

LHV Emerging Europe Alpha Fund

31-Oct-07

Monthly Return

-0,18%

NAV of Unit

EUR 9,6849

Fund Size

EUR 1.292.128

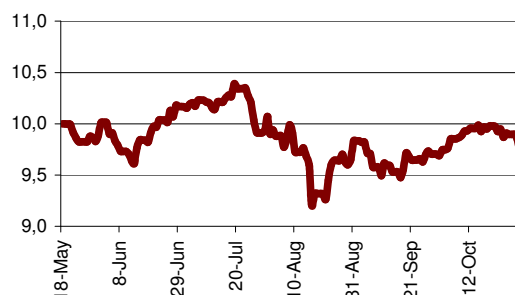
Investment Objective

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.

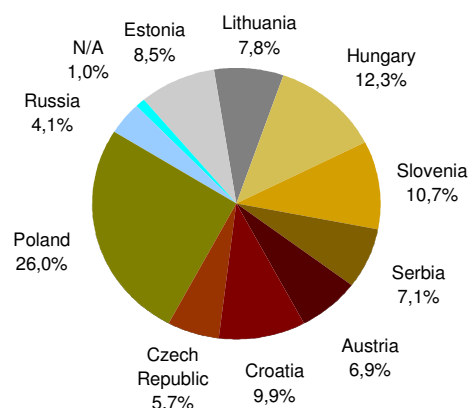
Performance History



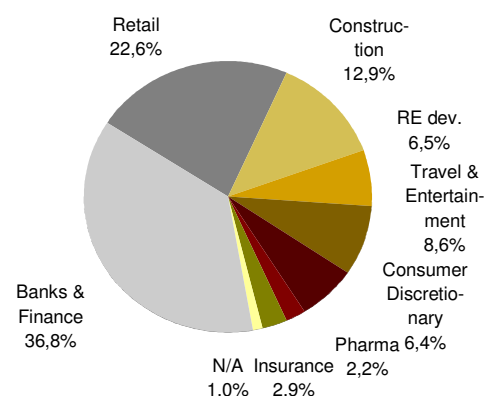
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	-0,18%	-3,85%	-	-	-3,15%	-3,15%	-

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
LPP (PL)	5,22%
Raiffeisen Intl Bank Holding (AT)	4,86%
BRE Bank (PL)	4,50%
OTP Bank (HU)	4,48%
IGH (HR)	4,40%
Komercni banka (CZ)	4,35%
Mercator (SI)	4,20%
AIK Banka (YU)	4,12%
Sberbank (RU)	4,09%
PKO Bank Polski (PL)	4,03%
Value of TOP 10 Investments	44%
Total Number of Investments	30

Fund Manager's Comment

Global stock markets continued to suffer in October as the sub-prime crisis story has been unfolding. This negative psychological sentiment has weighed down on most liquid stock exchanges in CEE region – Poland, Hungary and Czech Republic. Thus, all the gains made in the beginning of the month have been given up.

Quite different events impacted the Balkan stock exchanges: uncertainty over future of Kosovo has prompted investors to liquidate their Serbian holding. Croatia has seen sharp correction of construction stocks after rather disappointing 3rd quarter results. However, the end of the month has brought slight recovery in both markets which is expected to continue.

During the month, the Fund has liquidated holding of Zentiva which has severely undershoot its own guidance and more funds were directed towards Balkan stocks that became substantially cheaper after the correction. Increased participation in those markets should reduce the correlation of the Fund with world markets.

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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