

## LHV Persian Gulf Fund

31-Oct-10

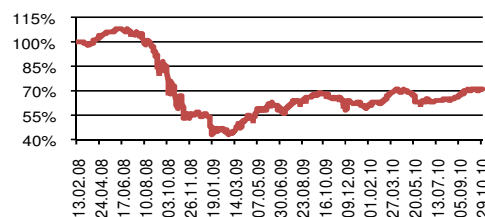
**Monthly Return** 0,68%  
**NAV of A unit** EUR 7,1173  
**NAV of B unit** EEK 71,1734  
**Fund Size** EUR 4 599 602

### 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.

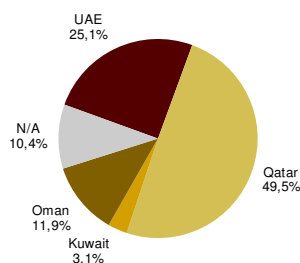
### Performance History



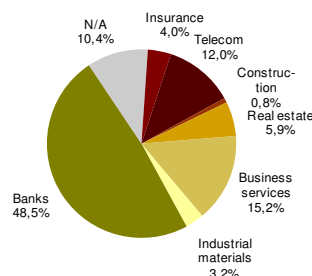
### Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	0,68%	9,92%	0,69%	6,79%	14,24%	-28,83%	-12,01%

### Country Breakdown



### Industry Breakdown



### Top 10 Investments

Name	% of Assets
Qatar National Bank (QA)	9,13%
Commercial Bank of Qatar (QA)	9,09%
Qatar Fuel Company (QA)	7,67%
First Gulf Bank (AE)	6,30%
Doha Bank (QA)	4,98%
Bank Muscat SAOG (OM)	4,84%
National Bank of Abu Dhabi (AE)	4,83%
Qatar Telecom (QA)	4,31%
Qatar Insurance Company (QA)	3,98%
ARAMEX PJSC (AE)	3,96%
Value of TOP 10 Investments	59%
Total Number of Investments	24

### Fund Manager's Comment

The period was dominated by companies reporting its 2010 Q3 results. In general banks showed better than expected, surprisingly strong and solid results. Especially QNB (Qatar National Bank) has had one of the strongest loan growth performances YTD because of its focus towards strong government sector. Our other banks showed strong loan growths and clearly outperformed expectations. GCC banking systems are now reaching the bottom of the credit cycle, and we expect broad-based loan growth recovery in 2011. Supportive macro dynamics, ample balance sheet liquidity and high capital adequacy levels underscore our view. Continued government spending and a pick-up in private investment should be the key drivers for loan growth in 2011. We expect loan growth to continue to outperform in Qatar. Normalising provisioning costs will also likely be a key driver of earnings growth in 2011 across GCC banks.

Mikael Kvibäck

### 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: Mikael Kvibäck

Management Fee: 1.75%  
 Established: 1/10/2008  
 Launched: 2/13/2008

### Contacts

**LHV Asset Management**  
 City Plaza, 17th floor  
 Tartu rd 2,  
 10145 Tallinn, Estonia  
 lhv@lhv.ee

www.persianguulfund.com