

LHV Persian Gulf Fund

30 September 2018

Monthly Return **1.91%**
 NAV of share **11.3664 EUR**
 Fund Size **8 820 420 EUR**
 LHV Asset Management **1 203 808 659 EUR**

Fund Manager's Comment Joel Kukemelk



LHV Persian Gulf Fund's performance in September was +1.9% bringing year to date result to +0.8%. The strongest market in September was for the second month in a row Oman that rallied by +8.1% (MSCI index, local currency, net) and weakest market was United Arab Emirates that declined by -1.3%.

In September Brent oil price increased from \$77 to \$83 – this is the highest level over the last four years. Compared to the beginning of this year oil price has already rallied by 24% and this leaves GCC governments significantly more room to boost their fiscal expenditures next year after several difficult years in a row. This means a likely positive stimulative effect on GCC economies for the next year and that is also the message we received from 33 Middle Eastern companies we met in London during September 10th-13th.

During the month we made multiple changes in the fund portfolio. We completely exited three companies and added four new names to the portfolio. As a result of that our exposure to the United Arab Emirates decreased from 45% to 39% and exposure to Qatar fell from 16% to 8%, Saudi Arabia's weight increased from 6% to 20%.

As of end of September fund's investment portfolio trades at just 8.0x 12 month estimated P/E, 1.1x 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)



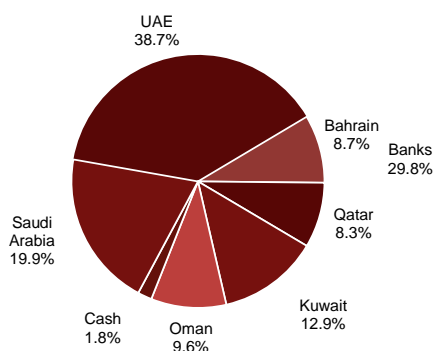
Fund Details

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

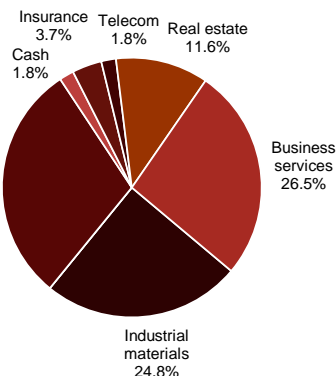
Historical Returns*

	1 month	12 months	36 months	2016-2017 average	2015-2017 average	2013-2017 average	YTD
Fund	1.91%	-2.22%	-12.27%	-0.80%	-6.34%	6.56%	0.83%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Bank Muscat	9.62%
Aluminium Bahrain	8.71%
Ras Al Khaimah Ceramics	8.62%
Emirates NBD	6.28%
Depa	5.27%
Dubai Islamic Bank	4.99%
United Electronics Co	4.81%
National Bank of Kuwait	4.77%
Qatar Fuel Company	4.51%
Emaar Properties	4.51%
Value of top 10 Investments	62%
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.