
East Capital Russian Fund

East Capital Baltic Fund

East Capital Eastern European Fund

East Capital Balkan Fund

East Capital Turkish Fund

Contents

East Capital Russian Fund	3
East Capital Baltic Fund	4
East Capital Eastern European Fund	5
East Capital Balkan Fund	6
East Capital Turkish Fund	7
The Fund Management Company	8
General Information	9
Tax Regulations	12
Fund Rules	13

Publication date: 6 February 2012

East Capital Russian Fund

Historic performance*

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
East Capital Russian Fund	-26%	25%	122%	-69%	23%	42%	118%	10%	55%	8%

* Refers to performance under the relevant year calculated in SEK. The performance is adjusted for dividends. The performance is not adjusted for inflation or subscription fee.

Fund facts

Risk	High
Manager	East Capital Asset Management
Launch date	18 May 1998
Quotation	Daily
Index	MSCI Russia Index Total Return
Dividend	No, but possible pursuant to the Fund Rules
Management fee	2.5%
Subscription fee	2.5%
Redemption fee	0%
Domicile	Sweden
Minimum investment	200 SEK
NAV currency	SEK
Bank account (IBAN)	SE58 5000 0000 0586 4101 7968
SWIFT	ESSESESS
ISIN	SE0000777708

Investment Objectives and Policies

The objectives of the Fund are to generate financial exposure to the economic development of Russia and to maximise long-term return on behalf of the unit-holders. Management of the Fund is characterised by long-term fundamental analysis with a focus on active selection of equities.

Target group

The Fund is suitable for investors who strive to maximise their long-term return but who can accept substantial short-term price fluctuations. An investment horizon of 5-10 years is recommended.

Risk profile

Investing in mutual funds is generally associated with a large risk given that share prices can fluctuate substantially. The Fund may both increase or decrease in value, and there is no guarantee that you will recoup all of your invested capital.

The Russian Fund is classified as high risk because investments in the Russian and Eastern European stock markets are associated with significantly higher risks than their counterparts in established Western European markets. Classification as a high-risk fund entails a large risk of price fluctuations and impact on the value of the fund units. The primary risks are market risk, foreign exchange risk, liquidity risk, counterparty risk and operating risk. More detailed information about each risk is found under the heading of *Risks Entailed by the Investment Focus of the Funds* below.

Derivative instruments can be used to a limited extent as a tool for efficient portfolio management of the Fund's assets and protecting them against risks. Use of derivatives is not expected to affect the Fund's risk profile. The commitment risk approach is used to estimate the Fund's global exposure by measuring its exposure to the underlying assets in its existing derivative instruments.

The Fund's investments

Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, derivative instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be invested in equity-related transferable securities and fund units ("Financial Assets"). The investment focus is linked to the Russian economy. In an effort to meet the Fund's objectives, the Manager has great manoeuvrability when it comes to the choice of Financial Assets, sectors, businesses and degree of diversification.

The Fund may invest in Financial Assets of issuers in Russia (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in Russia, provided that at least 20 per cent of the issuer's sales or earnings stem from Russia, or at least 20 per cent of the issuer's employees are in Russia (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified under the heading of *Other Information concerning Investment Focus* below, of issuers other than those stipulated above, provided that the exposure of these instruments is consistent with the above investment focus.

At least one-half of the Fund's assets shall at all times be invested in Russia by means of direct exposure. Financial Assets shall account for at least 75 per cent of the Fund's assets. At least two-thirds of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

Needs arise from time to time to invest the Fund's assets in other types of financial instruments and outside Russia. This may be the case if the Fund has an excessive inflow or an analysis of the Russian market indicates that there are no current options for investing there.

The Fund may invest up to one-third of its assets for the purpose of risk diversification and maintaining efficient liquidity management. Such investments may be made in Financial Assets, interest-related transferable securities and money market instruments of issuers domiciled in Armenia, Azerbaijan, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan and Belarus. The Fund may also invest in money market instruments and interest-related transferable securities of issuers domiciled in Russia.

The Fund may also invest on account at the credit institutions of Russia and other countries above (insofar as Swedish and foreign legislation permits) and in all EEA member states. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

East Capital Baltic Fund

Historic performance*

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
East Capital Baltic Fund	-23%	38%	21%	-57%	1%	12%	48%	40%	64%	24%

* Refers to performance under the relevant year calculated in SEK. The performance is adjusted for dividends. The performance is not adjusted for inflation or subscription fee.

