

## LHV Emerging Europe Alpha Fund

31-Jul-07

Monthly Return

-0.93%

NAV of Unit

EUR 10.0729

Fund Size

EUR 1,200,288

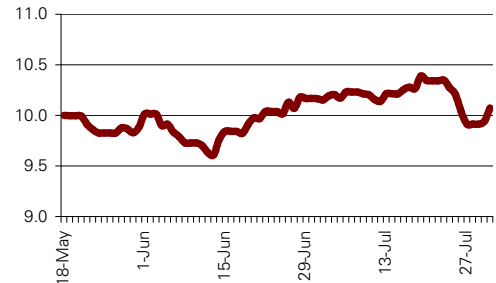
### Investment Objective

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.

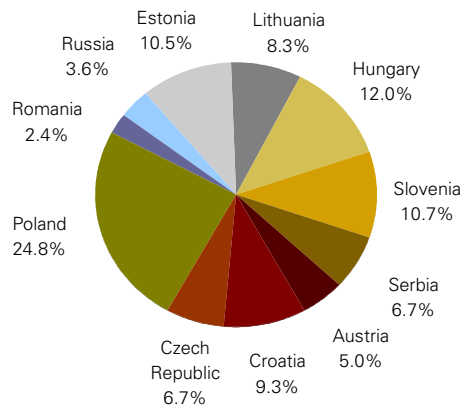
### Performance History



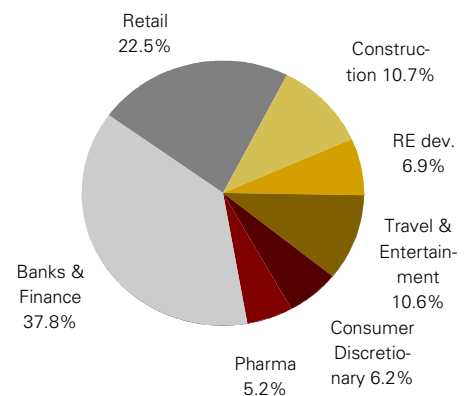
### Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
FUND	-0.93%	-	-	-	0.73%	0.73%	-

### Country Breakdown



### Industry Breakdown



### Top 10 Investments

Name	% of Assets
Tallinna Kaubamaja (EE)	4.74%
AIK Banka (YU)	4.59%
LPP (PL)	4.49%
Ūkio bankas (LT)	4.43%
PKO Bank Polski (PL)	4.39%
Liburnia Riviera Hoteli (HR)	4.28%
Mercator (SI)	4.10%
OTP Bank (HU)	3.96%
LC Corp (PL)	3.87%
Apranga (LT)	3.86%
Value of TOP 10 Investments	43%
Total Number of Investments	32

### Fund Manager's Comment

July has been a very turbulent month. Prices were steadily rising in the first half of the month, but in the second half all gains were given up.

The major factor has been political turmoil in Poland – Polish stocks have declined to several months' lows. End of the month was marked by a global sell-off initiated in the US. Not only stocks but also emerging countries' currencies suffered. The best performing markets were Western Balkan countries – Slovenia, Croatia and Serbia, which are not correlated to the world's financial markets. Some less liquid Hungarian stocks have also resisted negative tendencies. The strongest sectors were consumer discretionary and retail trade, the weakest – construction and real estate development.

In July we added Russia in our investment portfolio, whereas the allocation to Russia should increase in August.

### 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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