

LHV Persian Gulf Fund

31-Jan-10

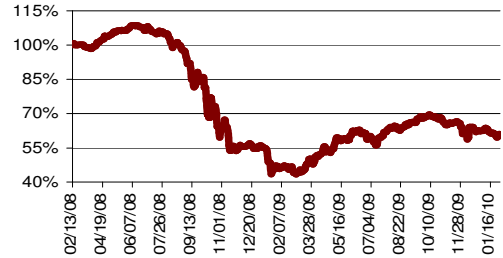
Monthly Return -2.07%
NAV of A unit EUR 6.1012
NAV of B unit EEK 61.0124
Fund Size EUR 4,005,933

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.

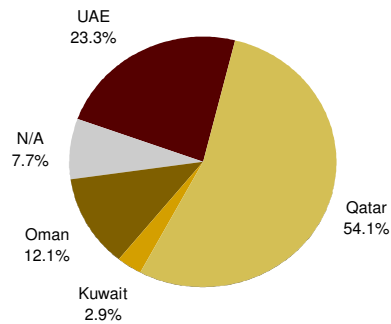
Performance History



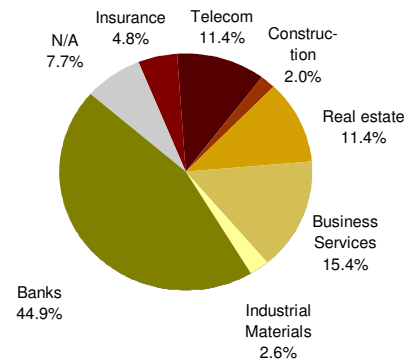
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	-2.07%	-8.46%	-2.91%	29.55%	-2.07%	-38.99%	-22.78%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Commercial Bank of Qatar (QA)	9.36%
Qatar National Bank (QA)	8.65%
Qatar Fuel Company (QA)	8.06%
National Bank of Abu Dhabi (AE)	5.52%
Bank Muscat SAOG (OM)	5.22%
Doha Bank (QA)	4.95%
Qatar Telecom (QA)	4.75%
Qatar Insurance Company (QA)	4.81%
First Gulf Bank (AE)	3.84%
Oman Telecom (OM)	3.69%
Value of TOP 10 Investments	59%
Total Number of Investments	26

Fund Manager's Comment

Persian markets acted strong during the first half of January, but drifted lower during the second half as interest from institutional money was low before Q4 results.

Results from petrochemical and commodity companies have been strong so far due to strong oil price. Also Qatar banks have reported results that have fulfilled expectations showing improvement in margins and profit from their core banking business compared to last year. Asset quality is good and capitalization levels healthy. Banks are expecting to grow their loan books this year. From UAE banks, we are expecting loan provisions to rise in Q4.

Qatari banking and petrochemical companies offer attractive dividend yield at 7-10%. Banks are trading at 1-2 times P/B and 8-9 times last year's profit. We are expecting 15% of real-GDP growth from Qatar this year as new gas-trains start production.

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