Fund facts

Risk	High
Manager	East Capital Asset Management
Launch date	30 June 1998
Quotation	Daily
Index	OMX Baltic Benchmark Capped Index Total Return
Dividend	No, but possible pursuant to the Fund Rules
Management fee	2.5%
Subscription fee	2.5%
Redemption fee	0%
Domicile	Sweden
Minimum investment	200 SEK
NAV currency	SEK
Bank account (IBAN)	SE36 5000 0000 0586 4101 7976
SWIFT	ESSESESS
ISIN	SE0000777724

Investment Objectives and Policies

The objectives of the Fund are to generate financial exposure to the economic development of the Baltic countries, as well as Poland to a limited extent, and to maximise long-term return on behalf of the unit-holders. Management of the Fund is characterised by long-term fundamental analysis with a focus on active selection of equities.

Target group

The Fund is suitable for investors who strive to maximise their long-term return but who can accept substantial short-term price fluctuations. An investment horizon of 5-10 years is recommended.

Risk profile

Investing in mutual funds is generally associated with a large risk given that share prices can fluctuate substantially. The Fund may both increase or decrease in value, and there is no guarantee that you will recoup all of your invested capital.

The Baltic Fund is classified as high risk because investments in the Baltic stock markets are associated with significantly higher risks than their counterparts in established Western European markets. Classification as a high-risk fund entails a large risk of price fluctuations and impact on the value of the fund units. The primary risks are market risk, foreign exchange risk, liquidity risk, counterparty risk and operating risk. More detailed information about each risk is found under the heading of *Risks Entailed by the Investment Focus of the Funds* below.

Derivative instruments can be used to a limited extent as a tool for efficient portfolio management of the Fund's assets and protecting them against risks. Use of derivatives is not expected to affect the Fund's risk profile. The commitment risk approach is used to estimate the Fund's global exposure by measuring its exposure to the underlying assets in its existing derivative instruments.

The Fund's investments

Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, derivative instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be invested in equity-related transferable securities and fund units ("Financial Assets"). The primary focus is linked to the economies of the Baltic countries, as well as Poland to a limited extent. In an effort to meet the Fund's objectives, the Manager has great manoeuvrability when it comes to the choice of Financial Assets, sectors, businesses and degree of diversification.

The Fund may invest in Financial Assets of issuers in Estonia, Latvia and Lithuania, as well as invest up to 10 per cent of its assets in Poland (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in Estonia, Latvia, or Lithuania, provided that at least 20 per cent of the issuer's sales or earnings stem from one or more of these countries, or at least 20 per cent of the company's employees are in one or more of these countries (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified under the heading of *Other Information concerning Investment Focus* below, of issuers other than those stipulated above, provided that the exposure of these instruments is consistent with the above investment focus.

At least one-half of the Fund's assets shall at all times be invested in Estonia, Latvia, Lithuania and Poland by means of direct exposure.

Shares of issuers within the EU total at least 75 per cent of the Fund's assets. At least three-quarters of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

From time to time, the need arises to invest the Fund's assets in other types of financial instruments than those specified by the main focus. This may be the case if the Fund has a large inflow or an analysis of the Baltic and Polish markets indicates that there are no current options for investing in Financial Assets.

The Fund may invest up to one-quarter of its assets for the purpose of risk diversification and maintaining efficient liquidity management. Such investments may be in money market instruments and interest-related transferable securities of issuers in countries specified by the primary focus. The Fund may also invest assets on account in the credit institutions of all EEA countries. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

East Capital Eastern European Fund

Historic performance*

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002**
East Capital Eastern European Fund	-29%	18%	86%	-64%	24%	24%	88%	44%	40%	-5%

* Refers to performance under the relevant year calculated in SEK. The performance is adjusted for dividends. The performance is not adjusted for inflation or subscription fee.
** Since launch date 18 March 2002.

Fund facts

Risk	High
Manager	East Capital Asset Management
Launch date	18 March 2002
Quotation	Daily
Index	MSCI EM Europe Index Total Return
Dividend	No, but possible pursuant to the Fund Rules
Management fee	2.5 %
Subscription fee	2.5 %
Redemption fee	0 %
Domicile	Sweden
Minimum investment	200 SEK
NAV currency	SEK
Bank account (IBAN)	SE13 5000 0000 0586 4100 6362
SWIFT	ESSESESS
ISIN	SE0000888208

Investment Objectives and Policies

The objectives of the Fund are to generate financial exposure to the economic development of Eastern Europe and to maximise long-term return on behalf of the unit-holders. Management of the Fund is characterised by long-term fundamental analysis with a focus on active selection of equities.

