

LIMESTONE FUND

Société d'Investissement à Capital Variable
with multiple sub-funds
Luxembourg

**Audited annual report for the period
from 25th June 2008 (date of incorporation)
to 30th June 2009**

No subscription can be received on the basis of this financial report. Subscriptions are only valid if made on the basis of the current prospectus, the simplified prospectus, supplemented by the latest annual report and the most recent semi-annual report, if published thereafter.

LIMESTONE FUND

CONTENTS

ORGANISATION	2
GENERAL INFORMATION	4
REPORT OF THE BOARD OF DIRECTORS	5
INDEPENDENT AUDITOR'S REPORT	8
STATEMENT OF NET ASSETS	10
STATEMENT OF OPERATIONS AND OTHER CHANGES IN NET ASSETS	11
STATISTICAL INFORMATION	12
LIMESTONE FUND - New Europe Socially Responsible Fund	13
STATEMENT OF INVESTMENTS AND OTHER NET ASSETS.....	13
INDUSTRIAL CLASSIFICATION OF INVESTMENTS	14
GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS.....	14
LIMESTONE FUND - Eastern Europe Real Estate Equity Fund	15
STATEMENT OF INVESTMENTS AND OTHER NET ASSETS.....	15
INDUSTRIAL CLASSIFICATION OF INVESTMENTS	16
GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS.....	16
NOTES TO THE FINANCIAL STATEMENTS	17

LIMESTONE FUND

ORGANISATION

Registered Office

11, Rue Aldringen
L-1118 LUXEMBOURG

Board of Directors

Chairman:

Serge D'ORAZIO, Sous-Directeur, Head of Investment Fund and Global Custody
KBL EUROPEAN PRIVATE BANKERS S.A.
43, Boulevard Royal
L-2955 LUXEMBOURG

Members:

Mihkel ÕIM, Managing Director
AS LIMESTONE INVESTMENT MANAGEMENT
Vaike-Karja 12
EST-10140 TALLINN

Stéphane RIES, Head of Business Development
KBL EUROPEAN PRIVATE BANKERS S.A.
43, Boulevard Royal
L-2955 LUXEMBOURG

Management Company

KREDIETRUST LUXEMBOURG S.A.
11, Rue Aldringen
L-2960 LUXEMBOURG

Board of Directors of the Management Company

Chairman:

Jean-Paul LOOS

Directors:

Rafik FISCHER
Olivier de JAMBLINNE de MEUX

Managing Director:

Franck SARRE

LIMESTONE FUND

ORGANISATION (continued)

Conducting Officers ("délégués à la gestion journalière")

Wouter GESQUIERE
Franck SARRE

Investment Advisor for the Sub-Fund LIMESTONE FUND - New Europe Socially Responsible Fund

GES INVESTMENT SERVICES
Kungsgatan 35
S-111 56 STOCKHOLM

Delegated Investment Manager and General Distributor

AS LIMESTONE INVESTMENT MANAGEMENT
Vaike-Karja 12
EST-10140 TALLINN

Custodian Bank and Principal Paying Agent

KBL EUROPEAN PRIVATE BANKERS S.A.
43, Boulevard Royal
L-2955 LUXEMBOURG

Domiciliary, Registrar, Transfer and Administrative Agent

KREDIETRUST LUXEMBOURG S.A.
11, Rue Aldringen
L-2960 LUXEMBOURG

Promoter

AS LIMESTONE INVESTMENT MANAGEMENT
Vaike-Karja 12
EST-10140 TALLINN

Auditor

DELOITTE S.A.
560, Rue de Neudorf
L-2220 LUXEMBOURG

LIMESTONE FUND

GENERAL INFORMATION

LIMESTONE FUND (the "Company") is organised as a "*Société d'Investissement à Capital Variable*" under the laws of the Grand Duchy of Luxembourg.

