

LHV Persian Gulf Fund

31-Jul-13

Monthly Return **8.01%**
NAV of A unit **11.3210 EUR**
NAV of B unit **7.2341 EUR**
Fund Size **EUR 23 972 577**

Fund Manager's Comment



Joel Kukemelk

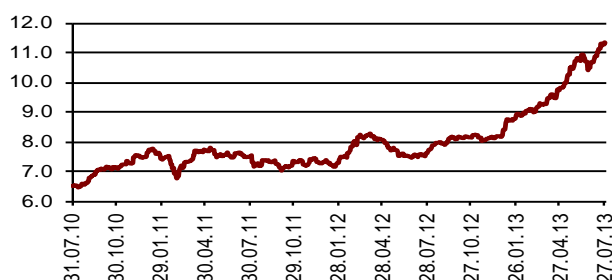
After the breather seen in June, the rally in the Middle-Eastern stock markets continued at full steam in July. MSCI GCC ex Saudi Arabia index (local currency, net) rose by +5.6%, among the GCC countries the biggest gains were seen in the United Arab Emirates with +12.2%, the weakest market was Oman with +2.4% gain. LHV Persian Gulf Fund rose by +8.0% in July and the year-to-date return is now

+38.0%.

In July the Middle-East's attention was on the Egypt's military coup, on the formation of the new interim government and on the international help offered to Egypt. GCC countries came to Egypt's aid and have offered loans, energy products and financial support in total for around \$15 billion. The decrease of political risk and greater stability in the whole Middle-Eastern region has definitely long-term positive effects on the GCC countries.

In July majority of the fund's investments reported their second quarter results. Although there were both positive and negative surprises it is safe to say that on the overall the numbers surprised positively and among the fund's biggest investments there were actually no true big disappointments. Regions' strong economic growth continues to offer a great business environment for its companies. For example from among the fund's biggest investments second quarter earnings rose by +44% for Qatar Telecom/Ooredoo, +23% for Qatar National Bank, +15% for First Gulf Bank and +10% for Emaar Properties. In general, it can be concluded that companies related to the retail, banking and real estate sectors surprised positively with their results and companies related to the fertilisers, petrochemicals and cement surprised negatively.

A unit price movement (last 36 months)



Investment Objective

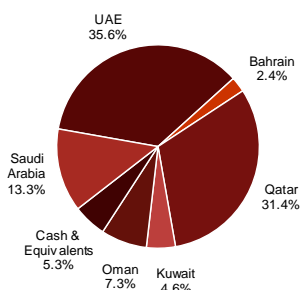
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia.

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

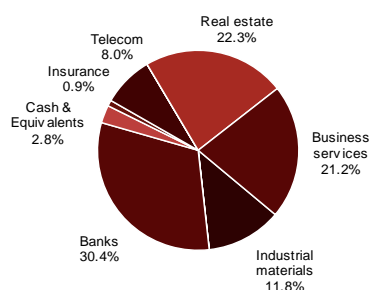
Historical Returns*

	1 month	12 months	36 months	2011-2012 average	2010-2012 average	YTD
Fund	8.01%	48.21%	74.13%	4.92%	10.02%	37.97%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Emaar Properties Limited	8.67%
Al-Dar Properties PJSC	8.05%
First Gulf Bank	8.04%
Industries Qatar QSC	6.37%
Qatar Fuel Company	5.00%
Qatar National Bank	4.58%
Ooredoo	4.52%
Samba Financial Group	4.44%
Commercial Bank of Qatar	4.13%
Bank Muscat SAOG	3.84%
Value of TOP 10 Investments	58%
Total Number of Investments	34

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.