

LHV Persian Gulf Fund

31-Jan-12

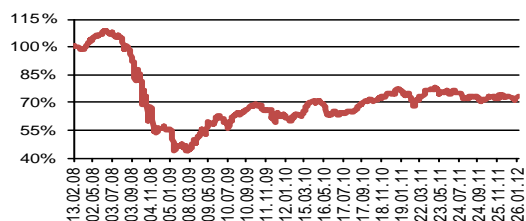
Monthly Return **0,82%**
NAV of A unit **7,3744 EUR**
NAV of B unit **4,7122 EUR**
Fund Size **EUR 4 149 973**

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.

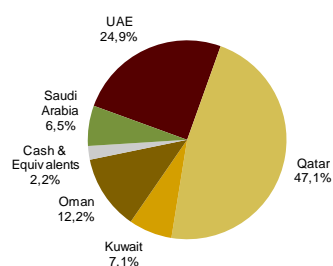
Performance History



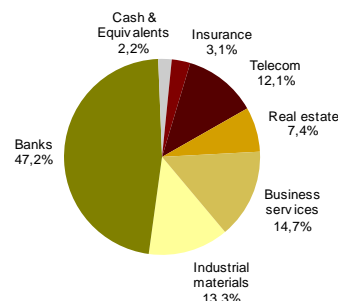
Historical Returns*

	1 month	1 year	2010-2011 average	2009-2011 average	YTD	Since Inception	Since Incep. p.a.
Fund	0,82%	-0,57%	8,93%	9,84%	0,82%	-26,26%	-7,49%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar Fuel Company share	8,17%
Commercial Bank of Qatar share	7,11%
First Gulf Bank share	6,03%
Industries Qatar QSC share	5,60%
Qatar National Bank share	5,17%
Oman Telecom share	4,69%
Bank Muscat SAOG share	4,59%
Qatar Islamic Bank share	4,58%
National Bank of Abu Dhabi share	4,53%
National Mobile Telecommunications	4,30%
Value of TOP 10 Investments	55%
Total Number of Investments	27

Fund Manager's Comment

In the month of January 2012 LHV Persian Gulf Fund's NAV gained 0.82%. During the month a number of our investments delivered their Q4 2011 results. First Gulf Bank (UAE) released a strong set of results, coupled with greater than expected dividend pay-out. FGB reported net profit up 11% Q-o-Q and 18% Y-o-Y. Earnings were ahead of the consensus estimate. Another of our investments, Commercial Bank of Qatar, showed slightly mixed result for the period. Net profit was up 22% Y-o-Y, with revenues being the main driver. However, earnings fell 32% Q-o-Q and were 15% below estimates due to higher-than-expected provisions. Credit quality improved, with the NPL ratio falling due to write-offs and bringing CBQ's asset quality in line with peers. The stock's dividend yield is currently around 7%. Positive results were shown by Qatar National Bank where net profit rose 35% Y-o-Y and 10% Q-o-Q, earnings were 6% above estimates. Growth outlook in 2012 remains strong for the bank since loan growth is expected to be well above average. Politics: with increasing sanctions from EU and US towards Iran regarding the country's nuclear developments, tensions are rising in this geographical area. Iran has threatened to close the Strait of Hormuz which, for instance, clearly would push the oil price even higher. In the short run positive for oil producing countries but the effect could hamper the needed recovery of world economy.

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.