The Company incorporated on 25th June 2008 in Luxembourg for an unlimited period and is governed by the amended Luxembourg laws of 10th August 1915 and by the Part I of the amended law of 20th December 2002 on undertakings for collective investment (the "2002 Law").

Its Articles of Incorporation were published in the "*Mémorial Recueil des Sociétés et des Associations*" on 28th July 2008. The Company is registered with the "*Registre de Commerce et des Sociétés de Luxembourg*" under the number B.140 175. The Articles of Incorporation are available for inspection and a copy thereof may be obtained upon request at the registered office of the Company.

At the date of the report, the Company offers the following Sub-Funds:

- LIMESTONE FUND - New Europe Socially Responsible Fund in EUR
- LIMESTONE FUND - Eastern Europe Real Estate Equity Fund in EUR
(launched on 15th June 2009)

The Board of Directors may decide to issue further Sub-Funds and Classes of Shares.

The reference currency of the Company is the Euro ("EUR"). The consolidated accounts of the Company are expressed in EUR.

The Company may issue shares of no par value of different classes of Shares, which relate to each portfolio of assets. The Sub-Fund's are priced and Shares are issued and/or may be redeemed on each bank business day in Luxembourg.

At the date of the report the Sub-Fund only offers capitalisation Shares expressed in EUR.

Financial years end on 30th June in each year. The first financial period ended on 30th June 2009 with a first unaudited semi-annual report dated 31st December 2008.

The full prospectus, the simplified prospectus, the articles of incorporation, the most recent annual and semi-annual report are available free of charge at the registered office of the Company, at any Paying Agent and any Distributor. The net asset value per share and redemption and subscription prices may be obtained at the registered office of the Company.

LIMESTONE FUND

REPORT OF THE BOARD OF DIRECTORS

LIMESTONE FUND was incorporated on 25th June 2008. The Company is an umbrella fund providing investors with the choice several separate Sub-Funds, with specific investment objectives focusing mainly on investment possibilities in the Eastern European countries, which have recently joined the European Union or in the process of joining it.

The first Sub-Fund, **LIMESTONE FUND - New Europe Socially Responsible Fund**, was launched on 31st July 2008 with the investment objective to construct an actively managed concentrated high-conviction portfolio, which complies with international norms on Environmental, Social and Governance (ESG) issues in accordance with the UN Principles for Responsible Investments ("PRI").

LIMESTONE FUND - New Europe Socially Responsible Fund is the first regional equity fund following Socially Responsible Investments ("SRI") principles. The Sub-Fund is managed by AS LIMESTONE INVESTMENT MANAGEMENT, the Tallinn based specialist Emerging European equity manager, together with research partner GES Investment Services, the leading social responsibility research team in Northern Europe.

Limestone sees Eastern Europe as a fertile ground for corporate social responsibility to flourish - structural reforms, the need for full compliance with EU regulations and improved access to capital through socially responsible thinking are the main drivers for sustainable business practices in Eastern European companies.

In common with the SRI ethos, the Sub-Fund is managed in a highly active management style. The Sub-Fund uses "bottom up" fundamental research coupled with social and environmental research provided by Limestone's research partner GES Investment Services, the leading social responsibility researcher in Northern Europe. The Sub-Fund's portfolio is not constrained by benchmarks, allowing the manager to pursue a high-conviction approach to investment management.

The Sub-Fund will seek to avoid investing in equities of companies that receive significant revenues from producing alcoholic beverages, tobacco, military weapons or are involved in the gambling business. However, other negative qualitative screens will not be applied, as the fund seeks to engage with companies to improve poor environmental and social risk ratings rather than eliminate future potential investment targets.

Second Sub-Fund, **LIMESTONE FUND - Eastern Europe Real Estate Equity Fund**, was launched on 15th June 2009. The investment objective is to generate capital growth by investing in listed real estate companies in wider Eastern Europe including also Russia, Ukraine. Limestone saw an increased demand for this type of investment, reflecting the fact that many investors are seeking access to one of the most fundamentally undervalued sectors, while aiming to also benefit from the long term convergence process.

