

# LHV World Equities Fund

31 August 2019

Monthly Return

-1,39%

NAV of share

9,9915 EUR

Fund Size

3 139 401 EUR

## Fund Manager's Comment

Mikk Taras



In the latter part of the summer our positions were mostly affected by the trade dispute between the US and China, which has a direct but limited impact to our investments. In August, fund lost 1.4% of its value. During the month we continued to invest in value stocks that have been sold to unreasonably low levels due to macroeconomic risks.

We find Scandinavian stock markets to be attractive places where to pick high quality single stocks with 4-5% dividend yield. In the fear of cyclical risks, many strong enterprises have been sold below their fair value.

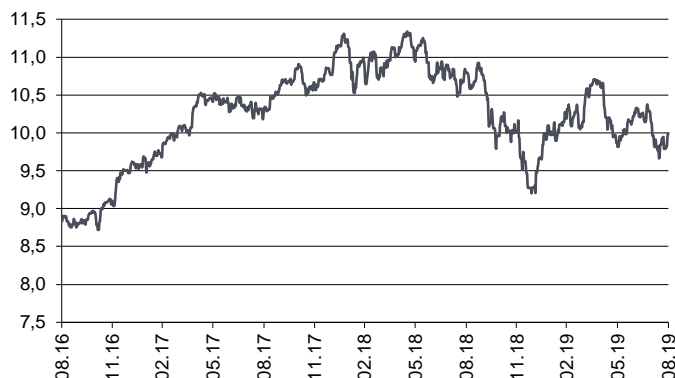
In August we increased the share of Finnish forestry positions which are well exposed to the long term trend towards recyclable materials. The fund has invested in Stora Enso, UPM Kymmene, Metsa Board, Valmet and Ponssee stocks which are all positioned in different parts in the value chain. In total, approximately fifth of funds' assets are invested in Finnish stock market.

We are actively looking for investment opportunities from Swedish and Danish market, in which we have met with several companies over the last months. We have invested in one of the Scandinavian leading confectionary producer from Sweden – Cloetta with a less cyclical business model compared to Finnish industrial enterprises. From Danish market we like kitchen furniture producer TCM Group which is aggressively gaining market share and has free cash flow yield around 10%.

Mentioned companies are fairly small in size but we believe for that reason they have been overseen by many investors and therefore, they are way less overcrowded than several bigger companies that are trading at high price levels.

In total we are holding 25 different investments with an average dividend yield of 4%. In September we took advantage of the selling pressure and reduced the cash levels from 25% to 16%.

## 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%

## Investment Objective

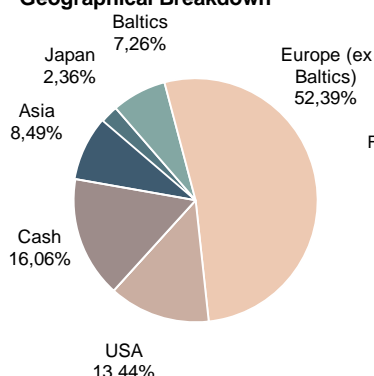
The Fund's investments are diversified geographically among different world financial markets. The Fund invests in developed markets (e.g. contracting state of the European Economic Area, the United States of America and Japan), as well as in emerging markets (e.g. Asia, Latin America and Eastern Europe).

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.

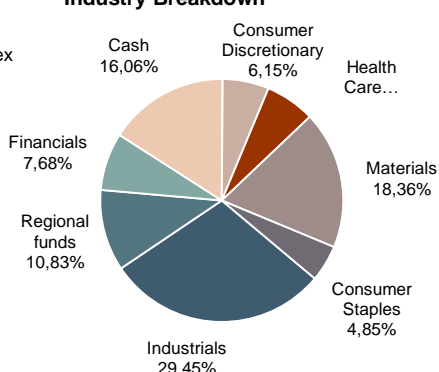
## Historical Returns\*

	1 month	12 months	36 months	2017-2018 average	2016-2018 average	2014-2018 average	YTD
Fund	-1,39%	-7,43%	13,09%	-1,03%	0,21%	1,26%	7,68%

## Geographical Breakdown



## Industry Breakdown



## Top 10 Investments

Name	% of Assets
Barrick Gold Corp	6,7%
Banco Santander	4,6%
Tallinna Sadam	4,4%
Thales	4,4%
Halliburton Co	4,4%
Stora Enso	4,3%
iShares MSCI China ETF	4,3%
Siemens Healthineers	4,2%
Alibaba Group Holding	4,2%
UPM-Kymmene	4,1%
Value of TOP 10 Investments	45,6%
Total Number of Investments	25

\*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](http://lhv.ee/world).

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