

LHV Persian Gulf Fund

31-Mar-12

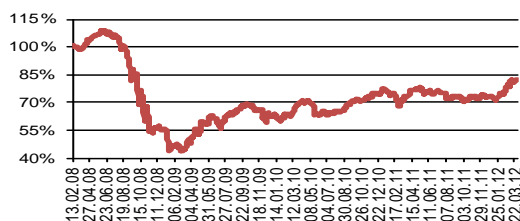
Monthly Return 3.45%
NAV of A unit 8.2247 EUR
NAV of B unit 5.2556 EUR
Fund Size EUR 5 165 957

Investment Objective

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

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.

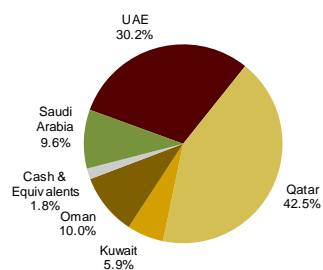
Performance History



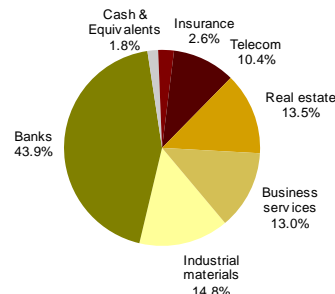
Historical Returns*

	1 month	1 year	2010-2011 average	2009-2011 average	YTD	Since Inception	Since Incep. p.a.
Fund	3.45%	11.98%	8.93%	9.84%	12.46%	-17.75%	-4.68%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar Fuel Company share	8.60%
Commercial Bank of Qatar share	7.63%
First Gulf Bank share	7.29%
Industries Qatar QSC share	5.80%
Bank Muscat SAOG share	4.72%
Sorouh Real Estate Co share	4.51%
Emaar Properties Limited share	4.28%
Qatar National Bank share	4.18%
National Bank of Abu Dhabi share	4.02%
National Mobile Telecommunications	3.78%
Value of TOP 10 Investments	55%
Total Number of Investments	30

Fund Manager's Comment

GCC stock markets continued to rise in March and LHV Persian Gulf Fund recorded a result of +3.4% for the month. This means that in total in Q1 2012 the fund's performance was +12.4%. „MSCI GCC ex Saudi Arabia“ index rose at the same time by +2% (in euros, net). The fund's Q1 performance was aided by 19% rises (in euros) in the stock markets of Saudi Arabia and Dubai that were also in the top 10 performing stock markets in the world at the end of Q1. The stock markets of Qatar, Oman and Kuwait have been much more modest with their quarterly performances in the range of +1% to -4%. It is important to note, however, that recently we've seen increase in the interest of foreign investors to the GCC region – factors supporting this have been high energy prices, decent macro data, the recovering UAE real estate market and relatively cheap stock prices.

In March the majority of the fund's investments paid out dividends. For example Commercial Bank of Qatar, Doha Bank and Oman Telecom offered dividend yields of 7%. Taking into account all the dividends, the quarter's best investments in local currency were from UAE Sorouh Real Estate (+45%), Aldar Properties (+40%) and First Gulf Bank (+32%), Qatar Fuel (+29%) and Qatar Telecom (+27%) from Qatar and from Saudi Arabia Advanced Petrochemical (+28%) and Samba Financial (+22%). But despite the rally in Q1 the fund's investments continue to trade at cheap multiples, trading at just 8x-9x 2012 expected earnings and 1.3x-1.4x 2012 expected book value.

Joel Kukemelk & Mikael Kvibäck

Fund Details

Type: UCITS
 ISIN of A-unit: EE3600095287 (EUR)
 Registrar of A-units: AS LHV Pank
 ISIN of B-unit: EE3600095295 (EUR)
 Registrar of B-units: EVK
 Depository: AS Swedbank
 Fund Managers: Joel Kukemelk, Mikael Kvibäck

Issue Fee: 2.0%
 Management Fee: 1.75%
 Redemption Fee: 1.0%
 Established: 1/10/2008
 Launched: 2/13/2008

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*The fund's historical performance does not promise or offer any indications regarding future performance. Please refer to the prospectus and the simplified prospectus and ask for additional information lhv.ee/persian.

