

LHV Persian Gulf Fund

30-Jun-12

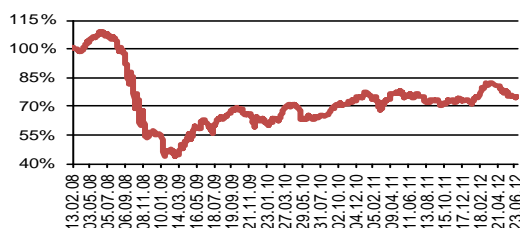
Monthly Return -1.62%
NAV of A unit 7.4962 EUR
NAV of B unit 4.7826 EUR
Fund Size EUR 4 097 953

Investment Objective

LHV Persian Gulf Fund invests in listed equities in the GCC (Gulf Cooperation Council) region - Qatar, Kuwait, United Arab Emirates, Bahrain, Oman and Saudi Arabia.

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.

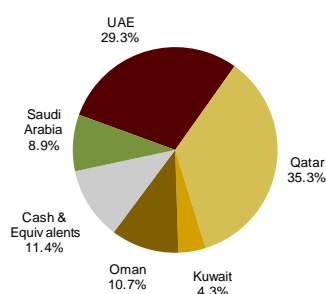
Performance History



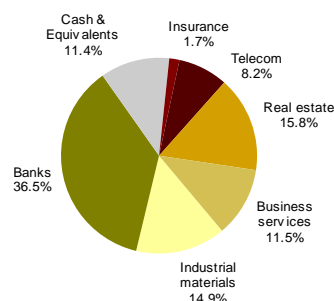
Historical Returns*

	1 month	1 year	2010-2011 average	2009-2011 average	YTD	Since Inception	Since Incep. p.a.
Fund	-1.62%	-0.24%	8.93%	9.84%	2.50%	-25.04%	-6.45%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar Fuel Company share	7.60%
Commercial Bank of Qatar share	6.88%
First Gulf Bank share	6.64%
Industries Qatar QSC share	5.47%
Emaar Properties Limited share	5.15%
Al-Dar Properties PJSC share	4.80%
Sorouh Real Estate Co share	4.61%
Oman Telecom share	4.36%
Bank Muscat SAOG share	4.17%
Qatar National Bank share	3.25%
Value of TOP 10 Investments	53%
Total Number of Investments	29

Fund Manager's Comment

The month of June began with a sharp fall in global stock markets which was followed by big swings throughout the month and June came to an end with strong last trading days. The GCC markets, however, moved calmly throughout this summer month. In June the NAV of the fund fell by -1.6%. During the first six months of this year the fund has increased by +2.5%.

On June 21st MSCI announced that the United Arab Emirates and Qatar will once again remain in the MSCI Frontier Markets category and won't be upgraded to Emerging Markets. However, the wording of the decision gave hope that next year these countries could be upgraded to MSCI Emerging Markets (Emerging Markets) index. Qatar was asked to ease foreign ownership limits and the UAE was asked to improve the trading platform. In both cases the statement confirmed that countries have made big progress in their efforts. Getting into the MSCI Emerging Markets index would be important because more than \$7 trillion of investor assets are benchmarked against this index.

Fund's major investments continue to trade at attractive levels. Qatar Fuel has a monopoly in the fuel market and it benefits from the increasing demand for fuel with the completion of the new Qatar airport at the end of this year – the stock trades at an attractive 10.5x 2011 profits and it offers approx 3% dividend yield. Commercial Bank of Qatar trades at 8.5x expected 2012 profits, 1.2x book value and the expected dividend yield is 8.6%. First Gulf Bank's respective numbers are 6.5x, 1.1x and 7.1%.

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

Contacts

LHV Asset Management
 City Plaza, 17th floor
 Tartu rd 2,
 10145 Tallinn, Estonia
 Kaluri 2, 3rd floor
 51004 Tartu, Estonia
 lhv@lhv.ee

www.persiangulfund.com
<http://lhvpgf.blogspot.com>

*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.