

LHV Emerging Europe Alpha Fund

31-Dec-07

Monthly Return

1,47%

NAV of Unit

EUR 8,6648

Fund Size

EUR 1.150.446

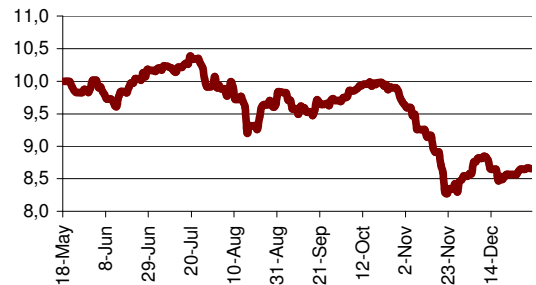
Investment Objective

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.

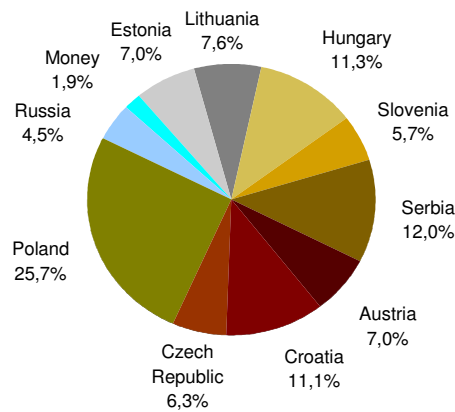
Performance History



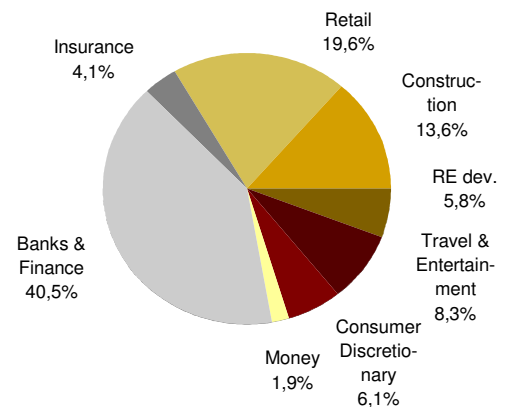
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	1,47%	-11,98%	-14,78%	-	-13,35%	-13,35%	-

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
LPP SA (PL)	6,43%
AIK Banka (YU)	5,82%
Komerčni Banka (CZ)	5,08%
IGH (HR)	5,02%
Raiffeisen Intl Bank Holding (AT)	4,95%
OTP Bank (HU)	4,68%
Mercator (SI)	4,52%
BRE Bank (PL)	4,49%
Sberbank (RU)	4,47%
PKO Bank Polski (PL)	4,31%
Value of TOP 10 Investments	50%
Total Number of Investments	29

Fund Manager's Comment

December has featured rather calm trading with small turnover and slightly upward trend.

The best markets during the month have been Slovenia, Croatia and Serbia, worst performers – Baltic states and Austria.

In December pharmaceutical sectors has been exited completely, whereas exposure to Serbian financial stocks has been gradually increased.

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

AS LHV Varahaldus
 City Plaza, 18th floor
 Tartu rd 2, 10145 Tallinn, Estonia
 www.lhv.ee
 vara@lhv.ee