Target group

The Fund is suitable for investors who strive to maximise their long-term return but who can accept substantial short-term price fluctuations. An investment horizon of 5-10 years is recommended.

Risk profile

Investing in mutual funds is generally associated with a large risk given that share prices can fluctuate substantially. The Fund may both increase or decrease in value, and there is no guarantee that you will recoup all of your invested capital.

The Eastern European Fund is classified as high risk because investments in the Eastern European stock markets are associated with significantly higher risks than their counterparts in established Western European markets. Classification as a high-risk fund entails a large risk of price fluctuations and impact on the value of the fund units. The primary risks are market risk, foreign exchange risk, liquidity risk, counterparty risk and operating risk. More detailed information about each risk is found under the heading of *Risks Entailed by the Investment Focus of the Funds* below.

Derivative instruments can be used to a limited extent as a tool for efficient portfolio management of the Fund's assets and protecting them against risks. Use of derivatives is not expected to affect the Fund's risk profile. The commitment risk approach is used to estimate the Fund's global exposure by measuring its exposure to the underlying assets in its existing derivative instruments.

The Fund's investments

Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, derivative instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be invested in equity-related transferable securities and fund units ("Financial Assets"). The investment focus is linked to the Eastern European economy. In an effort to meet the Fund's objectives, the Manager has great manoeuvrability when it comes to the choice of Financial Assets, sectors, businesses and degree of diversification.

The Fund may invest in Financial Assets of issuers in Albania, Armenia, Azerbaijan, Bosnia – Herzegovina, Bulgaria, Cyprus, Estonia, Georgia, Greece, Kazakhstan, Kyrgyzstan, Croatia, Latvia, Lithuania, Macedonia, Moldavia, Montenegro, Poland, Russia, Romania, Serbia, Slovakia, Slovenia, Tajikistan, the Czech Republic, Turkey, Turkmenistan, Ukraine, Hungary, Uzbekistan, Belarus and Austria (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in the above countries, provided that at least 20 per cent of the issuer's sales or earnings stem from these countries, or at least 20 per cent of the issuer's employees are in these countries (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified under the heading of *Other Information concerning Investment Focus* below, of issuers other than those stipulated above, provided that the exposure of these instruments is consistent with the above investment focus.

At least one-half of the Fund's assets shall at all times be invested in the above countries means of direct exposure.

Financial Assets shall account for at least 75 per cent of the Fund's assets. At least three-quarters of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

From time to time, the need arises to invest the Fund's assets in other types of financial instruments than those specified by the main focus. This may be the case if the Fund has a large inflow or an analysis of the Eastern European market indicates that there are no current options for investing in Financial Assets.

The Fund may invest up to one-quarter of its assets for the purpose of risk diversification and maintaining efficient liquidity management. Such investments may be in money market instruments and interest-related transferable securities of issuers in countries specified by the primary focus. The Fund may also invest on account at the credit institutions of these countries (insofar as Swedish and foreign legislation permits) and in all EEA member states. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

East Capital Balkan Fund

Historic performance*

	2011	2010	2009	2008	2007	2006	2005	2004**
East Capital Balkan Fund	-35%	-4%	29%	-66%	41%	22%	70%	13%

* Refers to performance under the relevant year calculated in SEK. The performance is adjusted for dividends. The performance is not adjusted for inflation or subscription fee.

** Since launch date 1 October 2004.

Fund facts

Risk	High
Manager	East Capital Asset Management
Launch date	1 October 2004
Quotation	Daily
Index	STOXX Balkan Total Market Index Total Return
Dividend	No, but possible pursuant to the Fund Rules
Management fee	2.5 %
Subscription fee	2.5 %
Redemption fee	0 %
Domicile	Sweden
Minimum investment	200 SEK
NAV currency	SEK
Bank account (IBAN)	SE24 5000 0000 0586 4101 6252
SWIFT	ESSESESS
ISIN	SE0001244328

Investment Objectives and Policies

The objectives of the Fund are to generate financial exposure to the economic development of the Balkans and to maximise long-term return on behalf of the unit-holders. Management of the Fund is characterised by long-term fundamental analysis with a focus on active selection of equities.

Target group

The Fund is suitable for investors who strive to maximise their long-term return but who can accept substantial short-term price fluctuations. An investment horizon of 5-10 years is recommended.

Risk profile

Investing in mutual funds is generally associated with a large risk given that share prices can fluctuate substantially. The Fund may both increase or decrease in value, and there is no guarantee that you will recoup all of your invested capital.