The markets in Eastern Europe and more specifically real estate sector have suffered from heavy sell-off in 2008 and now trade well below their adjusted worst case scenario NAV. In response to investor's growing interest in the region Limestone has built a portfolio from regional listed real estate equities to ensure that we provide investors with a stress-tested growth product that also benefits from long-term convergence in Eastern Europe.

LIMESTONE FUND

REPORT OF THE BOARD OF DIRECTORS (continued)

Overall economic situation

The global financial crisis, brewing for a while, really started to show its effects in the middle of 2007 and into 2008. Around the world stock markets have fallen, large financial institutions have collapsed or been bought out, and governments in even the wealthiest nations have had to come up with rescue packages to bail out their financial systems. Following a period of economic boom, a financial bubble - global in scope - burst in 2008.

The resulting credit crisis spread quickly also to Eastern Europe. Having missed out on decades of growth and integration with the outside world, the central theme became convergence with developed Europe's living standards. Over the past decade the region relied on foreign capital to produce growth. Money from abroad has come in from borrowing on the bond market, from foreign direct investment or from selling shares. Most often it has come through bank loans. That bloodline suddenly cut the region found itself in the worst economic crisis since the collapse of the communist planned economies.

The LIMESTONE FUND was timing-wise launched right into the brewing financial crisis that affected negatively both the target markets in Central Eastern Europe, and the intended client base of European institutional investors.

The negative sentiment bottomed out at the end of first quarter of 2009 marking the start of recovery of both global and Central Eastern Europe equity markets.

Not only was the sentiment on major equity markets better, but also the data from the region was supportive. The significant economic imbalances in most CEE economies have been reduced during the first couple of quarters of 2009 on the back of a sharp drop in domestic demand and currency depreciation. Current accounts in Poland, Hungary and Croatia (in that order) fell strongly indicating harsh domestic economic downturn, but also pointing markets to the positive side of lowered financing needs.

Downward revision of required return rates is in order on the back of declining base rates and reduced country risk. The reduced financing risk is clearly visible in the 1H2009 contraction of YTD 5yr CDS spreads: Romania (-302bps), Poland (-112bps), Hungary (-107bps). The significant decline in economic activity over the first couple of quarters in 2009 has caused inflation to decline sharply in the CEE region. Stricter fiscal and income policies have opened the door for significant monetary policy relaxation.

We expect the major EU economies to pull out of recession during the end of 2009, which will be positive also to economies and equity markets of Eastern European countries.

Fund Performance

LIMESTONE FUND – New Europe Socially Responsible Fund performance since inception was -27.4% compared to -46.3% posted by the benchmark DJ Stoxx EU Enlarged TMI. Bulk of the outperformance against the benchmark was achieved during 2009, with YTD performance as at 30th June 2009 standing at 37.1% compared to 6.7% recorded by the index. The out-performance can be attributed to successful stock-picking, which is at the core of Limestone investment process. The fund focused on the region specific long-term positives along with picking stocks with strong balance sheets, good management and potential to surprise positively with future earnings.

LIMESTONE FUND

REPORT OF THE BOARD OF DIRECTORS (continued)

LIMESTONE FUND – Eastern Europe Real Estate Equity Fund was launched only in June 2009, and thus has only one month worth of returns to report. In June 2009 the Sub-fund was down -0.2%, while the benchmark index UniCredit Emerging Europe Real Estate Index posted -4.6% decline.

We shall note that sentiment has continued to improve and the notable factor here is certainly that this improvement has already reached the real economy. Economic indicators of the CEE region have also started to improve, reflecting the emergence of 'green shoots' of recovery from Euroland. However, with improving sentiment and earnings outlook, we see the mid-term market outlook as clearly positive, and do not assign a high probability to the notion that markets may be running ahead of themselves.

