

LHV Persian Gulf Fund

31-Aug-10

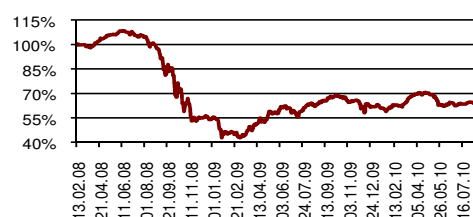
Monthly Return **1,91%**
 NAV of A unit **EUR 6,5987**
 NAV of B unit **EEK 65,9873**
 Fund Size **EUR 4 027 190**

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.

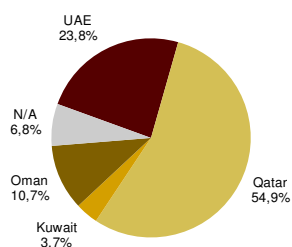
Performance History



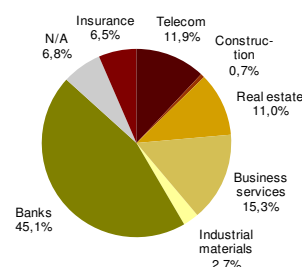
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	1,91%	3,42%	5,19%	1,10%	5,92%	-34,01%	-15,37%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Commercial Bank of Qatar (QA)	9,94%
Qatar National Bank (QA)	9,25%
Qatar Fuel Company (QA)	9,10%
Qatar Insurance Company (QA)	6,46%
National Bank of Abu Dhabi (AE)	5,25%
Bank Muscat SAOG (OM)	4,81%
Qatar Telecom (QA)	4,59%
Doha Bank (QA)	3,94%
First Gulf Bank (AE)	3,71%
Nat Mobile Telecom P-Cert 070111 (I)	3,70%
Value of TOP 10 Investments	61%
Total Number of Investments	23

Fund Manager's Comment

With Ramadan start the 11 of August and report period is over, markets have in general been quiet in the region with record low turnover. In the end of the month very positive news was reported from the government of Dubai regarding the restructure of the loan situation for Dubai World (DW). DW announced that it plans to sell strategic assets over a period of eight years to raise as much as USD19.4 billion in cash to pay down its debt burden. According to DW, these assets would fetch USD10.4 billion at most at current market prices. This is in line with previous statements made by DW, however to be noted is that this statement adds more specific details in terms of dollar amounts to be raised. These announcements helped in general to pick up the markets in the region and should take away some pressure seen earlier. Although international capital markets have seen downward pressure the GCC region has been steady giving our portfolio a positive yield in August.

From 22 of August the fund has changed its fund manager. The position is now managed by Mikael Kvibäck. Mikael has a thorough and deep experience from international capital markets for over 25 years in roles such as fund manager, chief dealer, Sales director, CEO. Mikael has also, prior to this change, advised LHV Asset Management as a consultant. Oliver Ait has decided to leave the position for studies abroad.

Mikael Kvibäck

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: Mikael Kvibäck

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

LHV Asset Management
 City Plaza, 17th floor
 Tartu rd 2,
 10145 Tallinn, Estonia
 lhv@lhv.ee
 www.persianguulfund.com