The Balkan Fund is classified as high risk because investments in the Balkan stock markets are associated with significantly higher risks than their counterparts in established Western European markets. The primary risks are market risk, foreign exchange risk, liquidity risk, counterparty risk and operating risk. Classification as a high-risk fund entails a large risk of price fluctuations and impact on the value of the fund units. More detailed information about each risk is found under the heading of *Risks Entailed by the Investment Focus of the Funds* below.

Derivative instruments can be used to a limited extent as a tool for efficient portfolio management of the Fund's assets and protecting them against risks. Use of derivatives is not expected to affect the Fund's risk profile. The commitment risk approach is used to estimate the Fund's global exposure by measuring its exposure to the underlying assets in its existing derivative instruments.

The Fund's investments

Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, derivative instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be invested in equity-related transferable securities and fund units ("Financial Assets"). The investment focus is linked to the economy of the Balkans. In an effort to meet the Fund's objectives, the Manager has great manoeuvrability when it comes to the choice of Financial Assets, sectors, businesses and degree of diversification.

The Fund may invest in Financial Assets of issuers in Albania, Armenia, Azerbaijan, Bosnia-Herzegovina, Bulgaria, Cyprus, Georgia, Greece, Croatia, Macedonia, Moldova, Montenegro, Russia, Romania, Serbia, Slovakia, Slovenia, the Czech Republic, Turkey, Ukraine, Hungary and Austria (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in the above countries, provided that at least 20 per cent of the issuer's sales or earnings stem from these countries, or at least 20 per cent of the issuer's employees are in these countries (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified under the heading of *Other Information concerning Investment Focus* below, of issuers other than those stipulated above, provided that the exposure of these instruments is consistent with the above investment focus.

At least one-half of the Fund's assets shall at all times be invested in the above countries means of direct exposure.

Financial Assets shall account for at least 75 per cent of the Fund's assets. At least three-quarters of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

From time to time, the need arises to invest the Fund's assets in other types of financial instruments than those specified by the main focus. That may be the case if the Fund has a large inflow or an analysis of the Balkan market indicates that there are no current options for investing in Financial Assets.

The Fund may invest up to one-quarter of its assets for the purpose of risk diversification and maintaining efficient liquidity management. Such investments may be in money market instruments and interest-related transferable securities of issuers in countries specified by the primary focus. The Fund may also invest on account at the credit institutions of these countries (insofar as Swedish and foreign legislation permits) and in all EEA member states. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

East Capital Turkish Fund

Historic performance*

	2011	2010	2009	2008	2007	2006**
East Capital Turkish Fund	-35%	17%	90%	-59%	52%	-25%

* Refers to performance under the relevant year calculated in SEK. The performance is adjusted for dividends. The performance is not adjusted for inflation or subscription fee.

** Since launch date 29 March 2006.

Fund facts

Risk	High
Manager	East Capital Asset Management
Launch date	29 March 2006
Quotation	Daily
Index	ISE 100 Index Total Return
Dividend	No, but possible pursuant to the Fund Rules
Management fee	2.5 %
Subscription fee	2.5 %
Redemption fee	0 %
Domicile	Sweden
Minimum investment	200 SEK
NAV currency	SEK
Bank account (IBAN)	SE82 5000 0000 0586 4100 9582
SWIFT	ESSESESS
ISIN	SE0001621327

Investment Objectives and Policies

The objectives of the Fund are to generate financial exposure to the economic development of Turkey and to maximise long-term return on behalf of the unit-holders. Management of the Fund is characterised by long-term fundamental analysis with a focus on active selection of equities.

Target group

The Fund is suitable for investors who strive to maximise their long-term return but who can accept substantial short-term price fluctuations. An investment horizon of 5-10 years is recommended.

Risk profile

Investing in mutual funds is generally associated with a large risk given that share prices can fluctuate substantially. The Fund may both increase or decrease in value, and there is no guarantee that you will recoup all of your invested capital.

The Turkish Fund is classified as high risk because investments in the Turkish stock markets are associated with significantly higher risks than their counterparts in established Western European markets. Classification as a high-risk fund entails a large risk of price fluctuations and impact on the value of the fund units. The primary risks are market risk, foreign exchange risk, liquidity risk, counterparty risk and operating risk. More detailed information about each risk is found under the heading of *Risks Entailed by the Investment Focus of the Funds* below.

Derivative instruments can be used to a limited extent as a tool for efficient portfolio management of the Fund's assets and protecting them against risks. Use of derivatives is not expected to affect the Fund's risk profile. The commitment risk approach is used to estimate the Fund's global exposure by measuring its exposure to the underlying assets in its existing derivative instruments.

