

LHV Persian Gulf Fund

31-Dec-09

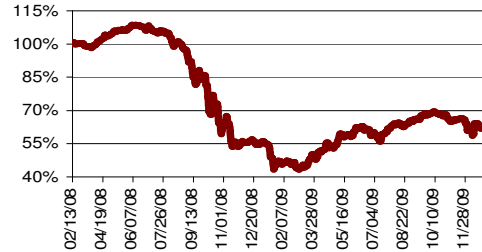
Monthly Return **-2.99%**
 NAV of A unit **EUR 6.2300**
 NAV of B unit **EEK 62.3000**
 Fund Size **EUR 4,205,698**

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.

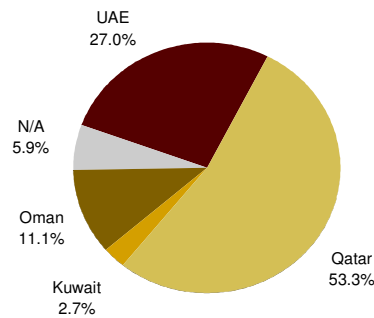
Performance History



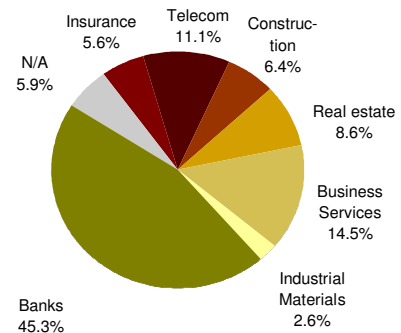
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	-2.99%	-8.68%	5.38%	11.64%	11.64%	-37.70%	-22.83%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar National Bank (QA)	8.74%
Commercial Bank of Qatar (QA)	8.68%
Qatar Fuel Company (QA)	7.55%
National Bank of Abu Dhabi (AE)	6.21%
Qatar Insurance Company (QA)	5.56%
Qatar Telecom (QA)	4.86%
First Gulf Bank (AE)	4.35%
Doha Bank (QA)	4.46%
Sorouh Real Estate Co. (AE)	3.77%
Qatar Gas Transport Com Ltd (QA)	3.37%
Value of TOP 10 Investments	58%
Total Number of Investments	26

Fund Manager's Comment

Gulf markets stabilized in the second half of December as the Dubai Government issued a statement on 14th of December authorizing USD 4.1 billion for Nakheel 2009 bond repayment funded by an injection of USD10 billion from the Abu Dhabi Government. Excess funding will be used for Dubai World's working capital needs and interest expenses through April 30, 2010.

Credit standstill negotiations for Dubai World's other debt obligations are still ongoing.

The federal support from the Central Bank and Abu Dhabi is a crucial and positive for investor sentiment. Dubai's debt (and asset) position will be watched more closely and uncertainty about the restructuring will continue.

Liquidity has been low during the year-end but markets have stabilized although sentiment may take some time to recover. Neighboring countries have not suffered from Dubai's debt problems and we like Qatar and Abu Dhabi in this environment. Oil prices have held up in 2009 and support government spending in Qatar, Abu Dhabi and Oman.

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