Luxembourg, 8th September 2009

The Board of Directors

Note: The information in this report represents historical data and is not an indication of future results.

LIMESTONE FUND

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
LIMESTONE FUND

Following our appointment by the general meeting of the shareholders, we have audited the accompanying financial statements of LIMESTONE FUND and of each of its Sub-Funds, which comprise the statement of net assets and the statement of investments and other net assets as at 30th June 2009 and the statement of operations and other changes in net assets for the period from 25th June 2008 (date of incorporation) to 30th June 2009, and a summary of significant accounting policies and other explanatory notes to the financial statements.

Board of Directors of the Company's responsibility for the financial statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the réviseur d'entreprises

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the *Institut des Réviseurs d'Entreprises*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the réviseur d'entreprises, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Company, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

LIMESTONE FUND

INDEPENDENT AUDITOR'S REPORT (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of LIMESTONE FUND and of each of its Sub-Funds as of 30th June 2009, and of the results of their operations and changes in their net assets for the period from 25th June 2008 (date of incorporation) to 30th June 2009 in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the financial statements.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Deloitte S.A.

Réviseur d'entreprises

Philippe Lenges

Partner

23rd September 2009
560, rue de Neudorf
L-2220 LUXEMBOURG

LIMESTONE FUND

STATEMENT OF NET ASSETS

as at 30th June 2009

	Consolidated	New Europe Socially Responsible Fund	Eastern Europe Real Estate Equity Fund
	(in EUR)	(in EUR)	(in EUR)
<u>ASSETS</u>			
Securities portfolio at market value	4,790,479.22	4,263,792.26	526,686.96
Cash at banks	2,317,860.44	943,378.57	1,374,481.87
Formation expenses, net	6,523.93	6,523.93	-
Income receivable on portfolio	13,051.26	13,051.26	-
Other receivables	20,000.00	20,000.00	-
Prepaid expenses	2,468.61	2,468.61	-
	7,150,383.46	5,249,214.63	1,901,168.83
Total assets	7,150,383.46	5,249,214.63	1,901,168.83
<u>LIABILITIES</u>			
Payable on purchases of securities	167,178.33	96,122.11	71,056.22
Interest on bank liabilities and expenses payable	58,064.27	51,151.39	6,912.88
Prepaid subscriptions	25,000.00	-	25,000.00
Other liabilities	150.00	150.00	-
	250,392.60	147,423.50	102,969.10
Total liabilities	250,392.60	147,423.50	102,969.10
NET ASSETS at the end of the period	6,899,990.86	5,101,791.13	1,798,199.73
Capitalisation Shares outstanding		70,223.024	1,801.969
Net asset value per capitalisation Share		72.65	997.91

The accompanying notes are an integral part of these financial statements.