The Fund's investments

Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, derivative instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be invested in equity-related transferable securities and fund units ("Financial Assets"). The investment focus is linked to the Turkish economy. In an effort to meet the Fund's objectives, the Manager has great manoeuvrability when it comes to the choice of Financial Assets, sectors, businesses and degree of diversification.

The Fund may invest in Financial Assets of issuers in Turkey (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in Turkey, provided that at least 20 per cent of the issuer's sales or earnings stem from Turkey, or at least 20 per cent of the issuer's employees are in Turkey (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified under the heading of *Other Information concerning Investment Focus* below, of issuers other than those stipulated above, provided that the exposure of these instruments is consistent with the above investment focus.

At least one-half of the Fund's assets shall at all times be invested in Turkey by means of direct exposure.

Financial Assets shall account for at least 75 per cent of the Fund's assets. At least two-thirds of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

Needs arise from time to time to invest the Fund's assets in other types of financial instruments and outside Turkey. This may be the case if the Fund has an excessive inflow or an analysis of the Turkish market indicates that there are no current options for investing there.

The Fund may invest up to one-third of its assets for the purpose of risk diversification and maintaining efficient liquidity management. Such investments may be made in Financial Assets, interest-related transferable securities and money market instruments of issuers domiciled in Armenia, Azerbaijan, Bahrain, Bulgaria, Cyprus, Egypt, the United Arab Emirates, Georgia, Iraq, Kuwait, Lebanon, Oman, Russia, Saudi Arabia and Syria. The Fund may also invest in money market instruments and interest-related transferable securities of issuers domiciled in Turkey. The Fund may also invest on account at the credit institutions of Turkey, other countries above (insofar as Swedish and foreign legislation permits) and in all EEA member states. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

Fund Management Company

The Funds are managed by East Capital Asset Management AB (the "Manager" below), a limited company incorporated in Sweden with its domicile in Stockholm Municipality.

Corporate identity number: 556564-5370, incorporated 21 December 1998

Share capital: SEK 5,000,000

Address: Box 1364, SE-111 93 Stockholm, Sweden

Phone: +46 8-505 88 505, Fax: +46 8-505 88 508

E-mail: fonder@eastcapital.se

Internet: www.eastcapital.se

The Manager obtained authorisation from Finansinspektionen (the Swedish Financial Supervisory Authority) on 4 June 1999 to conduct fund management activities. The Company is a wholly owned subsidiary of East Capital Holding AB.

The Manager has outsourced portfolio management and portfolio administration, including analysis, trading, certain middle office functions, marketing, sales, client administration (including handling of the unit-holder register and complaints), customer service and related services, to East Capital AB, which is a Swedish securities company under the supervision of Finansinspektionen. The Manager has outsourced a number of administrative services, including IT, payroll and accounting, to East Capital International AB. The functions for compliance and risk management are normally performed by the Manager but can be outsourced to external advisers and consultants as needed. The internal audit is currently outsourced to PricewaterhouseCoopers AB. Preparation of certain risk reports used by the risk management function as well as management of collateral in connection with the lending of securities are currently outsourced to Skandinaviska Enskilda Banken AB (publ).

The Funds are available for trading through a number of Swedish and foreign distributors. For a complete list of distributors, refer to www.eastcapital.se

Funds managed

East Capital Russian Fund
East Capital Baltic Fund
East Capital Eastern European Fund
East Capital Balkan Fund
East Capital Turkish Fund

Auditors

The auditor for the Manager and the Funds is Carl Lindgren, authorized public accountant, KPMG Bohlins AB, Box 16106, SE-103 23 Stockholm, Sweden.

Custodial institution

The Fund's assets are held in custody at Skandinaviska Enskilda Banken AB (publ), Securities Services, ST M5, SE-106 40 Stockholm, Sweden, which is a bank incorporated in Sweden, has its head office in Stockholm and primarily conducts banking and securities business.

Board

Justas Pipinis, Chairman
Risto Silander, Member
Dick Lundqvist, Member
Aivaras Abromavicius, Member

Senior management

Johan Wigh, Managing Director

Legal Status of the Funds and Fund Units

The Funds are Swedish UCITS funds pursuant to the Investment Funds Act (Swedish Code of Statutes 2004:46). The Funds cannot acquire rights or assume obligations, but are represented by the Manager. The Funds cannot bring an action in a court of law or before another authority. No assets of the Funds may be distrained.

All fund units are equal in terms of size and the assets to which they entitle the holder. Unit-holders are not liable for obligations that pertain to the Fund. Each Fund must have a Custodial Institution that among other things are to hold the assets that are included in the Fund in custody.

