

LHV Emerging Europe Alpha Fund

29-Jan-10

Monthly Return

4.60%

NAV of A unit

EUR 3.9765

NAV of B unit

EEK 39.7650

Fund Size

EUR 451,708

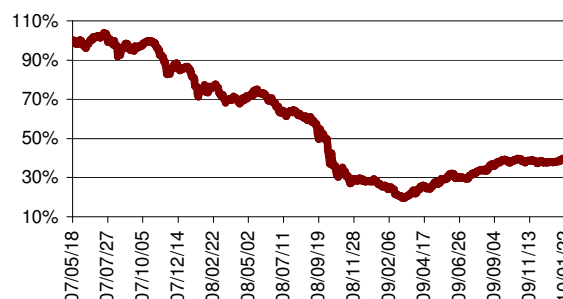
Investment Objective

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.

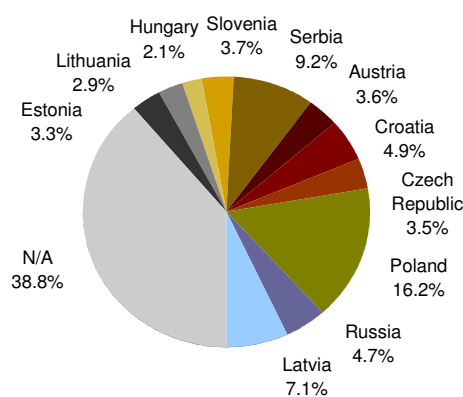
Performance History



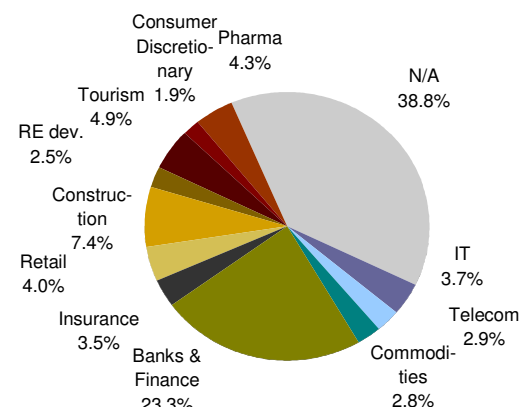
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	4.60%	3.80%	20.16%	56.43%	4.60%	-60.24%	-28.91%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
PKO Bank Polski SA (PL)	5.36%
Sberbank (RU)	4.65%
AIK Banka a.d. (RS)	4.33%
Grindex AS (LV)	4.31%
Asseco Poland SA (PL)	3.72%
Raiffeisen Intl Bank Holding (AT)	3.58%
Komerčni Banka (CZ)	3.54%
Olympic Entertainment Gr AS (EE)	3.30%
TEO LT AB (LT)	2.88%
AS Ventspils nafta (LV)	2.78%
Value of TOP 10 Investments	38%
Total Number of Investments	22

Fund Manager's Comment

After a strong finish last year stock markets were mainly weak in January. Usual traders' optimism accompanying earnings season was suppressed on worries about U.S. bank regulation, possible China monetary policy tightening and Greek financial health. Even the fact that 78% of the 220 S&P 500 companies which reported quarterly results exceeded estimates was not able to restore investors' risk appetite.

However Baltic stock exchanges presented a pleasant surprise being the best European performers so far this year. OMX Tallinn index surged 45%, OMX Vilnius grew 20% and OMX Riga added 17% last month. Baltic countries were painfully hit by financial crisis, but today when concerns about a possible devaluation are calmed down and euro-euphoria soars above Estonia the region regains attractiveness in the eyes of institutional investors.

We extended exposure into Baltics already in the middle of December and sold some Russian shares last month.

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
 Depositary: Swedbank

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

Contacts

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