

# LHV World Equities Fund

31 May 2022

Monthly Return

0.01%

NAV of share

13.0103 EUR

Fund Size

7 149 679 EUR

## Fund Manager's Comment

Mikk Taras



May was a volatile month in the stock markets when the fund's unit did not move significantly. Against the background of the ongoing energy crisis, shares in the energy sector continued to rise, while shares of mining companies fell in fear of the economic downturn. Stock markets more broadly have been pressured in recent months by uncomfortably high inflation and rising key interest rates. The rise in the price of money has dealt a significant blow to many growth stocks that need access to capital markets for growth.

The share prices of many smaller technology companies have fallen by 50-70% in recent months, while the share prices of large US technology giants have fallen by 20-40%. In the fund, we have sought protection against inflation from the commodity and material sector equities. Ukraine's war has exacerbated the shortage in commodity markets in the world economy and exacerbated the rise in prices that was happening already before the war. The fund's largest investments are in shares of gold mining company Barrick Gold and copper mining company Freeport McMoran. The largest investments from the Nordics stock markets are the shares of the wood industry group UPM-Kymmene and the machinery industry Sandvik.

After the war in Ukraine, we saw selling pressure on the shares of Nordic companies in our fund, but we maintain our positions on the stock exchanges for a long time. Nordic companies have a high value chain position with strong product pricing power and are able to increase profits in environment where inflation is high. In the past months, we have seen a gradual recovery in the Nordic investments.

Looking forward, we expect that we will see the trend of the past year in the stock markets, where investors are looking for protection against inflation from industries with real assets. On the other hand, money continues to flow out of the popular growth stocks of the last decade, which became very expensive.

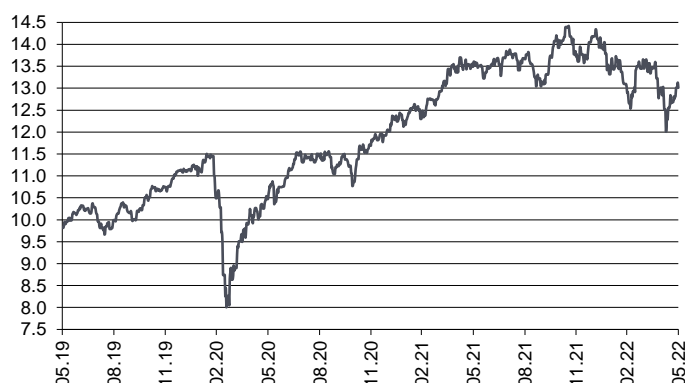
In May, we used negative sentiment in the stock markets and bought shares of gaming companies Take-Two Interactive and Electronic Arts from the US stock market. Microsoft's takeover bid for gaming company Activision earlier this year showed that there is a buying interest for the sector's assets. The decline in gaming companies share prices in recent months should only increase this buying interest.

## 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)



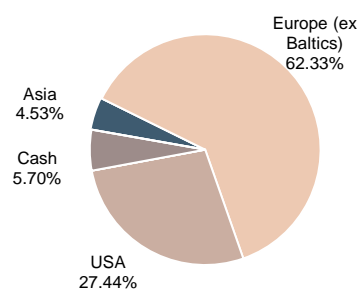
## Fund Details

Type:	UCITS IV
ISIN:	EE3600092417 (EUR)
Depository:	AS SEB Pank
Registrar:	AS LHV Pank
Fund Manager:	Mikk Taras
Issue Fee:	0%
Management Fee:	2%
Redemption Fee:	0%
Redemption Fee (LHV):	1%

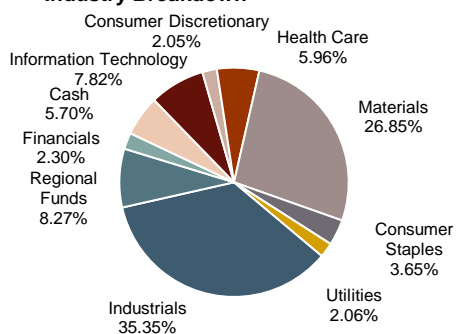
## Historical Returns\*

	1 month	12 months	36 months	2020-2021 average	2019-2021 average	2017-2021 average	YTD
Fund	0.01%	-3.55%	32.52%	13.13%	15.19%	8.41%	-8.27%

## Geographical Breakdown



## Industry Breakdown



## Top 10 Investments

Name	% of Assets
Barrick Gold Corp	5.0%
Freeport-McMoRan	4.8%
iShares MSCI China ETF	4.5%
UPM-Kymmene	4.4%
Electronic Arts	4.2%
Pan American Silver	3.8%
Sandvik	3.8%
Lyxor EURO STOXX Banks DR UCIF	3.7%
Take-Two Interactive Software	3.6%
Stora Enso	3.6%
Value of TOP 10 Investments	41.5%
Total Number of Investments	32

\*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.