LIMESTONE FUND

STATEMENT OF OPERATIONS AND OTHER CHANGES IN NET ASSETS

from 25th June 2008 (date of incorporation) to 30th June 2009

	Consolidated	New Europe Socially Responsible Fund	Eastern Europe Real Estate Equity Fund
	(in EUR)	(in EUR)	15.06.2009 - 30.06.2009 (in EUR)
<u>INCOME</u>			
Dividends, net	31,235.80	31,235.80	-
Interest on bank accounts	1,535.27	1,535.27	-
Total income	<u>32,771.07</u>	<u>32,771.07</u>	<u>-</u>
<u>EXPENSES</u>			
Management fees	21,821.72	20,945.04	876.68
Custodian fees	3,442.40	2,594.43	847.97
Banking charges and other fees	1,575.10	1,575.10	-
Transaction fees	780.00	-	780.00
Central administration costs	15,479.20	13,563.65	1,915.55
Audit fees	20,911.36	18,628.82	2,282.54
Other administration costs	14,780.76	14,154.26	626.50
Subscription duty ("taxe d'abonnement")	1,046.94	822.16	224.78
Interest paid on bank liabilities	24.71	24.71	-
Other expenses	1,292.79	1,292.79	-
Total expenses	<u>81,154.98</u>	<u>73,600.96</u>	<u>7,554.02</u>
NET INVESTMENT INCOME	-48,383.91	-40,829.89	-7,554.02
<u>NET REALISED GAIN/(LOSS)</u>			
- on securities portfolio	126,914.52	126,914.52	-
- on foreign exchange	-8,337.49	-5,505.67	-2,831.82
REALISED RESULT	70,193.12	80,578.96	-10,385.84
<u>NET VARIATION OF THE UNREALISED GAIN/(LOSS)</u>			
- on securities portfolio	475,958.26	467,372.33	8,585.93
RESULT OF OPERATIONS	<u>546,151.38</u>	<u>547,951.29</u>	<u>-1,799.91</u>
Subscriptions	6,353,949.48	4,553,949.84	1,799,999.64
Redemptions	-110.00	-110.00	-
TOTAL CHANGES IN NET ASSETS	<u>6,899,990.86</u>	<u>5,101,791.13</u>	<u>1,798,199.73</u>
TOTAL NET ASSETS at the beginning of the period	-	-	-
TOTAL NET ASSETS at the end of the period	<u><u>6,899,990.86</u></u>	<u><u>5,101,791.13</u></u>	<u><u>1,798,199.73</u></u>

The accompanying notes are an integral part of these financial statements.

LIMESTONE FUND

STATISTICAL INFORMATION

as at 30th June 2009

	New Europe Socially Responsible Fund (in EUR)	Eastern Europe Real Estate Equity Fund (in EUR)
Total net assets		
- as at 30.06.2009	5,101,791.13	1,798,199.73
Number of capitalisation Shares		
- outstanding at the beginning of the period	-	-
- issued	70,225.359	1,801.969
- redeemed	-2.335	-
<hr/>	<hr/>	<hr/>
- outstanding at the end of the period	70,223.024	1,801.969
Net asset value per capitalisation Share		
- as at 30.06.2009	72.65	997.91

The accompanying notes are an integral part of these financial statements.

LIMESTONE FUND

LIMESTONE FUND - New Europe Socially Responsible Fund

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

as at 30th June 2009

(in EUR)

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>INVESTMENTS IN SECURITIES</u>					
<u>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</u>					
<u>Shares</u>					
CZK	7,500	Central European Media Ent Ltd A	34,775.01	106,199.64	2.08
CZK	8,388	Ceske Energeticke Zavody AS	254,584.19	269,162.21	5.28
CZK	36,510	Orco Property Group	232,124.84	210,994.68	4.13
CZK	13,390	Telefonica O2 Czech Republi AS	205,249.81	217,541.98	4.26
			726,733.85	803,898.51	15.75
EUR	100,000	A&D Pharma Hgs NV GDR repr 6 Shares	182,364.00	225,000.00	4.41
EUR	10,000	Erste Group Bank AG	188,877.00	192,300.00	3.77
EUR	2,900	Immoeast AG	3,831.80	5,191.00	0.10
EUR	6,114	OMV AG	158,146.24	163,182.66	3.20
EUR	9,000	Raiffeisen Intl Bk-Hg AG	216,135.99	222,750.00	4.37
EUR	8,000	Vienna Insurance Group AG	237,980.80	247,840.00	4.86
			987,335.83	1,056,263.66	20.71
HRK	10,000	Hrvatska Telekomunikacija dd	298,256.33	300,713.79	5.89
HRK	357	Koncar Dist i Spec Transfor dd	64,370.10	99,739.26	1.95
			362,626.43	400,453.05	7.84
HUF	21,240	OTP Bank Plc	211,989.62	272,174.64	5.33
PLN	12,000	Asseco Poland SA	138,475.49	146,287.75	2.87
PLN	145,181	Automotive Component Europe SA	47,657.84	110,514.06	2.17
PLN	300,000	Boryszew SA	167,686.40	173,288.51	3.40
PLN	514,700	Ceramika Nowa Gala SA	302,753.67	304,219.41	5.96
PLN	195	KGHM Polska Miedz SA	3,111.04	3,558.12	0.07
PLN	20,290	Pol-Aqua SA	75,262.57	100,574.64	1.97
			734,947.01	838,442.49	16.44
RON	2,600,000	Teraplast SA	215,602.25	234,718.90	4.60
SEK	200	Swedbank AB A	2,435.93	826.49	0.02
SEK	65,100	Swedbank AB Préf	224,604.17	265,425.97	5.20
			227,040.10	266,252.46	5.22
Total shares			3,466,275.09	3,872,203.71	75.89
<u>TRANSFERABLE SECURITIES DEALT IN ON ANOTHER REGULATED MARKET</u>					
<u>Shares</u>					
RSD	3,078	AIK Banka AD Nis	50,493.19	68,799.69	1.35
Total shares			50,493.19	68,799.69	1.35
<u>Undertakings for collective investment</u>					
RON	1,627,200	SIF 1 Banat-Crisana SA Dist	279,651.65	322,788.86	6.33
Total undertakings for collective investment			279,651.65	322,788.86	6.33
TOTAL INVESTMENTS IN SECURITIES			3,796,419.93	4,263,792.26	83.57
CASH AT BANKS				943,378.57	18.49
OTHER NET ASSETS/(LIABILITIES)				-105,379.70	-2.06
TOTAL				5,101,791.13	100.00

