

LHV Persian Gulf Fund

28-Feb-13

Monthly Return 1.81%
NAV of A unit 9.0987 EUR
NAV of B unit 5.8141 EUR
Fund Size EUR 5 836 723

Fund Manager's Comment

Joel Kukemelk

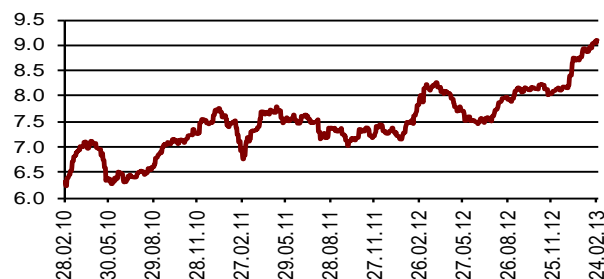


After strong January the GCC stock markets continued to rise in February – LHV Persian Gulf Fund increased by +1.8% in the last month and year-to-date performance is now +10.9%.

In February I attended a four day Middle-Eastern conference held in Dubai which was attended by 230 representatives of investors from 131 different institutions worldwide. 59 Middle-Eastern companies had come to meet the investors at the conference. Companies, investors and analysts that I met during the event all spread the similar message – economies in the GCC-countries are in a strong shape, companies are doing well and they are optimistic about the future and that the region's stock markets have upside catalysts both for the short term and long term. In addition, more and more capital rich GCC companies are looking beyond their borders to expand their businesses – for example to Egypt, Turkey, Iran, Iraq – to profit from the growing demand for products and services in those countries derived by strong demographical trends.

It seems that the biggest economical winner of the Arab spring in the Middle-Eastern region was Dubai. Many tourists, wealthy citizens from nearby troubled countries and western foreigners have come to live here – in 2012 the population of Dubai grew by over 5%. All this has boosted Dubai's economy and now we can see new real estate projects being launched in downtown Dubai due to increased demand. Saudi Arabia has gained politically from this crisis – the unrest of the Arab spring gave them the necessary motivation and need to push through reforms that have been long waited for. It's worth bearing in mind that the market of Saudi Arabia is big – there are around 30 mln people in Saudi Arabia and two thirds of them are younger than 30 years.

A unit price movement (last 36 months)



Investment Objective

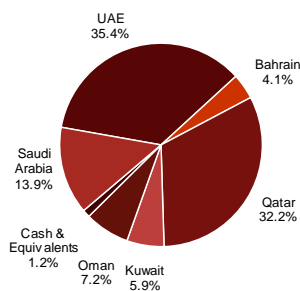
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia.

Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.

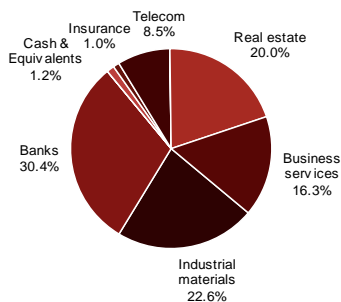
Historical Returns*

	1 month	12 months	36 months	2011-2012 average	2010-2012 average	YTD
Fund	1.81%	14.37%	44.20%	4.92%	10.02%	10.89%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
First Gulf Bank	8.52%
Emaar Properties Limited	8.29%
Qatar Fuel Company	7.50%
Sorouh Real Estate Co	7.43%
Industries Qatar QSC	6.10%
Qatar National Bank	4.64%
Qatar Telecom	4.55%
Saudi Basic Industries	3.83%
Agility Public Warehousing	3.62%
Al-Dar Properties PJSC	3.50%
Value of TOP 10 Investments	58%
Total Number of Investments	34

Fund Details

Type:	eurofund (<i>UCITS IV</i>)	Depository:	AS Swedbank
ISIN of A-unit:	EE3600095287 (EUR)	Issue Fee:	0%
Registrar of A-units:	AS LHV Pank	Management Fee:	1.75%
ISIN of B-unit:	EE3600095295 (EUR)	Redemption Fee:	1%
Registrar of B-units:	EVK	Established:	1/10/2008
Fund Managers:	Joel Kukemelk	Launched:	2/13/2008

*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/persian.