Risks Entailed by the Investment Focus of the Funds

Investments in the Baltic, Russian, Turkish, Eastern European and Balkan stock markets are associated with significantly higher risks than corresponding investments in established Western European markets. The primary risks are market risk, foreign exchange risk, liquidity risk, counterparty risk and operating risk. These risks can have an impact on the value of fund units.

Unless otherwise stated, the risks described below apply to each individual Fund in this prospectus.

Market risk

Market risk refers to the risk that the value of an investment will change due to price fluctuations in the stock market. The markets in which the Funds invest are more likely to rapidly rise and fall in value.

Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the exchange rates of underlying currencies of the financial instruments that the Manager trades on behalf of the Funds. All Funds consist primarily of securities listed in currencies other than the base currency of the Funds. The Manager does not normally take any measures designed to protect the assets of a Fund against exchange rate risks.

Liquidity risk

Because the stock markets in which the Funds invest are relatively undeveloped, they are usually less liquid than established Western European markets. Many markets – such as those in the Balkans, Baltic countries, Ukraine and some in Central Europe – are also characterised by relatively low trading volumes, as the result of which it may be difficult to conduct major transactions without affecting price. The latter dynamic has the greatest impact on parts of the Baltic Fund and Balkan Fund.

Counterparty risk

Counterparty risk arises when the other party to a financial transaction cannot meet its obligations. The risk that a counterparty in the markets in which the Funds invest will not be able to meet its obligations is higher relatively speaking than in more established markets. The failure of a transaction does not normally mean that its full value has been lost; rather a replacement cost arises when a new counterparty is to be found. Due to poorer liquidity in the markets in which the Funds invest, transactions must be conducted with more counterparties than in established Western European markets. The result is a somewhat higher operating risk, but can on the other hand reduce the exposure to individual counterparties.

Operating risk

Political risks

The primary countries in which the Funds invest have undergone dramatic changes – particularly due to the transition from planned to market economies – in a short period of time. Democratisation is still in its early stages. There are no guarantees that economic liberalisation will continue. Military, social, religious or ethnic conflicts could reverse the process, leading to major detrimental consequences for unit-holders.

Accounting standards

Some local companies still use accounting principles that are not consistent with those in the West. The reliability, accessibility and quality of their reporting are often poorer than for Western companies. The impact is greatest on investments in the Russian Fund, Eastern European Fund and Balkan Fund, resulting in the companies being less transparent and more difficult to analyse and value than their Western counterparts. Poorer transparency represents not only a risk but also the opportunity to identify interesting companies in which to invest by means of thorough analysis and local presence.

Legal risks

The legal systems of the Balkans, Baltic countries, Russia, Turkey and Eastern Europe are relatively undeveloped. Legislation is inadequate when it comes to private ownership, as well as intellectual property rights. The courts may interpret the law inconsistently and arbitrarily. There is less respect for the law than in the West, and judicial rulings may be ignored. This risk is lower for the Turkish Fund than for the other Funds.

Administrative risks

As opposed to established Western European markets, there are no guarantees that shares will be entered in the Fund's name shortly after the transaction date or that transactions can be securely settled.

Minority shareholder protection

Existing minority shareholder protection is limited in some of the markets in which the Funds invest, particularly Russia and some of the Balkan countries. Non-discrimination of shareholders cannot be taken for granted, which means that access to information and the ability to influence the management of the companies may be limited. The Russian Fund and Balkan Fund, as well as the Eastern European Fund to a certain extent, may be particularly affected.

Subscribing and redeeming fund units

Subscriptions shall be requested by fax, post or another means specified by the Manager. Fund units may be subscribed for only if the subscriber has registered as a client and has received a client number.

Fund units may be subscribed for on any business day by ensuring that a complete order and the subscription sum arrive at the Manager and the Fund's bank account respectively no later than 3 pm (1 pm for the Baltic Fund) (the "Date of Subscription" below). As the value of a fund unit is determined by the Manager after 3 pm (after 1 pm for the Baltic Fund) on the Date of Subscription, fund units are always subscribed for at an unknown price. The subscription is carried out by entering the units in the Fund's unit-holder register. A unit-holder may either deposit directly to the Fund's bank account or authorise regular transfers from a payroll account or the like. By way of exception, the Fund may be closed to subscription on the conditions specified in the Fund Rules.

Redemption of fund units shall be requested in writing by fax, post or another means specified by the Manager. The unit-holder is responsible for ensuring that the request is duly signed/verified and that the Manager is furnished with the correct bank account number. A client who requests deposit of the redemption amount to a bank account other than the one of which the Manager was pre-notified must submit a copy of an ID, or relevant authorisation documents in the case of legal entities.

