

LHV Persian Gulf Fund

30-Jun-08

Monthly Return **-0.45%**

NAV of A unit **EUR 10.6714**

NAV of B unit **EEK 106.7137**

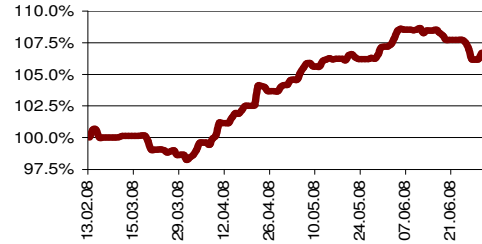
Fund Size **EUR 6,479,924**

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.

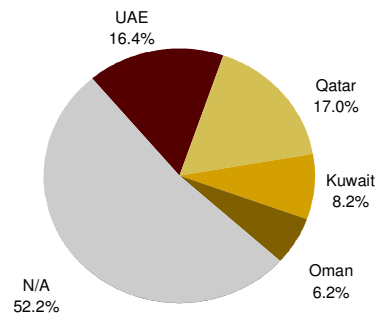
Performance History



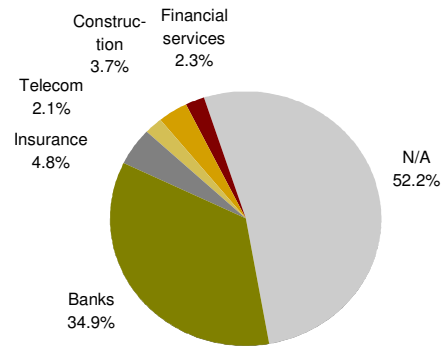
Historical Returns

| | 1 month | 3 months | 6 months | 12 months | YTD | Since Inception | Since Incep. p.a. |
|------|---------|----------|----------|-----------|-------|-----------------|-------------------|
| Fund | -0.45% | 8.39% | - | - | 6.71% | 6.71% | - |

Country Breakdown



Industry Breakdown



Top 10 Investments

| Name | % of Assets |
|---------------------------------|-------------|
| Comercial Bank of Qatar (QA) | 6.19% |
| First Gulf Bank (AE) | 6.09% |
| Qatar National Bank (QA) | 5.93% |
| Qatar Insurance Company (QA) | 4.84% |
| National Bank of Abu Dhabi (AE) | 4.42% |
| Aldar Properties (AE) | 3.66% |
| Bank Muscat (OM) | 3.54% |
| Commercial Bank of Kuwait (KW) | 3.06% |
| Burgan Bank (KW) | 3.02% |
| Bank Dhofar (OM) | 2.70% |
| Value of TOP 10 Investments | 43.4% |
| Total Number of Investments | 12 |

Fund Manager's Comment

In June GCC markets were affected by profit taking and most of the markets ended the month lower, bringing valuations to more reasonable levels. The weakest markets before the up-coming reporting season were Dubai (-5.8%), Abu Dhabi (-3.1%) and Qatar (-2.5%). The only market ending the month in green was Kuwait (+3.2%). Fund's return in June was -0.45%.

M3, the broadest measure of money supply, rose 53% in Qatar and 40% in the UAE YOY in Q1, which is the fastest pace in five years. High liquidity is putting more pressure on inflation and central banks are trying to tighten money supply. Rent, the biggest component of CPI, is expected to ease in the end of the year and 2009 as more supply is coming on property market.

Q2 reporting season starts in July and we are expecting strong results from Qatar and Abu Dhabi.

Fund Details

| | |
|----------------------------------|---------------------------------|
| Type: UCITS | Issue Fee 2% |
| ISIN: EE3600095287 (EUR) | Management Fee 1.75% |
| Registrar: LHV | Redemption Fee 1% |
| ISIN: EE3600095295 (EEK) | Success Fee 15% over 10% hurdle |
| Registrar: EVK | Established: 1/10/2008 |
| Fund Manager: Oliver Ait | Launched: 2/13/2008 |
| Depository: Hansabank (Swedbank) | |

Contacts

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