

LHV Emerging Europe Alpha Fund

29-Feb-08

Monthly Return

1,77%

NAV of Unit

EUR 7,5916

Fund Size

EUR 894.387

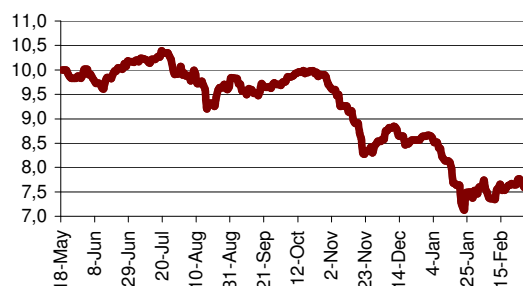
Investment Objective

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.

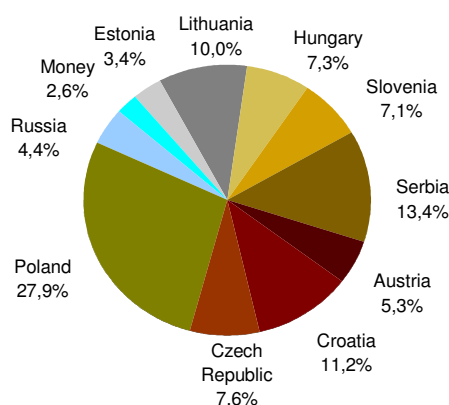
Performance History



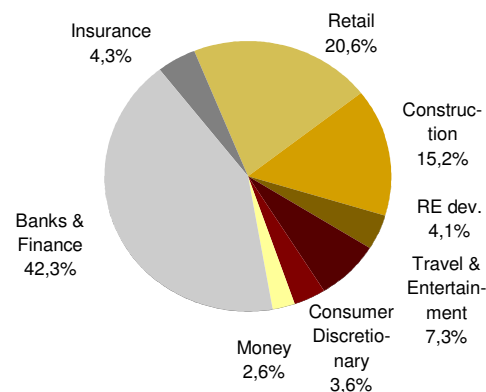
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	1,77%	-11,10%	-24,15%	-	-12,39%	-24,08%	-

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
LPP SA (PL)	7,13%
AIK Banka (YU)	6,67%
Komerčni Banka (CZ)	6,43%
PKO Bank Polski (PL)	6,12%
Mercator (SI)	5,72%
IGH (HR)	5,49%
Raiffeisen Intl Bank Holding (AT)	5,25%
Prekybos AB Apranga (LT)	5,14%
BRE Bank (PL)	4,85%
AB Ūkio bankas (LT)	4,83%
Value of TOP 10 Investments	58%
Total Number of Investments	25

Fund Manager's Comment

February has seen a mild recovery from January's lows. The prices have been rising all across the region, only Serbian market was underperforming.

The Baltic markets have been stronger than recently observed, but the most promising were the Czechs.

Czech Republic is viewed now by many analysts as the most stable of CEE countries, where a robust growth is combined with a temperate inflation, thus a heightened interest of foreign investors.

Polish market has also performed nicely, although the banking stocks were rather subdued.

The Balkans were affected by the issue of Serbian election, which has led to a short lived rally after the results have emerged. Unfortunately, briefly following Kosovo's independence proclamation has plunged the region in a fall in a last week of February.

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