The Fund's assets are used to pay for the units that are redeemed. Fund units can be redeemed on any business day that the Fund is open for trading, provided that the Manager receives the complete order by 3 pm (1 pm for the Baltic Fund) and that the Fund has sufficient liquid assets available in the Fund to fulfil the redemption request (the "Date of Redemption" below).

Any sale of the Fund's assets required to complete the redemption of fund units shall be carried out immediately. If sale of the Fund's assets would significantly prejudice the interests of other unit-holders, the Manager may delay such sale after notifying Finansinspektionen.

As the value of a fund unit is determined by the Manager after 3 pm (1 pm for the Baltic Fund) on the Date of Sale, fund units are always redeemed at an unknown price. The sale is completed by removing the units from the Fund's unit-holder register. The fund units are redeemed at the value calculated by the Manager for the business day on which it is sold.

Provided that the Fund has sufficient available liquid assets, the redemption amount is paid to the unit-holder on the business day after the Date of Sale, or the business day after the Fund has received payment for the sale of assets required to carry out the redemption of fund units.

On a half day or the day before a holiday, the Manager must receive a request for subscription or redemption by 11.30 am (as opposed to 3 pm and 1 pm respectively on other business days) in order for the subscription/redemption to be carried out the same day.

Any bank fees for subscribing for or redeeming fund units (such as transfer and exchange fees) are charged to the unit-holder.

In the case of a switch between Funds both managed by the Manager, or other transactions when a unit holder redeems units in a Fund managed by the Manager and the payment will be used for subscribing units in a Fund managed by the Manager, the Manager authorises that fund units are issued before payment to the Fund in which new units will be subscribed.

Conditions for subscribing and redeeming fund units

A request to subscribe for or redeem fund units cannot be conditional or rescinded. The minimum purchase on a single occasion, as well as the minimum monthly investment, is SEK 200.

Fees for subscribing and redeeming fund units

When fund units are subscribed for, the Manager is entitled to a fee of no more than 2.5 per cent of the subscription amount. The Manager is entitled to charge a fee of 1 per cent of the redemption amount from the redemption of fund units that have been held for less than six months. The redemption of fund units that have been held for longer than six months is not subject to a fee.

Compensation from the Funds

The Fund compensates the Manager for its management, marketing, sales, administrative, accounting and information costs, including payment to Finansinspektionen, auditors and the Custodial Institution.

Compensation, which is calculated and charged to the Fund each day, shall not exceed 2.5 per cent of the Fund's assets per year. The current fee is 2.5 per cent.

Costs for the purchase and sale of financial instruments are charged to the Fund. The costs may involve customary brokerage, registration, transaction fees to the Custodial Institution or the acquisition of rights to the Fund's assets. The brokerage fee is normally included in the price of an equity transaction but may sometimes be several per cent of the total. The cost of entering the transaction in the company's share register and the Fund's custodial account is considerably greater than in more established markets. The Manager strives to keep all these costs as low as possible.

The above compensation is exclusive of any VAT.

Financial reporting

The annual and semi-annual reports for the Funds are to be available from the Manager no later than four and two months respectively after the close of the reporting period. The Funds comply with the accounting recommendations of the Swedish Investment Fund Association.

The annual report also specifies the compensation paid by the Funds to the Manager and Custodial Institution for the previous year.

Register entry

The Manager keeps a register of the fund units held by the various unit-holders. Entry in the register, which shall be made promptly after fund units have been subscribed for, is decisive to the entitlement to hold fund units and associated rights.

Other information concerning investment focus

The Fund's assets may be invested in the transferable securities and money market instruments specified in Chapter 5, Section 5 of the Investment Funds Act.

The Fund may trade in standardised derivative instruments and non-standardised OTC derivatives. Derivative instruments are traded on a limited basis. The derivative instruments that are most likely to be traded are stock index futures, stock futures, stock options and currency forwards. Such trading can be used as an integrated tool for managing the assets of the Funds more efficiently, as well as protecting them from exchange rate losses and other risks, or taking cost-saving measures in order to preserve the scope for investment. An example of managing the assets of the Fund more efficiently is that a Fund handles large inflows and outflows by means of purchases and sales of stock index futures for the purpose of ensuring the desired exposure to the market. The assets of the Funds can be protected by forward selling of equities when prices decline substantially, which means in practice that a derivative contract is entered into and a specific share price is set.

