

# LHV Persian Gulf Fund

31-Dec-13

Monthly Return

5.26%

NAV of A unit

12.2650 EUR

NAV of B unit

7.8374 EUR

Fund Size

EUR 26 319 097

## Fund Manager's Comment



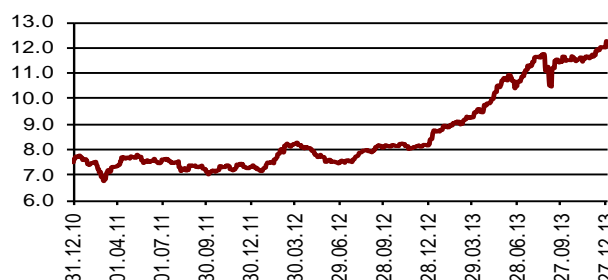
**Joel Kukemelk**

In short, year 2013 could have hardly been any better on the Arabian Peninsula. After five years of waiting United Arab Emirates and Qatar were finally upgraded to Emerging Markets Indices both by MSCI (effective as of May 2014) and by S&P Dow Jones (effective as of September 2014); Dubai's airport reached the status of world's busiest airport measured by international passenger traffic eclipsing London's Heathrow's pole position; Saudi Arabia changed its weekend from Thursday/Friday to Friday/Saturday to be in-line with the rest of the region and made a big step forward towards opening up its stock market to foreign investors; Iran's presidential elections brought a new president to power and it seems that positive change is in the air when it comes to relations between Iran and the western world, the nearby GCC countries will certainly benefit from this theme going forward; GCC countries tax frameworks were recognised as the most attractive in the world by World Bank and PwC; UAE's Dubai won the right to host the massive global event EXPO 2020 and as the year reached its end Dubai's New Year Eve's fireworks display broke the previously standing Guinness record by a landslide.

Dark side of the year was end of August and beginning of September when it seemed that USA's military strike to Syria was imminent and unpreventable and fears about greater regional instability quickly surfaced. Fortunately, that event also unfolded in an unexpectedly positive way thanks to the intermediation of Russia resulting in co-operation between Syria and the western world in destroying their chemical weapons stockpile.

We started the year with 32 investments and ended it with 35 different positions. In 2013 we made our first investments in Bahrain and now hold positions in all 6 GCC countries. During the year we managed to hold our maximum 5-star Morningstar rating in the last 3-year period and in April 2013 we were awarded the prestigious title of "Best Equity GCC Fund of 2012" by Zawya Thomson Reuters. In 2013 LHV Persian Gulf Fund rose +49.5% in value. With many catalysts yet to materialise we look forward to 2014 and start the year with positive bias.

## A unit price movement (last 36 months)



## Investment Objective

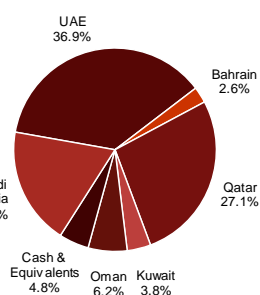
LHV Persian Gulf Fund invests in listed equities in the GCC (*Gulf Cooperation Council*) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia.

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

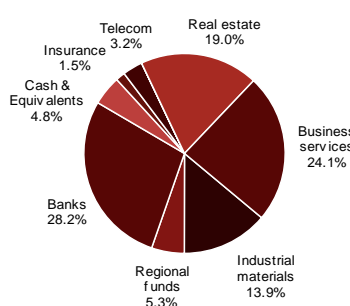
## Historical Returns\*

	1 month	12 months	36 months	2012-2013 average	2011-2013 average	2009-2013 average	YTD
Fund	5.26%	49.48%	63.77%	30.83%	19.77%	18.23%	49.48%

## Country Breakdown



## Industry Breakdown



## Top 10 Investments

Name	% of Assets
Emaar Properties Limited	9.18%
Dubai Financial Market	7.42%
First Gulf Bank	5.65%
Qatar National Bank	5.54%
EFG-Hermes Saudi Arabia Equity	5.27%
Union National Bank	5.07%
United Electronics	4.36%
Samba Financial Group	4.04%
Industries Qatar QSC	3.84%
Qatar Fuel Company	3.66%
Value of TOP 10 Investments	54%
Total Number of Investments	35

## 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.

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