

LHV Persian Gulf Fund

31-Jan-14

Monthly Return 3.62%
NAV of A unit 12.7089 EUR
NAV of B unit 8.1210 EUR
Fund Size EUR 29 084 471

Fund Manager's Comment



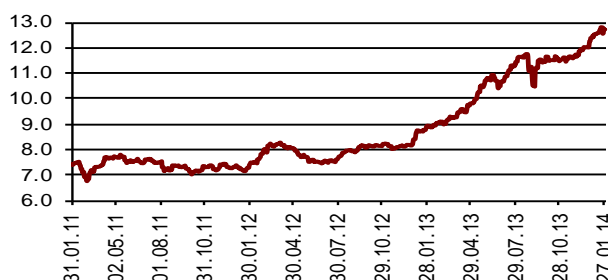
Joel Kukemelk



Strongest markets in the first month of 2014 were the United Arab Emirates, Qatar and Saudi Arabia – we continue to see best investment opportunities in these three markets across the GCC and therefore the majority of fund investments are invested there. Attractive valuations, companies' earnings growth, vast government investments and strong economic environment continue to be the key words in the region – for example Qatar's government expenditures should rise by 12% in 2014.

When it comes to Middle East then significant geopolitical risk is highlighted. However, it would be wise to remember that geopolitical risk could both increase and decrease. On January 20th the preliminary 6-month nuclear agreement signed between Iran and the western countries came into effect. This means that over the next 6 months Iran's new president Rouhani who was elected to power last summer and who promised to try to release Iran from the sanctions and relieve the tensions with the western world, might actually come to fruition. Iran has ca \$100 bln of foreign currency assets frozen in overseas accounts and this should help to motivate them to find common ground with the western countries. GCC countries would benefit from the declining geopolitical risk and it would open up new business opportunities to the Arabian Peninsula's companies.

A unit price movement (last 36 months)



Investment Objective

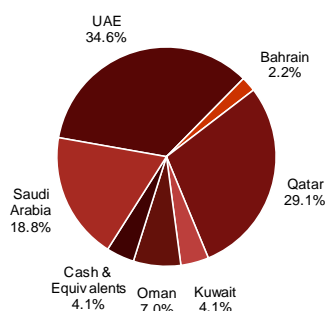
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.



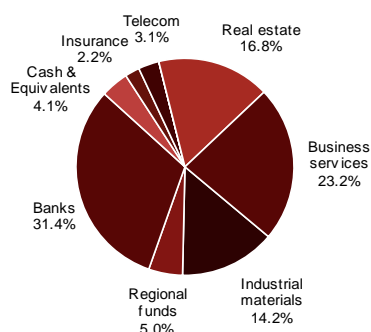
Historical Returns*

	1 month	12 months	36 months	2012-2013 average	2011-2013 average	2009-2013 average	YTD
Fund	3.62%	42.21%	71.36%	30.83%	19.77%	18.23%	3.62%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Emaar Properties	7.72%
Qatar National Bank	6.42%
Dubai Financial Market	6.13%
First Gulf Bank	5.51%
EFG-Hermes Saudi Arabia Equity	5.03%
Samba Financial Group	4.88%
Union National Bank	4.76%
Industries Qatar	4.50%
Qatar Fuel Company	4.32%
Bank Muscat	4.31%
Value of TOP 10 Investments	54%
Total Number of Investments	37

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. Source & Copyright: CITYWIRE. Joel Kukemelk is AAA rated by Citywire for his 3 year risk adjusted performance for the period 31ST December 2010 – 31ST December 2013.