

# LHV Persian Gulf Fund

30-Sep-14

**Monthly Return** 0.87%  
**NAV of A unit** 15.9126 EUR  
**NAV of B unit** 10.1681 EUR  
**Fund Size** EUR 60 554 609  
**LHV Asset Management** EUR 510 593 466

## Fund Manager's Comment



**Joel Kukemelk**

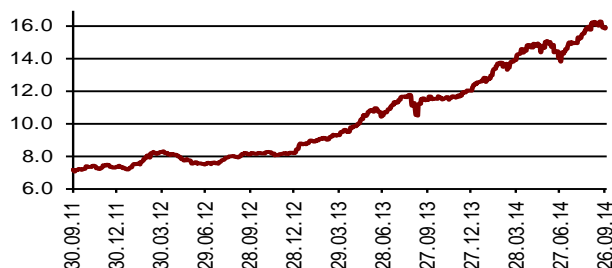


In September LHV Persian Gulf Fund showed performance of +0.9% bringing Q3 gain to +15.3% making it the fund's best quarterly result in the last 5 years. Strongest markets in the GCC region were United Arab Emirates and Qatar that increased (local currency, net) by +5.2% and +3.5% respectively. Weakest market was Saudi Arabia that after strong months of July and August witnessed more than 2% correction in September.

In September we saw the IPO of Emaar Malls on Dubai stock exchange that was the biggest in the GCC region since 2008. Among other assets Emaar Malls is the owner of one of the world's most famous shopping malls Dubai Mall. With the IPO 15% of the company was listed and the aim was to raise \$1.6 bln. Interest of local and foreign investors to participate in the IPO was huge – in total buying orders exceeding \$50 bln were submitted making the IPO more than 30 times oversubscribed. Emaar Mall's first trading day on stock market was October 2nd when it rose +12%. LHV Persian Gulf Fund participated in the IPO.

Brent oil price has declined from \$115/barrel seen in summer to slightly below \$90 today. Despite the drop we've witnessed today's oil price continues to be sufficient for GCC countries to finance their long-term investment projects while running a surplus budget. Should oil price continue to fall, however, then we'll likely see OPEC stepping in to reduce oil output levels. It is also worth reminding that although LHV Persian Gulf Fund invests in energy rich countries the fund does not have investments in the energy sector. Fund's correlation to oil price during the last 3 years has been very low – in 2013 it was -0.4; in 2012 it was +0.1 and in 2011 it was +0.2 (weekly data, EUR).

## A unit price movement (last 36 months)



## Investment Objective

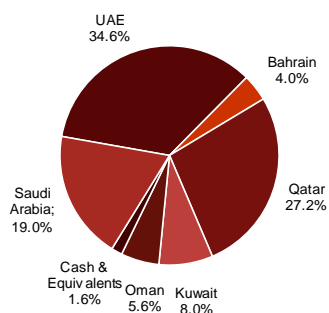
LHV Persian Gulf Fund invests in listed equities in the GCC (Gulf Cooperation Council) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.



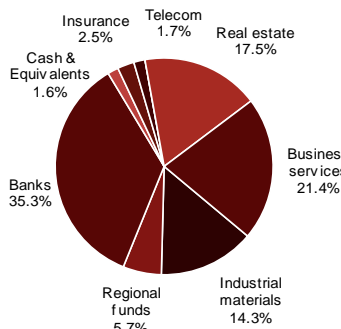
## Historical Returns\*

	1 month	12 months	36 months	2012-2013 average	2011-2013 average	2009-2013 average	YTD
Fund	0.87%	38.84%	123.37%	29.50%	17.87%	17.06%	29.74%

## Country Breakdown



## Industry Breakdown



## Top 10 Investments

Name	% of Assets
Emaar Properties	9.28%
Qatar National Bank	8.40%
Agility Public Warehousing	6.37%
EFG-Hermes Saudi Arabia Equity	5.70%
Ras Al Khaimah Ceramics	5.24%
Union National Bank	5.02%
First Gulf Bank	4.69%
Bank Muscat	4.23%
Doha Bank	4.18%
Aluminium Bahrain	3.72%
Value of top 10 Investments	57%
Total Number of Investments	33

## 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:	10.01.2008
Fund Managers:	Joel Kukemelk	Launched:	13.02.2008

\*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](http://lhv.ee/persian). Source & Copyright: CITYWIRE. Joel Kukemelk is A rated by Citywire for his 3 year risk adjusted performance for the period 31.08.2011 – 31.08.2014. Starting from 01.03.2014, the historical annual performance figures are geometrical averages.