

LHV Emerging Europe Alpha Fund

31-Dec-09

Monthly Return

1,26%

NAV of A unit

EUR 3,8018

NAV of B unit

EEK 38,0180

Fund Size

EUR 430.598

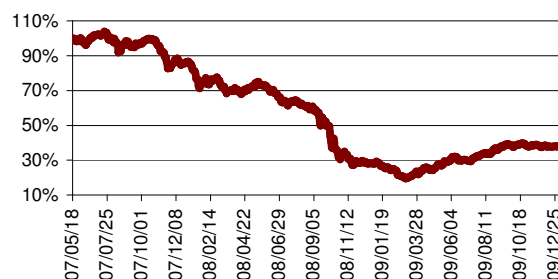
Investment Objective

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.

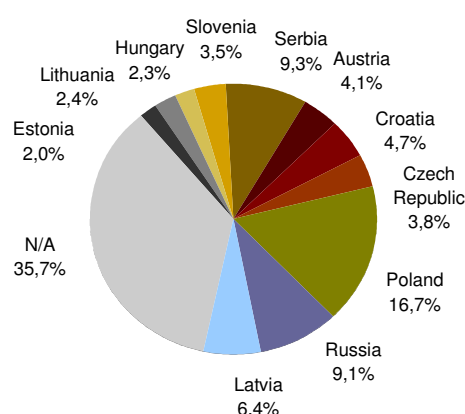
Performance History



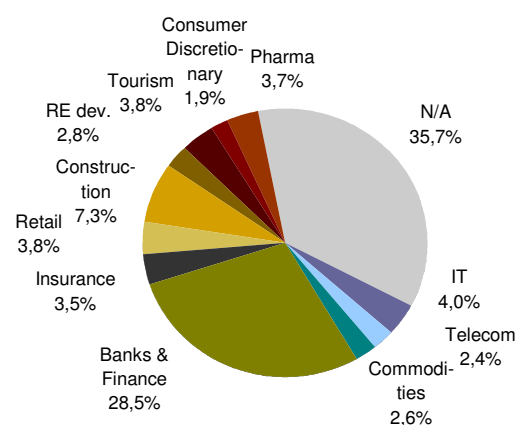
Historical Returns

| | 1 month | 3 months | 6 months | 12 months | YTD | Since Inception | Since Incep. p.a. |
|------|---------|----------|----------|-----------|--------|-----------------|-------------------|
| Fund | 1,26% | -1,60% | 26,23% | 35,56% | 35,56% | -61,98% | -30,84% |

Country Breakdown



Industry Breakdown



Top 10 Investments

| Name | % of Assets |
|-----------------------------------|-------------|
| Sberbank (RU) | 9,11% |
| PKO Bank Polski (PL) | 5,37% |
| AIK Banka (RS) | 4,36% |
| Raiffeisen Intl Bank Holding (AT) | 4,13% |
| Asseco Poland SA (PL) | 4,00% |
| Komerčni Banka (CZ) | 3,81% |
| Grindeks AS (LV) | 3,73% |
| LC Corp SA (PL) | 2,76% |
| Trakcja Polska SA (PL) | 2,63% |
| SIA Ventspils nafta (LV) | 2,63% |
| Value of TOP 10 Investments | 43% |
| Total Number of Investments | 22 |

Fund Manager's Comment

After a turbulent year of 2008 stock markets rebound with exceptional strength in 2009. Close governments' attention to economical problems and presentation of stimulus packages helped to recover investors' confidence in finance system and stock markets. Russia, Hungary, Romania and Poland could brag of 47-129% yearly stock exchange indices returns. The worst performers were Serbia, Croatia and Slovenia climbing by 10-16% in 2009.

The ZEW-First Bank Economic Sentiment Indicator reflecting the expectations for the economic development in the CEE region for the next 6 months recovered in December rising considerably by 21,1 points to 52,0. The highest expectations in the stock markets on a 6-months horizon were expressed for Poland, the Czech Republic, Croatia and Romania with respective indicators climbing to 42,5, 34,2 and 31,6 for the rest two. Hungarian stock market's outlook improved significantly from -4,2 points in November to 19,9 in December but still remained the lowest between covered CEE countries.

Fund Details

Type: UCITS
 ISIN of A-unit: EE3600090593 (EUR)
 Registrar of A-units: LHV Pank
 ISIN of B-unit: EE3600097507 (EEK)
 Registrar of B-units: EVK
 Fund Manager: Mihkel Oja
 Depository: Swedbank

Issue Fee: 2.0%
 Management Fee: 2.5%
 Redemption Fee: 0.0%
 Established: 2007.04.12
 Launched: 2007.05.18

Contacts

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