

LHV Persian Gulf Fund

31-Dec-14

Monthly Return -8.42%
NAV of A unit 13.7201 EUR
NAV of B unit 8.7671 EUR
Fund Size EUR 32 666 862
LHV Asset Management EUR 504 315 721

Fund Manager's Comment



Joel Kukemelk



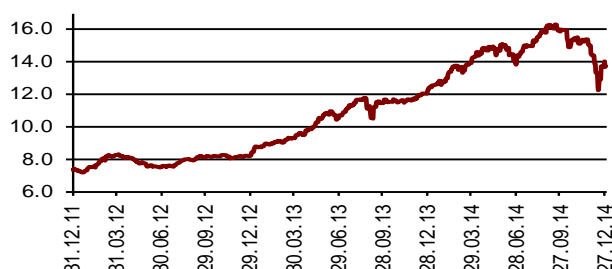
In December LHV Persian Gulf Fund's performance was -8.4%, at the same time local currency MSCI GCC index fell by -8.3% and MSCI GCC ex Saudi Arabia index decreased by -8.9%. For the whole year of 2014 LHV Persian Gulf Fund's net result was +11.9% which is

significantly more than MSCC GCC net index result of +1.4% or MSCI GCC ex Saudi Arabia net index result of +9.1%. Strongest stock markets of the year were Qatar and the United Arab Emirates – these are the countries where LHV Persian Gulf Fund's biggest investments have been made.

Returns of the last months of 2014 were negatively affected by the 48% decrease in oil price. Overwhelming and steep oil price decline resulted in increasing selling pressure in the GCC markets that has made today's valuation levels very attractive. LHV Persian Gulf Fund's investments' expected 2014 harmonic mean P/E is 12.0x and expected 2015 harmonic mean P/E is 10.4x. Investments' trailing 12 month weighted average dividend yield is 3.5%. We are optimistic about year 2015 and look forward to the opening of Saudi Arabia's stock market to qualified foreign investors in H1'15.

GCC countries' huge financial reserves and low debt levels enable them to navigate very flexibly during times of depressed energy prices. For example Saudi Arabia's 2015 budget has been kept at the same level compared to 2014 and Oman's and Dubai's budgets have even grown bigger.

A unit price movement (last 36 months)



Investment Objective

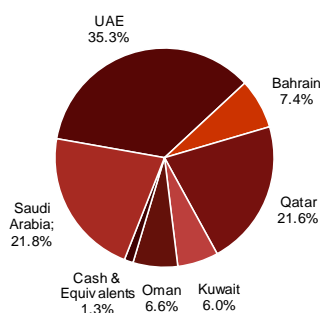
LHV Persian Gulf Fund invests in listed equities in the GCC (Gulf Cooperation Council) region – Bahrain, Oman, Qatar, Kuwait, United Arab Emirates and Saudi Arabia. Due to the specific nature of the fund, the recommended minimum investment period is at least 3 to 5 years.



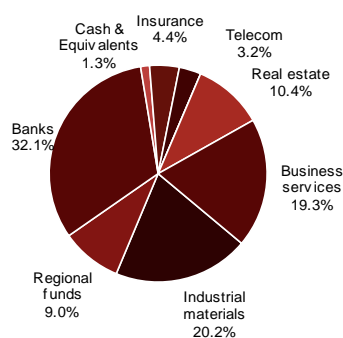
Historical Returns*

	1 month	12 months	36 months	2013-2014 average	2012-2014 average	2010-2014 average	YTD
Fund	-8.42%	11.86%	87.59%	29.31%	23.33%	17.10%	11.86%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
EFG-Hermes Saudi Arabia Equity	9.02%
Emaar Properties	7.48%
Aluminium Bahrain	6.89%
Ras Al Khaimah Ceramics	6.18%
Qatar National Bank	5.90%
Union National Bank	5.28%
Depa	5.25%
Qatar Insurance Company	4.39%
Qatar Fuel Company	3.99%
Savola	3.97%
Value of top 10 Investments	58%
Total Number of Investments	32

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 A rated by Citywire for his 3 year risk adjusted performance for the period 30.11.2011 – 30.11.2014. Starting from 01.03.2014, the historical annual performance figures are geometrical averages.