The accompanying notes are an integral part of these financial statements.

LIMESTONE FUND

LIMESTONE FUND - New Europe Socially Responsible Fund

INDUSTRIAL CLASSIFICATION OF INVESTMENTS

as at 30th June 2009
(in percentage of net assets)

Banks	20.04 %
Materials	14.03 %
Telecommunication services	10.15 %
Utilities	7.23 %
Investment funds	6.33 %
Insurance	4.86 %
Food retailing, drugstores and pharmacies	4.41 %
Real estate	4.23 %
Energy	3.20 %
Software and services	2.87 %
Automobiles and components	2.17 %
Media	2.08 %
Capital goods	1.97 %
TOTAL	<u>83.57 %</u>

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

(by domicile of the issuer)
as at 30th June 2009
(in percentage of net assets)

Austria	16.30 %
Poland	14.27 %
Romania	10.93 %
Czech Republic	9.54 %
Croatia	7.84 %
Grand Duchy of Luxembourg	6.30 %
Hungary	5.33 %
Sweden	5.22 %
Netherlands Antilles	4.41 %
Bermuda	2.08 %
Serbia Republic	1.35 %
TOTAL	<u>83.57 %</u>

The accompanying notes are an integral part of these financial statements.

LIMESTONE FUND

LIMESTONE FUND - Eastern Europe Real Estate Equity Fund

STATEMENT OF INVESTMENTS AND OTHER NET ASSETS

as at 30th June 2009

(in EUR)

Currency	Number / nominal value	Description	Cost	Market value	% of total net assets
<u>INVESTMENTS IN SECURITIES</u>					
<u>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</u>					
<u>Shares</u>					
CZK	8,300	Orco Property Group	50,438.30	47,966.47	2.67
EUR	28,000	Atrium Eur Real Estate Ltd	82,143.60	88,760.00	4.94
EUR	46,000	Immoeast AG	83,334.50	82,340.00	4.58
EUR	16,000	Sparkassen Immobilien AG	65,500.80	68,640.00	3.82
EUR	15,000	Warimpex Fin & Beteiligungs AG	29,203.50	29,400.00	1.63
			260,182.40	269,140.00	14.97
PLN	19,520	Ronson Europe NV	4,411.62	4,588.79	0.25
			315,032.32	321,695.26	17.89
<u>Real estate funds</u>					
BGN	100,919	Advance TerraFund	51,554.27	51,600.34	2.87
BGN	375,000	Bulgarian Real Est Inv Fd REIT	151,514.44	153,391.36	8.53
			203,068.71	204,991.70	11.40
<u>Total real estate funds</u>					
TOTAL INVESTMENTS IN SECURITIES			518,101.03	526,686.96	29.29
CASH AT BANKS				1,374,481.87	76.44
OTHER NET ASSETS/(LIABILITIES)				-102,969.10	-5.73
TOTAL				1,798,199.73	100.00

