

LHV Emerging Europe Alpha Fund

30-Sep-09

Monthly Return

5.01%

NAV of A unit

EUR 3.8635

NAV of B unit

EEK 38.6350

Fund Size

EUR 423,997

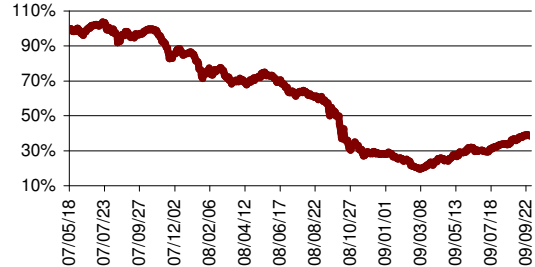
Investment Objective

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.

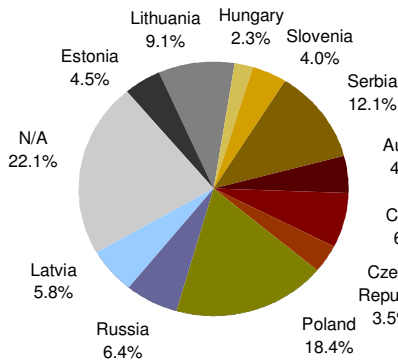
Performance History



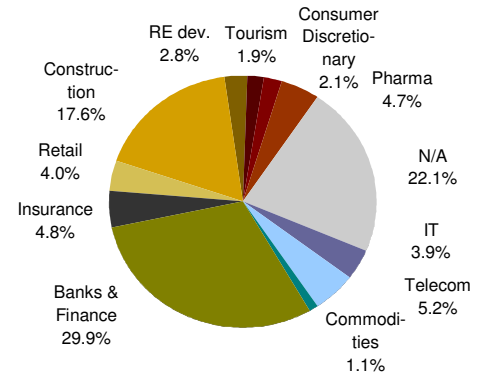
Historical Returns

	1 month	3 months	6 months	12 months	YTD	Since Inception	Since Incep. p.a.
Fund	5.01%	28.28%	74.47%	-22.47%	37.76%	-61.37%	-33.04%

Country Breakdown



Industry Breakdown



Top 10 Investments

Name	% of Assets
Sberbank (RU)	6.41%
AIK Banka (RS)	5.69%
TEO LT AB (LT)	5.19%
Grindeks AS (LV)	4.74%
Raiffeisen Intl Bank Holding (AT)	4.73%
Nordecon International (EE)	4.52%
IGH (HR)	4.10%
AB Ūkio bankas (LT)	3.91%
Asseco Poland SA (PL)	3.90%
PKO Bank Polski (PL)	3.76%
Value of TOP 10 Investments	47%
Total Number of Investments	24

Fund Manager's Comment

Stock prices in CEE mostly followed the mood from overseas. Disappointing indicators of US labour market and manufacturing sector increased investors' cautiousness sending stock prices in a slightly negative territory. EC expressed a belief in CEE economies' recovery, but warned that sufficient credit supply is essential to support it. During a meeting in Istanbul World Bank, IMF and EBRD agreed to intensify implementation of 24,5 billion EUR program for 2009-2010 to ensure banking sector stability and lending to the real economy in crisis-hit CEE.

BofA/Merrill Lynch recommended buying Russian Sberbank, Austrian Raiffeisen and Polish Pekao shares. Beside mentioned banks analysts also raised target prices of Czech Komerční, Hungarian OTP and Polish PKO BP banks. After the upgrade Raiffeisen stocks jumped 13% in two days adding 21% in September. The biggest gainers also include Sberbank (+34%), Lithuanian Ūkio bank (+26%) and Serbian shares (+18%).

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