

## LHV Emerging Europe Alpha Fund

26-Feb-10

Monthly Return

-1.13%

NAV of A unit

EUR 3.9314

NAV of B unit

EEK 39.3140

Fund Size

EUR 451,595

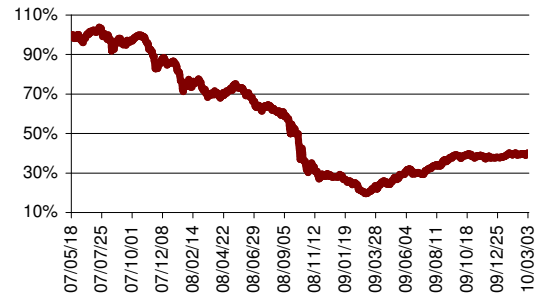
### Investment Objective

The Fund aims to benefit from EU convergence trends and rising consumer spending in emerging Europe.

The Fund invests actively in listed final consumer oriented companies that gain from increasing household income and emergence of middle class in Eastern Europe, including Russia and Ukraine.

The Fund picks companies with profitable operations, strong brand identity, distribution reach and pricing power mostly from the following industries: retail, banks, finance, real estate, construction and entertainment.

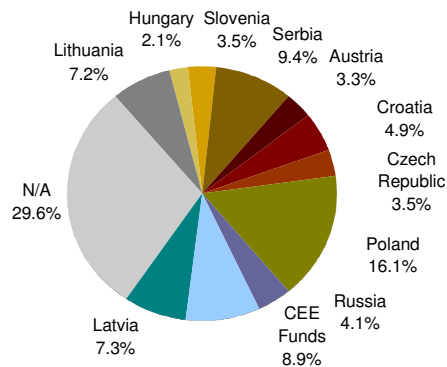
### Performance History



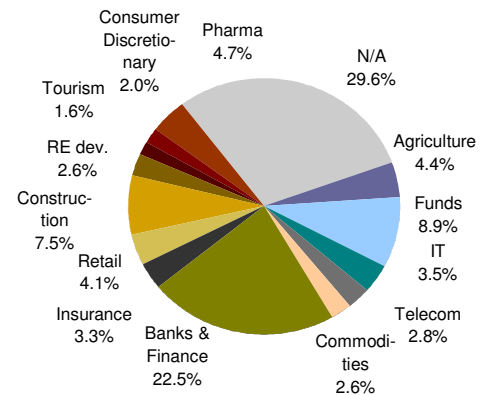
### Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	-1.13%	4.71%	6.85%	91.17%	3.41%	-60.69%	-28.53%

### Country Breakdown



### Industry Breakdown



### Top 10 Investments

Name	% of Assets
Central Europe & Russia Fund	5.21%
PKO Bank Polski SA (PL)	5.16%
AIK Banka a.d. (RS)	4.70%
Grindeks AS (LV)	4.67%
Linas Agro Group, AB (LT)	4.44%
Sberbank (RU)	4.11%
Templeton Russia & E. Europe Fund	3.70%
Komerčni Banka (CZ)	3.52%
Asseco Poland SA (PL)	3.50%
Raiffeisen Intl Bank Holding (AT)	3.29%
Value of TOP 10 Investments	42%
Total Number of Investments	24

### Fund Manager's Comment

Despite the fact that most stock markets around the world rebounded after correction we faced in January Europe stood out in red with no exception to west and eastern regions as a new worry has been tossed into the mix of the uncertainty about global economy health. Market participants feared that the budget crisis in Greece, which has shaken the European Union and the 16-nation euro zone, could infect parts of the region, crucially, neighbours and trade partners in Europe.

Poland economy surprised again on the positive side rising by 3.1% y/y in the 4th quarter after a 1.7% y/y growth pace in the previous period. Hungary's GDP contraction slowed down to 4.0% y/y from 7.1% y/y fall in the 3rd quarter. In the beginning of the month the Fund profitably exited from Olympic Entertainment position avoiding 8.0% its price decrease and successfully participated in Linas Agro IPO. Also we have lowered cash level by acquiring CEE and TRF funds' units.

### Fund Details

Type: UCITS  
 ISIN of A-unit: EE3600090593 (EUR)  
 Registrar of A-units: LHV Pank  
 ISIN of B-unit: EE3600097507 (EEK)  
 Registrar of B-units: EVK  
 Fund Manager: Mihkel Oja  
 Depository: Swedbank

Issue Fee: 2.0%  
 Management Fee: 2.5%  
 Redemption Fee: 0.0%  
 Established: 2007.04.12  
 Launched: 2007.05.18

### Contacts

**LHV Asset Management**  
 City Plaza, 17th floor  
 Tartu rd 2,  
 10145 Tallinn,  
 Estonia  
[lhv@lhv.ee](mailto:lhv@lhv.ee)

