

LHV Emerging Europe Alpha Fund

30-Jun-07

Monthly Return **2.87%**
NAV of Unit **EUR 10.1672**
Fund Size **EUR 827,171**

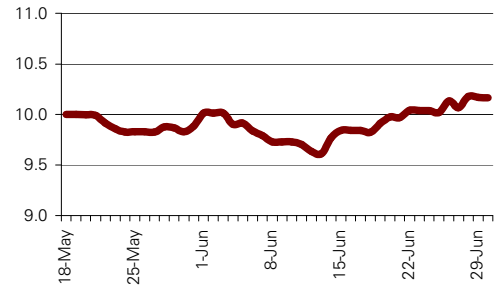
Investment Objective

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.

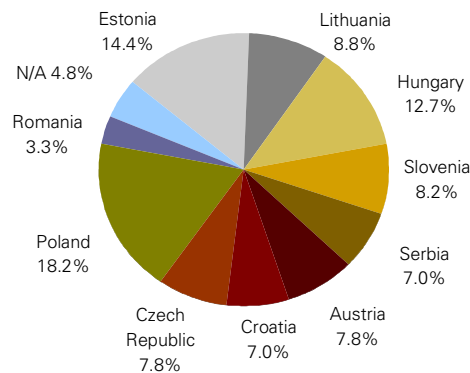
Performance History



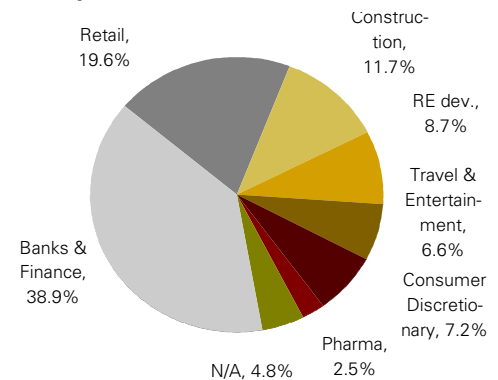
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
FUND	2.87%	-	-	-	1.67%	1.67%	-

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Ūkio bankas (LT)	5.78%
Raiffeisen Intl Bank Holding (AT)	5.25%
Eesti Ehitus (EE)	4.70%
LPP (PL)	3.99%
AIK Banka (YU)	3.97%
IGH (HR)	3.90%
LC Corp (PL)	3.87%
Jutrzenka (PL)	3.72%
Merkur Kranj (SI)	3.67%
Olympic (EE)	3.61%
Value of TOP 10 Investments	42%
Total Number of Investments	28

Fund Manager's Comment

June has been a volatile month – the stock prices were decreasing in the first half of the month, while in the second half there was a strong recovery. The best performing sectors during that month were financial intermediation and consumer discretionary. The lagging sectors were construction and real estate development due to growing interest rates as set by European Central Bank.

Country-wise, the best performance was recorded in Slovenia, Baltic States and Hungary, while Croatian market has disappointed.

During the last month Polish and Romanian markets were penetrated. In the coming month the position in Romania and Poland will be consolidated, as well as first Russian acquisitions are planned.

Fund Details

Type: UCITS
 ISIN: EE3600090593
 Fund Manager: Romanas Bulatovas
 Depository: Hansabank (Swedbank)
 Registrar: LHV

Issue Fee 2%
 Management Fee 2.5%
 Redemption Fee 0%
 Established: 4/12/2007
 Launched: 5/18/2007

Contacts

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