

LHV Persian Gulf Fund

30-Apr-10

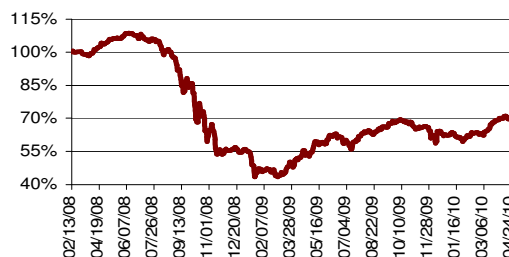
Monthly Return 1.78%
NAV of A unit EUR 7.0692
NAV of B unit EEK 70.6918
Fund Size EUR 4,357,711

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.

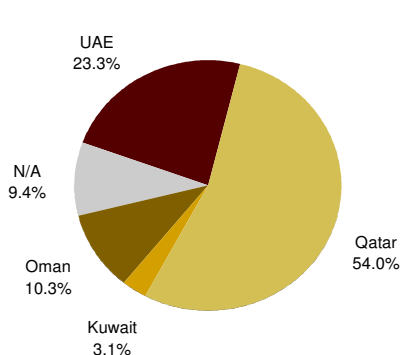
Performance History



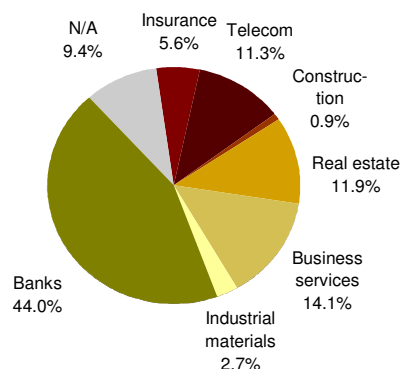
Historical Returns

| | 1 month | 3 months | 6 months | 12 months | YTD | Since Inception | Since Incep. p.a. |
|------|---------|----------|----------|-----------|--------|-----------------|-------------------|
| Fund | 1.78% | 17.73% | 6.07% | 29.78% | 13.47% | -29.31% | -14.89% |

Country Breakdown



Industry Breakdown



Top 10 Investments

| Name | % of Assets |
|---------------------------------|-------------|
| Qatar National Bank (QA) | 9.54% |
| Commercial Bank of Qatar (QA) | 9.05% |
| Qatar Fuel Company (QA) | 8.73% |
| Qatar Insurance Company (QA) | 5.58% |
| National Bank of Abu Dhabi (AE) | 5.18% |
| Qatar Telecom (QA) | 4.60% |
| Bank Muscat SAOG (OM) | 4.57% |
| First Gulf Bank (AE) | 4.38% |
| Doha Bank (QA) | 3.83% |
| Sorouh Real Estate Co. (AE) | 3.63% |
| Value of TOP 10 Investments | 59% |
| Total Number of Investments | 23 |

Fund Manager's Comment

Markets took a breather in April after healthy rise in March. The Q1 reporting season has kicked in and most of the banks in our portfolio have reported their results. The biggest gainer during the month was Bahrain, rising 2.9% and the worst performer was Dubai, dropping 5.6%.

Qatari banks surprised the market with declining credit provisioning charges, and general credit quality is strong. Qatar National Bank demonstrated 30% YoY asset growth and is forecasting 15% loan growth this year. Also deposit costs have come down and most of the banks all across the region have maintained net interest margin. Loan growth has been slower in UAE and as Dubai events are still unfolding, deposit base has been growing.

The IMF is expecting the economic output of the MENA region to grow 4.5% this year and 4.8% in 2011, from 2.4% in 2009, due to commodity prices, rising external demand and robust government spending programs.

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: 2008.01.10
 Launched: 2008.02.13

Contacts

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