strongest market in August was Oman that rallied by +5.8% (MSCI index, local currency, net) and weakest market was Saudi Arabia that declined by -3.9%.

July and August wrapped up Q2 earnings season. There were 11 companies in our fund portfolio that managed to grow revenues more than 10% yoy and 7 companies that managed to show this growth on the bottom line. Higher earnings coupled with share prices on roughly the same price levels have helped to bring along continued decrease in fund's valuation multiples.

Emerging market investors' appetite for risk has recently been decreased by currency crisis there. Strong dollar and rising interest rates have put significant pressure on a number of weaker emerging market countries. When in the beginning of the year 1 euro could be exchanged for 4.5 Turkish liras then now this rate has skyrocketed to 7.5. In addition to that there are numerous other examples where currencies have weakened significantly – in Venezuela, Argentina, Brazil, South Africa, Russia etc. In the case of GCC investors, however, do not face this risk – currencies have been pegged in the GCC against USD for several decades.

As of end of August fund's investment portfolio trades at just 8.1x 12 month estimated P/E, 1.0x trailing P/B and offers 4.8% 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

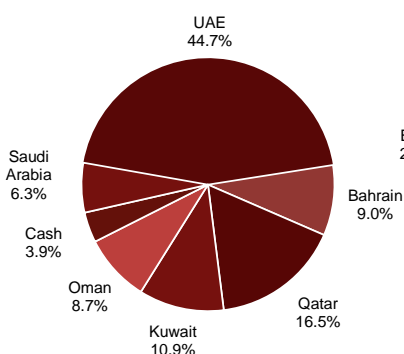
Type: eurofund (SICAV, UCITS IV)
 ISIN: LU1138349862
 Depository and Registrar: Swedbank AB (publ) Luxembourg Branch

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

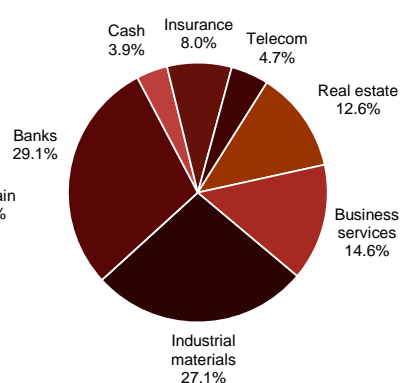
Historical Returns*

	1 month	12 months	36 months	2016-2017 average	2015-2017 average	2013-2017 average	YTD
Fund	-2.01%	-4.40%	-14.61%	-0.80%	-6.34%	6.56%	-1.06%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Aluminium Bahrain	9.00%
Ras Al Khaimah Ceramics	8.77%
Bank Muscat	8.66%
Emirates NBD	6.30%
Depa	5.77%
Emaar Development PJSC	4.94%
Dubai Islamic Bank	4.78%
Ooredoo	4.70%
National Bank of Kuwait	4.68%
Union National Bank	4.64%
Value of top 10 Investments	62%
Total Number of Investments	21

*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.