

LHV Persian Gulf Fund

31 December 2018

Monthly Return **-3.24%**
 NAV of share **10.6529 EUR**
 Fund Size **8 094 165 EUR**
 LHV Asset Management **1 214 432 464 EUR**

Fund Manager's Comment Joel Kukemelk

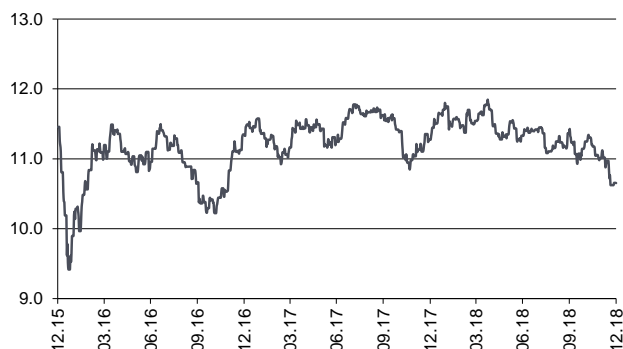


LHV Persian Gulf Fund's performance in December was -3.2% bringing full year 2018 result down to -5.5%. The strongest market in December was Saudi Arabia that rallied by +2.2% (MSCI index, local currency, net) and weakest market was Bahrain that declined by -4.5%.

During the December 6th OPEC meeting, OPEC agreed alongside with Russia to cut oil production in the amount of 1.2 mln barrels per day out of which 0.8 mln barrels comes from OPEC members. This is a sizeable cut and big step toward countering short-term oversupply in the oil markets deriving from the enforcement of more lenient oil export sanctions on Iran by the US than initially expected. Hopefully this will help to stabilise Brent oil price in the \$60-\$80 bracket over the long term that would suit well for the GCC countries.

As of end of December fund's investment portfolio trades at just 7.8x 12 month estimated P/E, 1.1x trailing P/B and offers 5.0% dividend yield.

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.

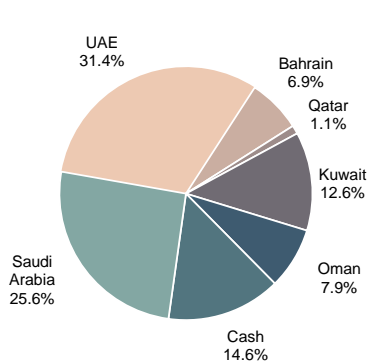
Fund Details

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

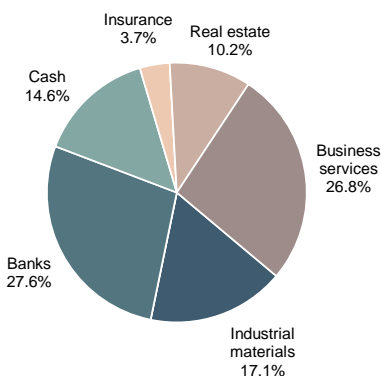
Historical Returns*

	1 month	12 months	36 months	2016-2017 average	2015-2017 average	2013-2017 average	YTD
Fund	-3.24%	-5.50%	-7.01%	-0.80%	-6.34%	6.56%	-5.50%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Bank Muscat	7.87%
United Electronics Co	7.45%
Aluminium Bahrain	6.87%
Emirates NBD	6.15%
Ras Al Khaimah Ceramics	5.16%
Dubai Islamic Bank	4.55%
National Bank of Kuwait	4.44%
Abdullah Al Othaim Markets Co	4.43%
Agility Public Warehousing	4.04%
Emaar Development PJSC	3.95%
Value of top 10 Investments	55%
Total Number of Investments	22

*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.