

LHV World Equities Fund

31 March 2020

Monthly Return

-14,62%

NAV of share

8,9592 EUR

Fund Size

2 665 146 EUR

Fund Manager's Comment

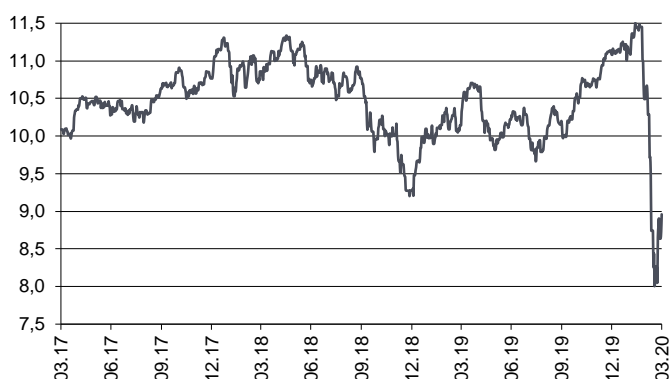
Mikk Taras



In March, the spread of the novel coronavirus reminded us all that we are still living in a world full of uncertainties and unexpectancies. Just within one month all the borders between countries were closed and economic activity stopped. Equity markets fell 30-40% just in a few weeks. In an ordinary crises, declines with this magnitude are made in 3-6 months, not in weeks. We were holding larger than usual cash positions as we were entering the current crisis. At the beginning of the month we reduced some stock positions and increased our cash position in the fund close to 25%.

In a few weeks, corona crisis escalated rapidly. In just one month, we saw our equity investments going down around 20% and the fund unit value fell by 14,6%. The larger cash position as well as gold related investments offered some hedge in the fund, even though the latter experienced a lot of volatility during the month. Several stocks included in our active watchlist fell to so low levels that we decided to take advantage of the panic sales and bought positions in them. In March, we bought from the market turmoil Kone shares from Finland, Swedbank and Sweco shares from Sweden, DSV and Carlsberg shares from Denmark. We also bought emerging market index fund position and added some existing positions in the fund. We reduced the cash position to close to 5% by the end of the month. Probably we will see continued volatility in the coming months but in general it is time to take more risks. In the current economic situation we can only guess that whatever the expectations are in terms of economy, probably the reality will be even worse in the short term. Our long-term view is that we are at the beginning of an era with vast government budget deficits. Meaning, in order to boost economic activity, governments will inject exceptionally large amounts of money into the economy. Naturally these measures will not help as long as the consumers are not willing to consume. That being said, when the demand recovers, we will be in an environment where government support will boost consumption and central banks support it with low interest rates. Very realistic scenario is that inflation will pick up in such environment. We believe that after the current crisis, it is better to own various real assets – including value stocks and gold related positions, that would offer protection against increasing inflation.

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%

Investment Objective

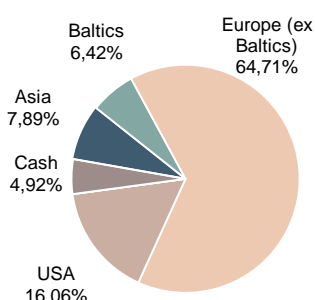
The Fund's investments are diversified geographically among different world financial markets. The Fund invests in developed markets (e.g. contracting state of the European Economic Area, the United States of America and Japan), as well as in emerging markets (e.g. Asia, Latin America and Eastern Europe).

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.

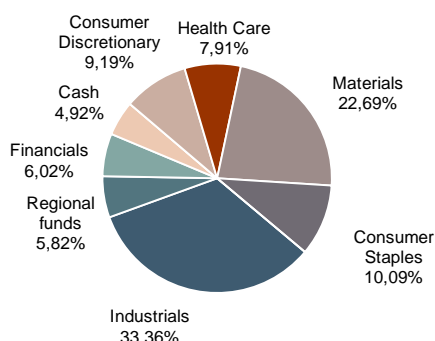
Historical Returns*

	1 month	12 months	36 months	2017-2018 average	2016-2018 average	2014-2018 average	YTD
Fund	-14,62%	-11,68%	-11,20%	1,45%	5,37%	5,97%	-19,15%

Geographical Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Barrick Gold Corp	7,5%
Siemens Healthineers	6,0%
Agnico Eagle Mines	5,0%
TCM Group	4,7%
Alibaba Group Holding	4,5%
Tallinna Sadam	4,1%
UPM-Kymmene	3,9%
Thales	3,7%
DSV PANALPINA	3,7%
Talgo	3,5%
Value of TOP 10 Investments	46,7%
Total Number of Investments	28

*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.