

LHV World Equities Fund

31 October 2020

Monthly Return

-2,97%

NAV of share

10,8640 EUR

Fund Size

3 460 951 EUR

Fund Manager's Comment

Mikk Taras



For stock markets, October was a negative month as markets were under a selling pressure in anticipation of US presidential elections and investors were reducing risks entering November. Fund share decreased by 3% over the month. Looking ahead, we do not think the presidential elections will considerably change out investment strategy as we have built our positions around long term trends. Politics is often overstated as stock prices are first and foremost driven by earnings.

In current environment we see opportunities in Scandinavian industrial enterprises, financial sector and in global commodity sector, in which we have taken new positions in. From commodity sector we purchased mining automation technology producers Epiroc and Metso Outotec stocks. As metal prices have gone up over the years, the mining sector investments have followed and we expect the mining technology producers to be the biggest beneficiaries.

Further, we purchased forestry machinery producer Ponsse and cellulose, packaging and paper sector technology producer Valmet stocks. Wood as renewable packaging material has attractive long term growth in which both companies thrive in. From growth stocks we purchased Swedish medical technology producer Bactiguard stocks. The company is producing a special metal alloy which reduces the spread of bacteria on top of medical devices. It is a smaller company that offers very interesting long term potential.

In order to hedge risks, we took a position in gold miner AngloGold. We consider gold miners to offer good protection against central banks exceptional monetary policy and governments borrowing boom, which all have eventually created inflationary pressures in the economy.

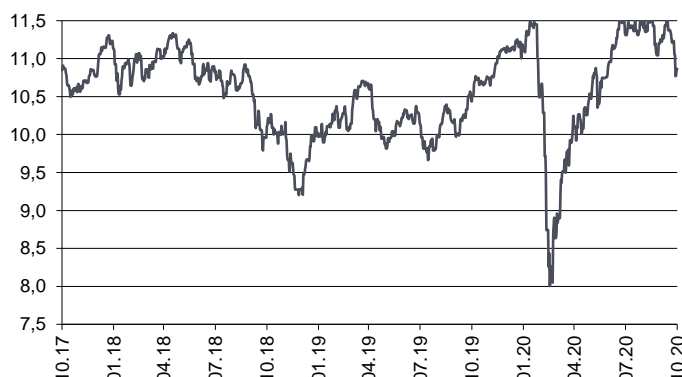
By the end of October, the fund has invested 20% of its assets in global gold or copper related positions. Remaining has been invested mostly in Swedish and German medical technology sector, Finnish forestry sector, Nordic financial sector or Scandinavian domestic consumption-related single stocks. Cash makes up fifth of fund assets and we intend to invest it in commodity sector and in Scandinavian single stocks.

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.

Share price movement (last 36 months)



Fund Details

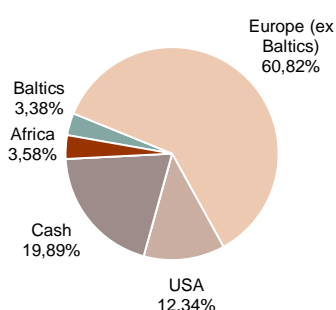
Type: UCITS IV
ISIN: EE3600092417 (EUR)
Depositary: AS SEB Pank
Registrar: AS LHV Pank
Fund Manager: Mikk Taras

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

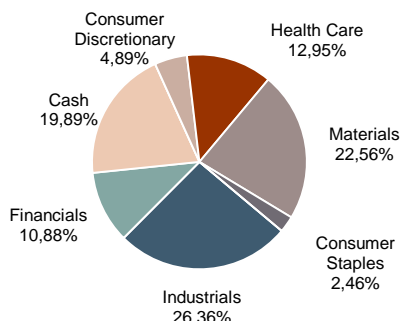
Historical Returns*

	1 month	12 months	36 months	2017-2018 average	2016-2018 average	2014-2018 average	YTD
Fund	-2,97%	4,11%	0,16%	1,45%	5,37%	5,97%	-1,96%

Geographical Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Swedbank	5,2%
Agnico Eagle Mines	5,2%
TCM Group	4,9%
Barrick Gold Corp	4,9%
Siemens Healthineers	4,8%
Sweco AB	4,2%
UPM-Kymmene	3,7%
Sampo	3,6%
AngloGold Ashanti	3,6%
Getinge	3,5%
Value of TOP 10 Investments	43,5%
Total Number of Investments	26

*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.