

LHV Persian Gulf Fund

31-Mar-14

Monthly Return

2.68%

NAV of A unit

14.1020 EUR

NAV of B unit

9.0112 EUR

Fund Size

EUR 46 701 558

Fund Manager's Comment



Joel Kukemelk



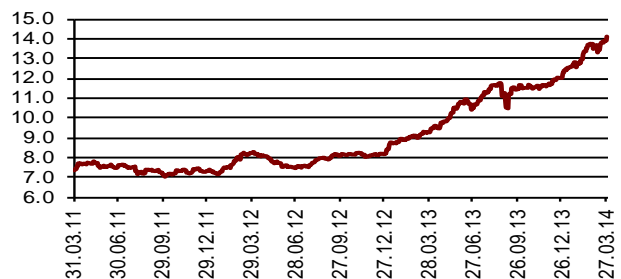
In the beginning of March the ongoing confrontation between Russia and Ukraine made markets nervous. The souring of relations among GCC countries also didn't bode well for the risk appetite of the investors in the GCC stock markets. In March Saudi Arabia, Bahrain and the

United Arab Emirates recalled their ambassadors to Qatar due to differences of opinion in foreign policy but in the second part of the month the fears of possible quick escalation of both of these events decreased (for example during 2002-2008 Saudi Arabia didn't have an ambassador in Qatar) and systematic buying interest returned to the GCC markets.

In March LHV Persian Gulf Fund's unit value increased by +2.7%. When looking at MSCI country indices then the strongest markets during the month were Kuwait and the United Arab Emirates that in local currency increased by +7.0% and +6.2% respectively, weakest markets were Oman and Bahrain that decreased by -1.1% and -6.2% respectively.

During March I travelled to Saudi Arabia and the United Arab Emirates where I visited local companies. I also participated in the multi-day conference hosted by EFG in Dubai that was attended by 410 investors and where 96 different Middle Eastern companies gave presentations of their businesses. Region's strong economic figures and positive future outlook has become more evident in the GCC countries' everyday lives and is also encompassed in the regional companies' business confidence as many companies are working on various expansion projects. The upgrade to Emerging Markets Index given to the United Arab Emirates and Qatar by MSCI becomes effective in two months and that should provide additional buying interest in the region.

A unit price movement (last 36 months)



Investment Objective

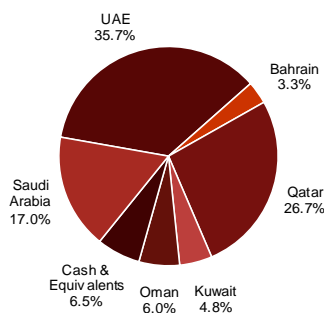
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.



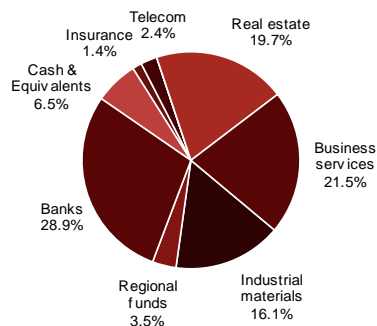
Historical Returns*

	1 month	12 months	36 months	2012-2013 average	2011-2013 average	2009-2013 average	YTD
Fund	2.68%	52.14%	92.01%	29.50%	17.87%	17.06%	14.98%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Emaar Properties	8.83%
Dubai Financial Market	6.51%
Qatar National Bank	6.00%
Samba Financial Group	4.74%
Union National Bank	4.73%
Barwa Real Estate	4.27%
Agility Public Warehousing	4.19%
Depa	3.93%
Bank Muscat	3.85%
Ras Al Khaimah Ceramics	3.76%
Value of TOP 10 Investments	51%
Total Number of Investments	38

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.

Source & Copyright: CITYWIRE. Joel Kukemelk is AAA rated by Citywire for his 3 year risk adjusted performance for the period 31.03.2011 – 31.03.2014.

Starting from 01.03.2014, the historical annual performance figures are geometrical averages.