

LHV Emerging Europe Alpha Fund

31-Mar-10

Monthly Return 5.13%
NAV of A unit EUR 4.1330
NAV of B unit EEK 41.3300
Fund Size EUR 491,407

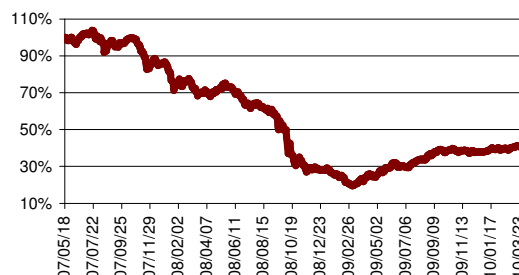
Investment Objective

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.

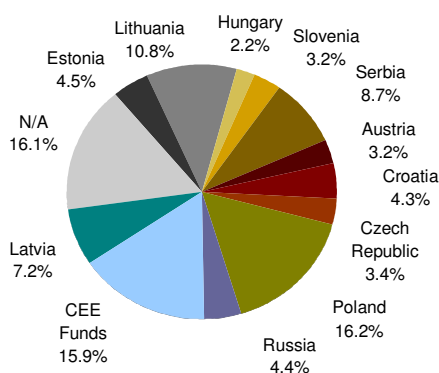
Performance History



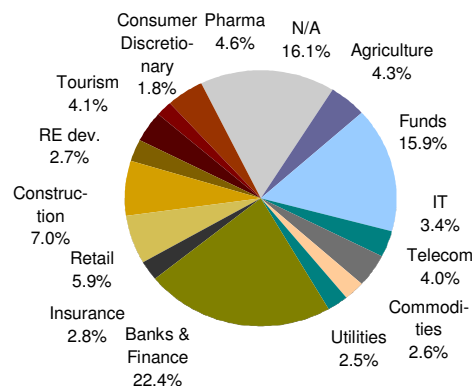
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	5.13%	8.71%	6.98%	86.64%	8.71%	-58.67%	-26.50%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Central Europe & Russia Fund	9.70%
Templeton Russia & E. Europe Fund	6.16%
PKO Bank Polski SA (PL)	5.27%
Grindeks AS (LV)	4.55%
AIK Banka a.d. (RS)	4.51%
Sberbank (RU)	4.41%
Linas Agro Group, AB (LT)	4.31%
TEO LT AB (LT)	4.03%
Asseco Poland SA (PL)	3.37%
Komerčni Banka (CZ)	3.36%
Value of TOP 10 Investments	50%
Total Number of Investments	27

Fund Manager's Comment

Despite fears about Greece's debt crisis stock markets rallied on emergent improving macroeconomic news waking hopes of world economy recovery. Indicators of CEE also began to show a gradual economic upturn. The turnaround was mainly visible in higher exports, industry production and annual 4Q GDP growth improvement comparing to lows of 2Q. Hardest hit economies of Latvia and Lithuania managed to diminish contraction to 17.7% and 12.8% vs. drop of 19.6% and 19.5% in 2Q. Croatia, Hungary and Czech Rep. saw annual decline of 4.5%, 4.0% and 2.8% respectively. Poland as usual stood out of the region by presenting 3.1% y/y GDP growth in 4Q.

EIB announced plans for increasing investments in Turkey, Serbia and Croatia this year seeking to assist to economically poor regions, provide support to SMEs and ensure stable and long-term output of enterprises.

During the month the Fund expanded its exposure to Baltics by acquiring City Service, Olympic Entertainment, Tallinna Kaubamaja and TEO shares. Mihkel Oja

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

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