

LHV Persian Gulf Fund

30-Jul-10

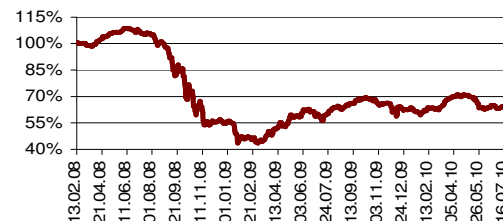
Monthly Return 2,14%
NAV of A unit EUR 6,4750
NAV of B unit EEK 64,7498
Fund Size EUR 3 968 434

Investment Objective

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

As growth and opportunity is seen outside the energy sector, the majority of the Fund's assets are invested in banking, insurance, infrastructure, communication, construction, power and water sectors.

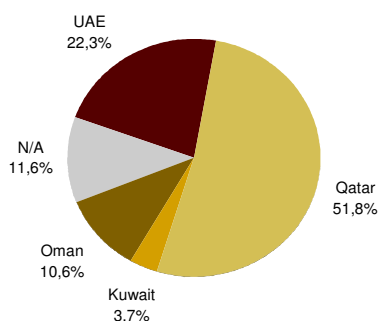
Performance History



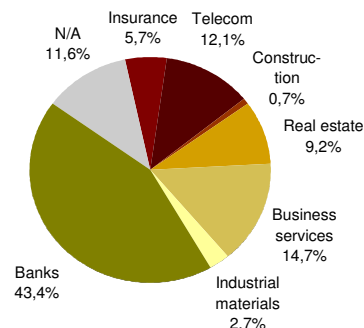
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	2,14%	-8,39%	7,83%	3,04%	3,93%	-35,25%	-16,54%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Commercial Bank of Qatar (QA)	9,19%
Qatar National Bank (QA)	8,83%
Qatar Fuel Company (QA)	8,57%
Qatar Insurance Company (QA)	5,67%
National Bank of Abu Dhabi (AE)	5,22%
Bank Muscat SAOG (OM)	4,63%
Qatar Telecom (QA)	4,54%
First Gulf Bank (AE)	3,83%
Doha Bank (QA)	3,80%
Oman Telecom (OM)	3,76%
Value of TOP 10 Investments	58%
Total Number of Investments	23

Fund Manager's Comment

Most of the companies in our portfolio have reported their second quarter results. In Qatar, banks feel that government lending and budget execution is trickling through and lending has picked up. Although it has not yet affected private sector, which is expected to pick up on the second half of the year. Asset quality has been holding up. Picture is different in UAE where Dubai World related provisioning is coming through and asset quality has been deteriorating a bit more. Banks in Abu Dhabi (which we have in portfolio) have low exposure to DW and hence low provisioning costs. Loan growth in UAE has been quite muted. Net interest margins have held up well. Most of the companies expect stronger 2H of the year.

Middle-East markets are coming closer to summer lull and the turnover is low. Ramadan starts in the beginning of August and lasts till September. On the other hand, selling pressure in MENA seems exhausted – market doesn't react to negative news and investors are discussing entry points as price levels seem low.

Oliver Ait

Fund Details

Type: UCITS
 ISIN of A-unit: EE3600095287 (EUR)
 Registrar of A-units: LHV Pank
 ISIN of B-unit: EE3600095295 (EEK)
 Registrar of B-units: EVK
 Depository: Swedbank
 Fund Manager: Oliver Ait

Issue Fee: 2.0%
 Management Fee: 1.75%
 Redemption Fee: 1.0%
 Success fee: 15% over 10% hurdle
 Established: 1/10/2008
 Launched: 2/13/2008

Contacts

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