

LHV Persian Gulf Fund

31 January 2019

Monthly Return **1.54%**
 NAV of share **10.8166 EUR**
 Fund Size **8 080 198 EUR**
 LHV Asset Management **1 233 286 497 EUR**

Fund Manager's Comment Joel Kukemelk



LHV Persian Gulf Fund's performance in January was +1.5%. The strongest GCC markets in January were Bahrain and Saudi Arabia that rallied by +10.6% and +10.4% respectively (MSCI index, local currency, net) and weakest market was Oman that declined by -2.7%.

Saudi Arabia's stock market has started the year very strongly with country's looming inclusion to FTSE and MSCI Emerging Market indices being one of the major reasons for stirring up buying interest. MSCI will implement Saudi Arabia into its EM index in two steps in May and in August 2019. FTSE will include Saudi Arabia in five steps – in March, April, June and September 2019 and in March 2020. When looking at GCC countries' 2019 budgets then we see that Kuwait is expected to increase its spending by +12%, Saudi Arabia by +7%, Oman by +3% and Dubai and Qatar are expected to have comparable spending levels to last year. In the budget assumptions oil price is forecasted to be around \$60 but the price range that can be considered more comfortable for the GCC countries is in the range of \$60-\$80.

As of end of January 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)



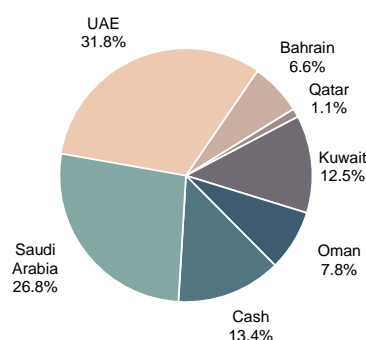
Fund Details

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

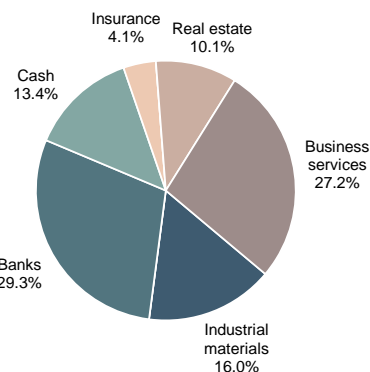
Historical Returns*

	1 month	12 months	36 months	2017-2018 average	2016-2018 average	2014-2018 average	YTD
Fund	1.54%	-7.71%	9.31%	-3.07%	-2.39%	-2.78%	1.54%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Bank Muscat	7.79%
United Electronics Co	7.39%
Emirates NBD	7.00%
Aluminium Bahrain	6.63%
Dubai Islamic Bank	4.64%
National Bank of Kuwait	4.63%
Abdullah Al Othaim Markets Co	4.37%
Ras Al Khaimah Ceramics	4.23%
Walaa Cooperative Insurance Co	4.05%
United International Transport	4.04%
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.