The accompanying notes are an integral part of these financial statements.

LIMESTONE FUND

LIMESTONE FUND - Eastern Europe Real Estate Equity Fund

INDUSTRIAL CLASSIFICATION OF INVESTMENTS

as at 30th June 2009
(in percentage of net assets)

Real estate	24.79 %
Real estate funds	2.87 %
Hotels, restaurants and leisure	1.63 %
TOTAL	<u>29.29 %</u>

GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

(by domicile of the issuer)
as at 30th June 2009
(in percentage of net assets)

Bulgaria	11.40 %
Austria	10.03 %
Jersey	4.94 %
Grand Duchy of Luxembourg	2.67 %
The Netherlands	0.25 %
TOTAL	<u>29.29 %</u>

The accompanying notes are an integral part of these financial statements.

LIMESTONE FUND

NOTES TO THE FINANCIAL STATEMENTS

as at 30th June 2009

NOTE 1 - PRINCIPAL ACCOUNTING METHODS

a) Presentation of the financial statements

The financial statements of the Company are established in accordance with the Luxembourg legal and regulatory requirements concerning undertakings for collective investment.

b) The valuation of the securities

- 1) The valuation of any transferable securities or money market instruments or derivatives traded or listed on a stock exchange is made on the basis of the last price as at the Valuation Day unless such price is not representative.
- 2) The value of any transferable securities or money market instruments traded on another regulated market is determined on the basis of the last price as at the Valuation Day.
- 3) In as much as transferable securities and money market instruments on a dedicated Valuation Day are neither officially traded nor listed on an exchange or regulated market, or in the case where, for securities and money market instruments officially listed or traded on a stock exchange or another regulated market, the price as determined pursuant to the above paragraphs is not representative of the true value of such transferable securities or money market instruments, the valuation is made on the basis of their likely value of realisation, estimated with due care and good faith by the Board.
- 4) Money market instruments with a residual maturity of less than 12 month are valued as follows (linear valuation): the determining rate for these investments is gradually adapted during repayment starting from the net acquisition price and keeping the resulting return constant. If there are notable changes in market conditions, the basis for evaluating money market instruments will be adapted to new market returns.
- 5) Shares of UCITS and other UCI's are valued on the basis of their last available NAV at the Valuation Day.

c) Acquisition cost of securities in the portfolio

The acquisition cost of the securities held by each Sub-Fund that are denominated in a currency other than that of the Sub-Fund is converted to the Sub-Fund's currency at the average exchange rates prevailing on the date of purchase.

d) Net realised gain or loss on sales of the securities portfolio

The net realised gain or loss on sales of securities is determined on the basis of the average cost of the securities sold.

e) Investment income

Dividend income is recognised on an ex-dividend basis and are recorded net of withholding taxes.

f) Formation expenses

All formation expenses are amortised over a five-year-period.

If the launch of a Sub-Fund occurs after the launch date of the Company, the costs of formation in relation to the launch of the new Sub-Fund is charged to such Sub-Fund alone and may be amortised over a maximum of five years with effect from the Sub-Fund's launch date.

