

LHV Persian Gulf Fund

30-Sep-13

Monthly Return 3.14%
NAV of A unit 11.4613 EUR
NAV of B unit 7.3238 EUR
Fund Size EUR 21 916 903

Fund Manager's Comment



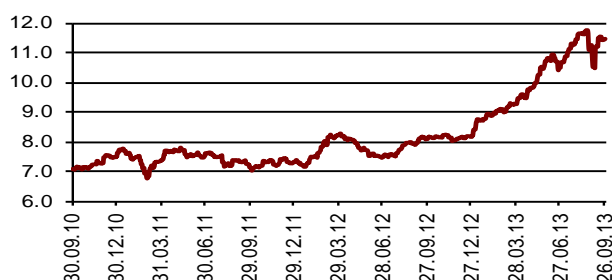
Joel Kukemelk

September was a month of big moves and unexpected events for the Middle East. USA postponed/cancelled its planned missile attack on Syria, Syria announced that it is willing to hand over and eventually destroy all of its chemical weapons and the presidents of Iran and the USA engaged in a first telephone conversation over more than 30 years. In September I also participated in a large Middle Eastern conference held in London where I met with many different companies across the GCC countries – biggest demand growth over the next couple of years is expected from Saudi Arabia, Qatar and the UAE and our fund portfolio is positioned accordingly.

In September MSCI GCC ex Saudi Arabia index (local currency, net) increased by +2.7%, among the GCC countries the strongest market was the UAE with +5.0% gain, the weakest market was Bahrain with -2.3% loss. LHV Persian Gulf Fund increased by +3.1% in September, Q3 marked the fifth consecutive quarter with positive returns with +9.4% and the year-to-date return for the fund is now +39.7%.

In September we liquidated shares in one UAE bank and in one Saudi Arabian industrial company and at the same time added one new UAE industrial company to the fund portfolio. At the end of the month there were 34 different investments in LHV Persian Gulf Fund. As of the end of September the weighted harmonic mean averages calculated on historical 2012 actual financial results for the single investments made with the whole fund portfolio were 12.7x P/E, 1.4x P/B and 3.5% dividend yield for the trailing 12 months.

A unit price movement (last 36 months)



Investment Objective

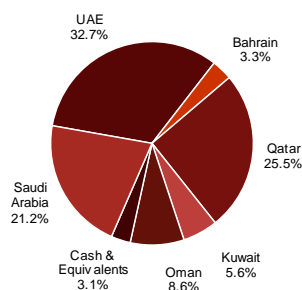
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia.

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

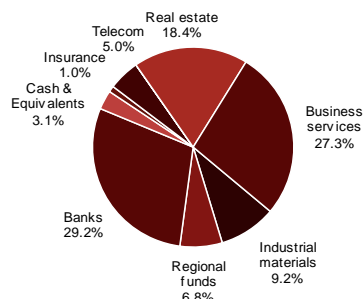
Historical Returns*

	1 month	12 months	36 months	2011-2012 average	2010-2012 average	YTD
Fund	3.14%	41.83%	62.12%	4.92%	10.02%	39.68%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Emaar Properties Limited	6.95%
EFG-Hermes Saudi Arabia Equity	6.79%
Dubai Financial Market	6.58%
First Gulf Bank	6.07%
Bank Muscat SAOG	4.83%
Union National Bank	4.76%
Air Arabia	4.71%
Samba Financial Group	4.69%
United Electronics	4.51%
Qatar Fuel Company	4.44%
Value of TOP 10 Investments	54%
Total Number of Investments	34

Fund Details

Type:	eurofund (UCITS IV)	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.