

LHV Persian Gulf Fund

29-Feb-12

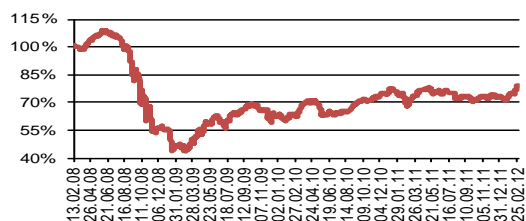
Monthly Return 7.81%
NAV of A unit 7.9504 EUR
NAV of B unit 5.0803 EUR
Fund Size EUR 4 405 405

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.

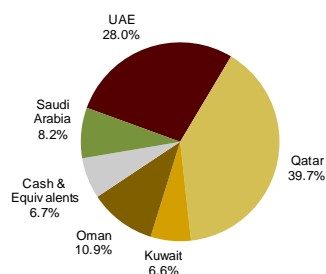
Performance History



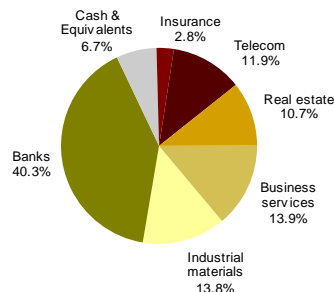
Historical Returns*

	1 month	1 year	2010-2011 average	2009-2011 average	YTD	Since Inception	Since Incep. p.a.
Fund	7.81%	14.95%	8.93%	9.84%	8.71%	-20.50%	-5.59%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar Fuel Company share	8.66%
First Gulf Bank share	6.51%
Commercial Bank of Qatar share	6.07%
Industries Qatar QSC share	5.56%
Oman Telecom share	4.62%
Sorouh Real Estate Co share	4.46%
Bank Muscat SAOG share	4.21%
Emaar Properties Limited share	4.14%
National Mobile Telecommunications	4.04%
National Bank of Abu Dhabi share	3.95%
Value of TOP 10 Investments	52%
Total Number of Investments	28

Fund Manager's Comment

The NAV of LHV Persian Gulf Fund gained 7.81% during the month of February. This represented the best monthly return for the fund in the last 23 months and the fourth best monthly performance ever for the fund. Main reasons for such a burst of optimism were positive news coming from the euro zone, a steadily rising oil price and slightly oversold stock markets in the GCC that did not participate in the global stock market rally in January. Another positive development that we must mention is the possible opening up for foreigners to invest directly in the Saudi Arabian stock markets. The Saudi Arabian stock market (Tadawul) is by far the largest in the Middle East region with a daily turnover of approximately 1 billion USD. Another trigger for the rally was also the growing expectation that MSCI could upgrade UAE from frontier market status to emerging market status this summer. So far in 2012 the Dubai market has been in euro terms among the best 10 stock markets in the world.

Valuations of a number of listed equities have reached very attractive levels and in February we decided to add more risk to the fund portfolio by increasing our exposure in real estate sector. For instance we increased Sorouh Real Estate Company's (UAE) exposure from 1.7% in the beginning of the month to 4.5% by the end of the month of total assets. The investment did very well in February as it gained 46.4% during the month. Other top gainers in the fund during the month were Dana Gas +30%, Aldar Properties +28.7% and First Gulf Bank +17.5% (all UAE).

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

Contacts

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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.