

## LHV Emerging Europe Alpha Fund

31-May-07

Monthly Return **-1.16%**

NAV of Unit **EUR 9.8838**

Fund Size **EUR 450,823**

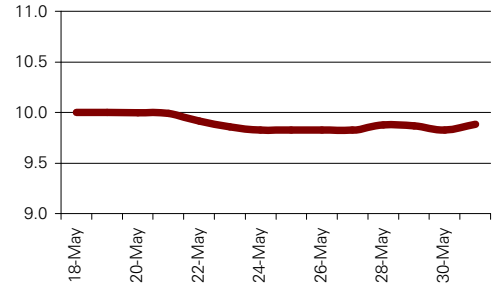
### Investment Objective

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.

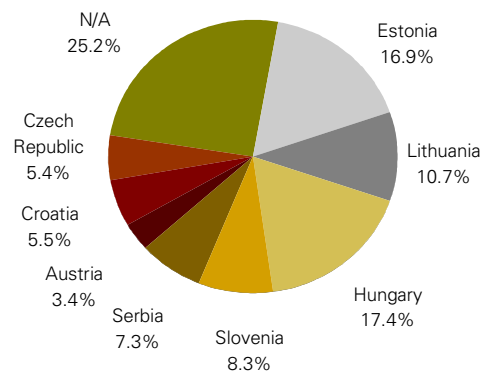
### Performance History



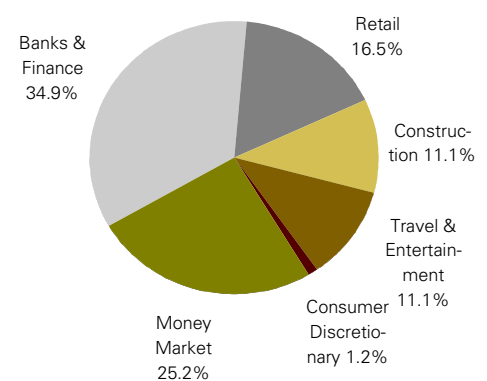
### Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
FUND	-	-	-	-	-1.16%	-1.16%	-

### Country Breakdown



### Industry Breakdown



### Top 10 Investments

Name	% of Assets
AIK Banka (CS)	7.26%
Eesti Ehitus (EE)	5.66%
OTP Bank (HU)	5.65%
Merkur Kranj (SI)	5.53%
Apranga (LT)	5.52%
Viadukt (HR)	5.48%
Tallinna Kaubamaja (EE)	5.44%
Komercni Banka (CZ)	5.42%
Danubius Hotels (HU)	5.35%
Ukio bankas (LT)	5.22%
Value of TOP 10 Investments	57%
Total Number of Investments	15

### Fund Manager's Comment

The Fund started its operations on May 18 and made its first investments on May 21. During the first 10 days of operation we have invested in 15 companies in 8 different countries in emerging Europe. Soon we are also adding investments from Russia, Poland and Romania in our investment portfolio.

The value of the unit has been negatively affected by transaction costs of acquisitions whereas the markets have been flat so far. As ¾ of the assets have been invested then the impact of the transaction costs will not be that noticeable in future.

Macroeconomic fundamentals in the whole region are improving. Even the countries that have deemed outsiders of the fast development – Poland, Hungary and Czech Republic are demonstrating acceleration. The expansion of real economy in the Baltics, Romania and Bulgaria is close to the record growth clocked-up recently. All this means that we will see growing prices that are influenced by improving companies' results.

### Fund Details

Type: UCITS	Issue Fee 2%
ISIN: EE3600090593	Management Fee 2.5%
Depositary: Hansabank (Swedbank)	Redemption Fee 0%
Registrar: LHV	Established: 4/12/2007
	Launched: 5/18/2007

### Contacts

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