

LHV Persian Gulf Fund

31-Dec-12

Monthly Return 1.34%
NAV of A unit 8.2053 EUR
NAV of B unit 5.2432 EUR
Fund Size EUR 3 926 434

Fund Manager's Comment



Joel Kukemelk & Mikael Kvibäck

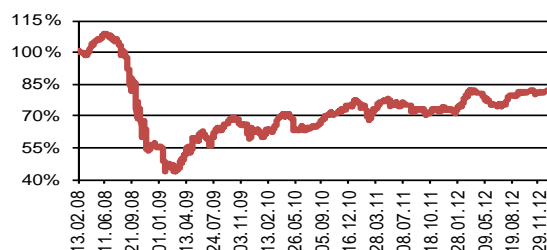
In December the fund's net asset value increased by +1.3%. During the year we had 8 months with positive returns and 4 with negative.

For the whole year of 2012 the fund returned +12.2% and all this at a time when we witnessed western countries impose sanctions on Iran, saw a civil war unfold in Syria, followed the unfolding of a military conflict between Israel and Palestine etc. Cheap stock market valuations, growing corporate earnings and strong local economic environment were more than enough to offset the effects of these negative events.

The best stock market in 2012 among GCC-countries was the United Arab Emirates. The recovery in Dubai's real estate market helped turn around local economic activity and boost the stock market that was led by the real estate and financial companies. MSCI UAE index (net) increased in 2012 in local currency by +27.4%. The year's weakest market was Oman where MSCI Oman index (net) decreased by -6.5% in 2012.

We have a positive outlook for 2013 – among GCC-countries we see biggest upside potential from Qatar, UAE and Saudi Arabia. These are the countries that have over the recent years invested petrodollars most heavily in their local economies and that plan to do it also over the coming years. Accordingly, these 3 countries make up the biggest proportions of the fund's investments.

Performance history



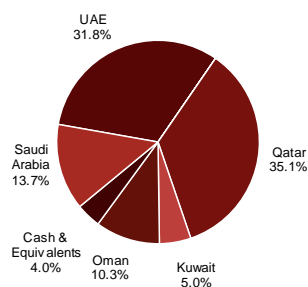
Investment Objective

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.

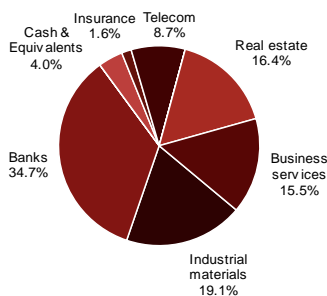
Historical Returns*

	1 month	1 year	2011-2012 average	2010-2012 average	YTD	Since Inception	Since Incep. p.a.
Fund	1.34%	12.18%	4.92%	10.02%	12.19%	-17.95%	-4.02%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
First Gulf Bank	7.80%
Industries Qatar QSC	6.58%
Emaar Properties Limited	6.41%
Qatar Fuel Company	6.05%
Commercial Bank of Qatar	5.49%
Sorouh Real Estate Co	4.53%
Oman Telecom	4.43%
Al-Dar Properties PJSC	4.27%
Bank Muscat SAOG	4.26%
Qatar Telecom	4.25%
Value of TOP 10 Investments	54%
Total Number of Investments	32

Fund Details

Type:	euromond (<i>UCITS</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, Mikael Kvibäck	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 simplified prospectus and ask for additional information lhv.ee/persian.