

LHV Persian Gulf Fund

30-Nov-13

Monthly Return 1.09%
NAV of A unit 11.6524 EUR
NAV of B unit 7.4459 EUR
Fund Size EUR 21 401 832

Fund Manager's Comment



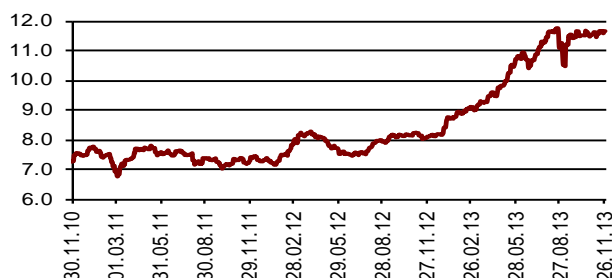
Joel Kukemelk

November's most important news in the Middle East were Dubai being chosen as the host city for EXPO 2020 – first time in history for this event to be held in the Middle East – and Iran's 6-month preliminary nuclear deal with the Western countries that reduces geopolitical tensions and allows Iran to continue with its nuclear program for peaceful purposes of developing nuclear energy while granting international observers greater access to its whole nuclear program. In November MSCI GCC ex Saudi Arabia index (local currency, net) increased by +0.2%, among the GCC countries the strongest market was Qatar with +5.7% gain, the weakest market was Bahrain with -6.5% loss. LHV Persian Gulf Fund increased by +1.1% in November, the year-to-date return for the fund is now +42.0%.

During 17th-19th of November I participated in FundForum's large Middle-Eastern conference held in Dubai where among other interesting encounters I also met with Mark Mobius, the well-known fund manager of Franklin Templeton Emerging Markets Funds, who affirmed his positive outlook for the GCC economies and local stock markets. This is being backed by strong macro numbers coming from the region – for example November PMI figure outside energy sector for the UAE was 58.1 points which indicates aggressive economic expansion and is the highest figure since the initiation of such data collection in August 2009.

Expo 2020 taking place in Dubai is forecasted to increase Dubai's economic growth by 0.5% per annum over the next 6 years and by additional 2% in 2020 with more than 250 000 new jobs being created as a result. Around 9% of Dubai's GDP or ca \$8 bln will be invested to host the EXPO.

A unit price movement (last 36 months)



Investment Objective

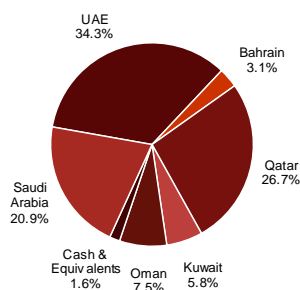
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia.

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

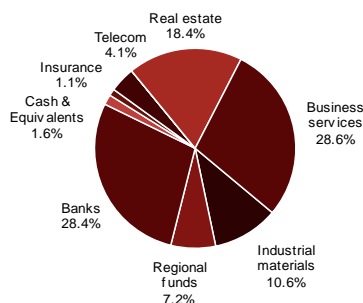
Historical Returns*

	1 month	12 months	36 months	2011-2012 average	2010-2012 average	YTD
Fund	1.09%	43.91%	60.78%	4.92%	10.02%	42.01%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Emaar Properties Limited	8.25%
Dubai Financial Market	7.37%
EFG-Hermes Saudi Arabia Equity	7.18%
First Gulf Bank	6.36%
Air Arabia	4.98%
Union National Bank	4.71%
Qatar Fuel Company	4.61%
Qatar National Bank	4.55%
United Electronics	4.51%
United Development Company	4.41%
Value of TOP 10 Investments	57%
Total Number of Investments	35

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.