

LHV Persian Gulf Fund

31-Aug-12

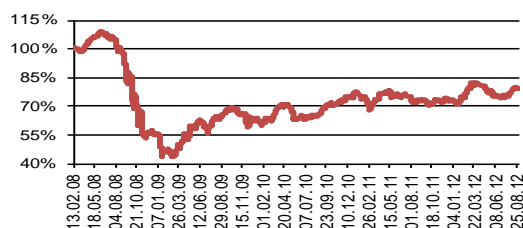
Monthly Return 3.82%
NAV of A unit 7.9303 EUR
NAV of B unit 5.0675 EUR
Fund Size EUR 3 744 505

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.

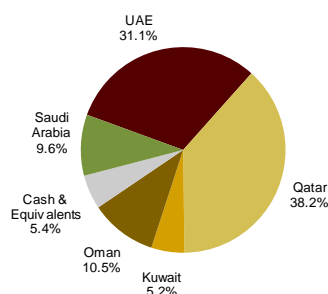
Performance History



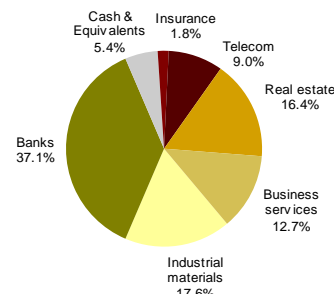
Historical Returns*

	1 month	1 year	2010-2011 average	2009-2011 average	YTD	Since Inception	Since Incep. p.a.
Fund	3.82%	7.54%	8.93%	9.84%	8.43%	-20.70%	-5.03%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Qatar Fuel Company share	8.83%
First Gulf Bank share	7.08%
Industries Qatar QSC share	6.48%
Emaar Properties Limited share	6.24%
Commercial Bank of Qatar share	6.21%
Bank Muscat SAOG share	4.51%
Al-Dar Properties PJSC share	4.45%
Oman Telecom share	4.36%
Sorouh Real Estate Co share	4.32%
Qatar National Bank share	3.61%
Value of TOP 10 Investments	56%
Total Number of Investments	29

Fund Manager's Comment

August was strong for the GCC stock markets and the fund rose by +3.8% in the month, year to date performance is +8.4%.

In August we saw Q2'12 financial results from the region's last remaining companies and now we can sum up the results. Out of the fund's 10 biggest investments 7 companies reported financial results that were better than analysts expected, 2 were inline and 1 company didn't have any official analyst expectations. When comparing Q2'12 results to Q2'11 results then 9 companies out of the fund's 10 biggest investments managed to increase their sales and net income. The dividend yields on these investments range from 3%-8% and 7 companies out of 10 have 2012 expected P/E ratios less than 10x. When comparing region's current dividend yields to 7-year averages then Qatar, Oman and UAE are all yielding significantly above that with current yields between 4.5% and 5% - high dividend yields increase the attractiveness of long-term investing into these countries.

Despite world growth problems GCC countries' economies continue to grow. According to Kuwait-based Gulf Investment Company the aggregate GDP of the GCC countries should grow in 2012 by +5.8%.

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

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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.