

LHV World Equities Fund

31 May 2019

Monthly Return

-7,51%

NAV of share

9,8173 EUR

Fund Size

2 994 911 EUR

Fund Manager's Comment

Mikk Taras



In May we saw this years' first profit taking from the stock markets which brought the major indices down by 5 to 10%. Stock markets were under pressure due to the collapse of trade negotiations between the US and China.

LHV World Equities Fund unit value declined by 7.5%. Largest decliners were China related names as the trade war between the US and China escalated.

The risk-reward ratio in the stock markets has greatly improved after the previous month drop but in the short run we are not rushing with adding any more equity exposure. Fund still holds a considerable cash positions, which we plan to put to work in a more volatile market environment.

In May, we reduced our Japanese and Chinese index fund positions. From single stocks we sold a share of Metsa Board and Kion investments and increased Alibaba position.

Currently we are more focused on finding investments that are less dependent on the movements in the major indices. We are focusing on picking out companies that are financially sound, that have strong cash flow or long history of growth which should not altered when the first signs of weaknesses in the economy appear.

In the short-term, we are cautious when it comes to buying new positions. US equity market indices are still trading close to all-time-high levels and they give direction to overall global market moves. Fund holds 27% of the assets in cash position and plans to use it for buying if the market volatility gives an opportunity.

For long-term holding we see reasonable valuation in the Europe equities where stock prices are currently cheaper than their historical levels, and in the Asia markets where the trade war problems have been priced in. The Fund's two larger Baltic positions are the Port of Tallinna and Tallink.

Fund's investments have on average 14% free cash flow yield and 4% dividend yield.

Investment Objective

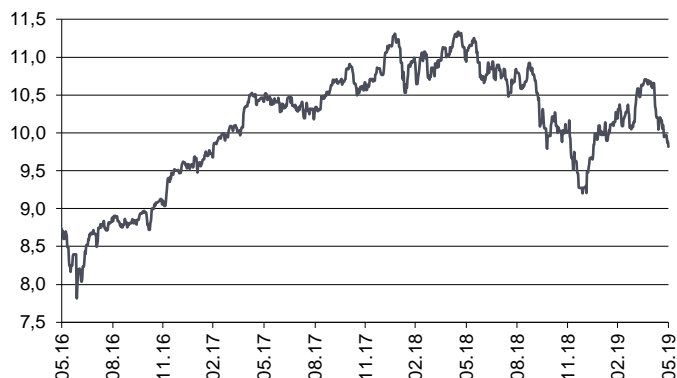
The Fund's investments are diversified geographically among different world financial markets. The Fund invests in developed markets (e.g. contracting state of the European Economic Area, the United States of America and Japan), as well as in emerging markets (e.g. Asia, Latin America and Eastern Europe).

The Fund is for investors, who want to invest globally. As the Fund is already globally diversified you can choose it as your only stock-based investment. The Fund is for long term investors.

Historical Returns*

	1 month	12 months	36 months	2017-2018 average	2016-2018 average	2014-2018 average	YTD
Fund	-7,51%	-10,26%	12,38%	-1,03%	0,21%	1,26%	5,80%

Share price movement (last 36 months)

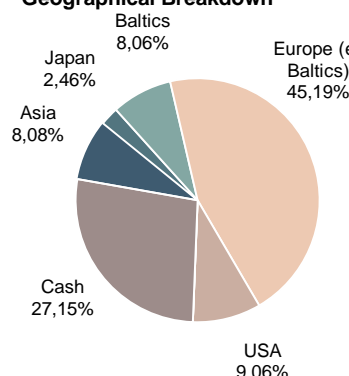


Fund Details

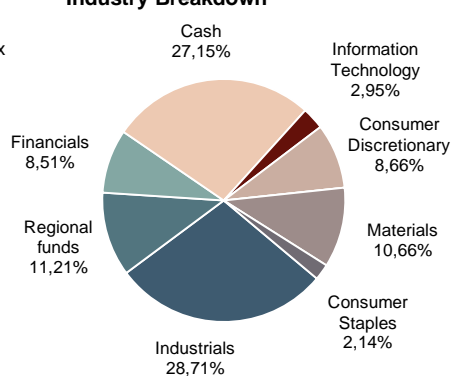
Type: UCITS IV
 ISIN: EE3600092417 (EUR)
 Depositary: AS SEB Pank
 Registrar: AS LHV Pank
 Fund Manager: Mikk Taras

Issue Fee: 0%
 Management Fee: 2%
 Redemption Fee: 0%
 Redemption Fee (LHV): 1%

Geographical Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Banco Santander	5,6%
Tallinna Sadam	4,7%
iShares MSCI China ETF	4,4%
Talga	3,8%
Alibaba Group Holding	3,7%
Rockwool International	3,4%
Tallink Grupp	3,4%
TE Connectivity	3,3%
Thales	3,3%
Stora Enso	3,2%
Value of TOP 10 Investments	38,7%
Total Number of Investments	24

*The fund's historical performance does not promise or offer any indications regarding future performance.

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/world.

Historical annual average performance figures are geometrical averages based on last calendar years.