

LHV Persian Gulf Fund

31-Dec-11

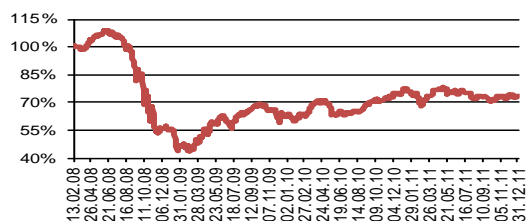
Monthly Return 0,60%
NAV of A unit 7,3137 EUR
NAV of B unit 4,6743 EUR
Fund Size EUR 4 257 386

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.

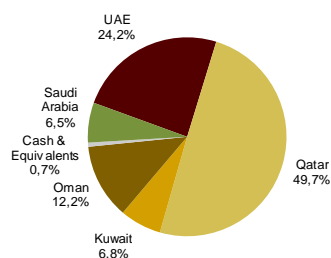
Performance History



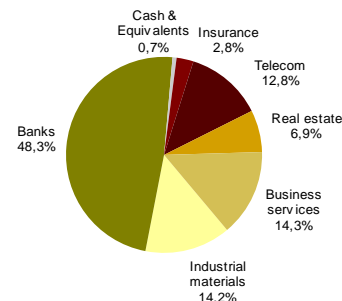
Historical Returns*

	1 month	1 year	2010-2011 average	2009-2011 average	YTD	Since Inception	Since Incep. p.a.
Fund	0,60%	-2,34%	8,93%	9,84%	-2,34%	-26,86%	-7,85%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar Fuel Company share	7,64%
Commercial Bank of Qatar share	7,15%
Industries Qatar QSC share	6,64%
Qatar National Bank share	6,56%
First Gulf Bank share	5,33%
National Bank of Abu Dhabi share	5,21%
Bank Muscat SAOG share	4,67%
Oman Telecom share	4,66%
Qatar Islamic Bank share	4,61%
National Mobile Telecommunications	4,11%
Value of TOP 10 Investments	57%
Total Number of Investments	27

Fund Manager's Comment

In December LHV Persian Gulf Fund gained +0.6% and for the whole 2011 the fund's performance was -2.3%. Despite the fact that in 2011 GCC-countries showed strong economic growth and companies increased their profits, we witnessed stock prices moving sideways. As a result the valuations of the investments that we've made in LHV Persian Gulf Fund have become even more attractive. In addition to inexpensive valuations our investments also offer strong dividend yields. For example expected dividend yields on 2011 earnings on the companies in the fund are as follows – Oman Telecom 7.6%, Commercial Bank of Qatar 7.6%, Doha Bank 7.1%, Industries Qatar 5.4%, Qatar Islamic Bank 5.4%, First Gulf Bank 4.4%, Saudi Basic Industries 4.3% etc.

In the end of 2011 we also started investing into Saudi Arabia by buying Samba Financial, Almarai and Saudi Basic Industries. Samba Financial was named as the bank of the year in 2011 in Saudi Arabia by the financial magazine "Banker", Almarai is one of the world's largest integrated dairy companies and Saudi Basic Industries is a leading industrial company in the GCC-region. Saudi Arabia's 2012 budget has been drawn up on assumptions of oil price of \$55-\$60/barrel and the budget should stay in surplus even if oil production should decline by 15% and should oil prices at the same time decline by 40%. In December Morningstar raised the rating of LHV Persian Gulf Fund in the category of "Africa and Middle-East" equity funds to the maximum of 5-stars.

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.