

LHV Persian Gulf Fund

31-Jul-14

Monthly Return **8.33%**
NAV of A unit **14.9439 EUR**
NAV of B unit **9.5492 EUR**
Fund Size **EUR 52 317 316**
LHV Asset Management **EUR 476 960 788**

Fund Manager's Comment



Joel Kukemelk

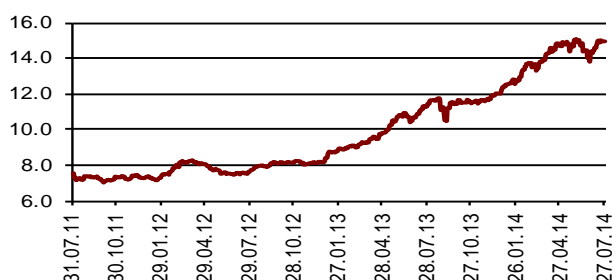
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In July Middle Eastern countries observed Ramadan but despite that we witnessed very strong buying interest in the GCC markets in July after seeing weak performance in June. LHV Persian Gulf Fund's performance was +8.3%, strongest markets in the GCC region were the United Arab Emirates and Qatar that increased (local currency, net) by +16.9% and +12.4% respectively.

In July additional buying interest was created by Saudi Arabia's decision to open its stock market to foreign investors for making direct investments. This decision could take effect already in the first half of 2015. Saudi Arabia's stock market capitalisation is \$550 bln which is equivalent of 1% of world's stock market size – opening up such a big market expands significantly investment opportunities of the foreign investors and gives additional boost to the development of the financial markets in the whole GCC region. MSCI has also indicated that it is considering adding Saudi Arabia under review in 2015 for emerging markets classification in the future.

Last month marked the 6 month deadline set for nuclear talks with Iran and although final agreement could not be reached it's clear that meaningful progress has been made and deadline was prolonged by four months. On the last days of July it was heard that Saudi Arabia, United Arab Emirates and Bahrain are likely close to resolving their row with Qatar that led to recalling their ambassadors almost five months ago.

A unit price movement (last 36 months)



Investment Objective

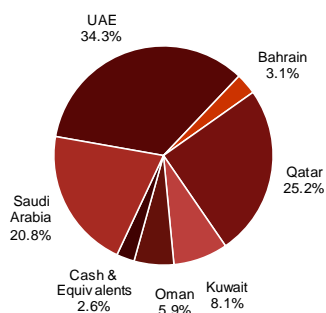
LHV Persian Gulf Fund invests in listed equities in the GCC (Gulf Cooperation Council) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.



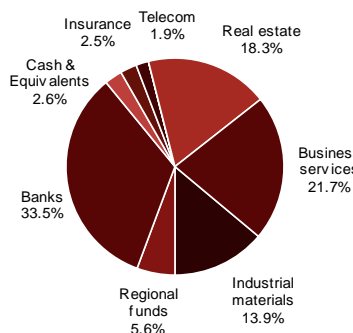
Historical Returns*

	1 month	12 months	36 months	2012-2013 average	2011-2013 average	2009-2013 average	YTD
Fund	8.33%	32.00%	99.52%	29.50%	17.87%	17.06%	21.84%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Emaar Properties	8.45%
Qatar National Bank	6.72%
Agility Public Warehousing	6.34%
EFG-Hermes Saudi Arabia Equity	5.65%
Union National Bank	5.29%
Ras Al Khaimah Ceramics	5.02%
First Gulf Bank	4.88%
Doha Bank	4.40%
Samba Financial Group	4.17%
Bank Muscat	4.11%
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Value of top 10 Investments	55%
Total Number of Investments	34

Fund Details

Type:	eurofund (UCITS IV)	Depositary:	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 AA rated by Citywire for his 3 year risk adjusted performance for the period 30.06.2011 – 30.06.2014. Starting from 01.03.2014, the historical annual performance figures are geometrical averages.