LIMESTONE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30th June 2009

g) Conversion of foreign currencies

Bank balances, other net assets and the valuation of the securities in portfolio expressed in currencies other than the currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the report. Income and charges expressed in currencies other than the currency of the Sub-Fund are converted into this currency at the exchange rate prevailing on the date of the transaction. Exchange gains and losses are recorded in the statement of operations and other changes in net assets.

h) Consolidation

The consolidated financial statements of the Company are expressed in EUR and are equal to the sum of the corresponding items in the financial statements of the Sub-Fund.

NOTE 2 - MANAGEMENT FEE AND PERFORMANCE FEE

The Board of Directors of the Company appointed KREDIETRUST LUXEMBOURG S.A. as Management Company by means of the Management Company Agreement dated 25th June 2008 to provide management, administration and marketing services.

As remuneration for the services the Management Company is entitled to a fee of 0.03% p.a of the net assets of the Company, with an annual minimum of EUR 20,000 per Sub-Fund.

The Management Company appointed, by means of the Investment Management Agreement dated 25th June 2008, AS LIMESTONE INVESTMENT MANAGEMENT as the Investment Manager of the assets of the Company.

The Investment Manager is entitled to a Management Fee calculated on the monthly average net asset value of each Sub-Fund and accrued daily at the following rates:

- LIMESTONE FUND - New Europe Socially Responsible Fund	2.50% p.a.
- LIMESTONE FUND - Eastern Europe Real Estate Equity Fund	2.00% p.a.

In addition, the Investment Manager is entitled to Performance Fee. If the Sub-Fund's NAV per Share of a given Sub-Fund appreciates during a given financial period (starting from the Sub-Fund's NAV per Share of a given Class as per the end of the preceding Financial Year) for more than Hurdle Rate, Investment Manager is entitled to receive 20 % of the excess increase of appreciation. That performance fee is applicable only for LIMESTONE FUND - Eastern Europe Real Estate Equity Fund.

The detailed calculation method of the Performance Fee is presented in the prospectus.

For the period referring to the report, no Performance Fees are due.

Until 30th April 2009, AS LIMESTONE INVESTMENT MANAGEMENT had waived the management fees. This waiver stopped thereafter.

The remuneration of the Management Company and the Investment Manager are contained in the caption "Management fees" in the statement of operations and other changes in net assets.

LIMESTONE FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 30th June 2009

NOTE 3 - ADVISORY FEE

The Company appointed GES Investment Services as the Investment Advisor for the Sub-Fund LIMESTONE FUND - New Europe Socially Responsible Fund.

GES Investment Services is entitled to a fee of 0.05% of the assets under management with an annual minimum of EUR 22,000.

NOTE 4 - SUBSCRIPTION DUTY ("TAXE D'ABONNEMENT")

The Company is governed by Luxembourg Law.

Pursuant to the legislation and regulations in force, the Company is subject to an annual subscription duty ("*taxe d'abonnement*") of 0.05% which is payable quarterly and calculated on the basis of the net assets of each Sub-Fund on the last day of each quarter.

Pursuant to Article 129 (3) of the amended Law of 20th December 2002 the net assets invested in undertakings for collective investments already subject to the "*taxe d'abonnement*" are exempt from this tax.

NOTE 5 - STATEMENT OF CHANGES IN INVESTMENTS

The statement of changes in investments for the period in reference to the report is available on simple request free of charge at the registered office of the Company, at any Paying Agent and any Distributor.

NOTE 6 - EVENTS

The Board of Directors of the Company has acknowledged on 31st July, 1st November 2008 and 1st January 2009, that the promoter of the Company in order not to penalize the first shareholders due to a small total net asset has reimbursed all the fees incurred by the Company for the Sub-Fund LIMESTONE FUND - New Europe Socially Responsible Fund.

The Board of Directors of the Company has acknowledged, on 3rd April 2009, that the promoter of the Company will stop to reimburse all the fees incurred by the Company for the Sub-Fund LIMESTONE FUND - New Europe Socially Responsible Fund.

The Board of Directors of the Company has acknowledged that the waiver of management fees by the promoter of the Company will no longer be effective from 1st May 2009.