An example of a cost-saving measure is the purchase of stock futures instead of shares, given that commission fees may be lower, thereby permitting the Manager to save money for unit-holders. Derivative instruments may not be used in a manner that leverages the Fund.

The Fund may invest up to 10 per cent of its value in other Swedish UCITS funds and foreign collective investment undertakings.

Securities loans

Securities loans totalling up to 20 per cent of the Fund's assets may be granted against adequate collateral on the industry's customary terms.

Damages

The Manager is liable to indemnify damages that the Manager causes unit-holders through violation of the Investment Funds Act or the Fund Rules. Similarly, the Custodial Institution is liable to indemnify damages that the Custodial Institution causes to unit-holders through violation of the above regulations.

Amending Fund Rules

Following approval of Finansinspektionen, the Manager is entitled to amend the Fund Rules, which can affect the investment focus, fees, risk profile and other characteristics of the Funds.

Termination of the Funds

If the Manager loses its authorisation with Finansinspektionen, enters into liquidation, declares bankruptcy or wishes to terminate its management of a Fund or Funds, the Custodial Institution shall take over said management. In such cases, the Custodial Institution shall promptly transfer management of the Fund or Funds to another company if so approved by Finansinspektionen. In any other case, the Fund or Funds shall be liquidated through the sale of their assets and the distribution of their net balance to the unit-holders. An announcement to this effect shall be placed in the Official Swedish Gazette (*Post- och Inrikes Tidningar*), as well as made available at the Custodial Institution and Manager.

No fund units may be purchased or sold while the Custodial Institution is managing the Fund or Funds in accordance with the above.

Transferring the Funds

With the permission of Finansinspektionen, the Manager may transfer management of a Fund or Funds to another manager. After permission has been granted, the transfer shall be promptly announced in *Post- och Inrikes Tidningar* and be made available at the Manager. Unless otherwise authorised by Finansinspektionen, the transfer may be made no earlier than three months after the announcement.

Marketing in the EEA

The Funds may also be marketed and sold in the following EEA countries:

- Estonia
- Finland
- France
- Latvia
- Lithuania
- Luxembourg
- Netherlands
- Norway
- Austria

With respect to each of the above countries, the Manager has entered into agreements with financial institutions that can make payments to unit-holders, redeem fund units and furnish information.

Tax Regulations

The Fund is not liable to pay taxes on income from assets of the Fund, however a new standard tax on directly owned units of investment funds is being introduced in addition to the previous regulations for redemption of fund units and dividends from the Fund.

The description below is a summary of current regulations for investors whose fiscal domicile is in Sweden. Each unit-holder is obliged to consult with a tax expert to acquire a full understanding of the regulations that are in effect from time to time.

Tax regulations for unit-holders

The conditions below are general and apply to estates and private individuals only.

For estates and private individuals, dividends from equity funds and capital gains from the redemption/sale of fund units are taxed as income from capital. The tax rate is 30 per cent.

Units of an equity fund are treated the same as listed shares for tax purposes. Capital losses on listed shares and other equity-related financial instruments are fully deductible against gains on such listed assets. If capital losses exceed capital gains, 70 per cent of the difference is deductible against income from capital. The unit-holder is entitled to a 30 per cent tax reduction on any deficit in income from capital below SEK 100,000 and 21 per cent on any deficit above that amount.

The tax base for calculating capital gains and losses on such fund units is established by means of the so-called average method (Swe: *genomsnittsmetoden*).

A new standard tax for direct ownership of funds by private individuals and legal entities with unlimited liability to pay taxes was introduced on 1 January 2012.

According to the new standard tax, unit-holders are to report standard income in their tax return amounting to 0.4 per cent of the capital basis. The capital basis is the value of the fund units at the beginning of the calendar year – 1 January 2012 the first time. The standard income is then taxed like other income from capital. Private individuals with unlimited liability to pay taxes are to report the standard income as income from capital, which means that the tax is 30 per cent x 0.4 per cent = 0.12 per cent of the holding.

The Manager files a statement of earnings and tax deductions with the Swedish Tax Agency for dividends paid, as well as capital gains and losses on the redemption/sale of fund units. The Manager is also obliged to withhold preliminary tax and coupon tax on dividends paid.

For additional details, please refer to tax publications and legislation.

For the Funds

As of 1 January 2012, the Fund is not liable to pay taxes on income from its assets.

Section 1 The Fund's Legal Status

The name of the Fund is the East Capital Russian Fund. The Fund is a mutual fund pursuant to the Investment Funds Act (Swedish Code of Statutes 2004:46). In addition to the above act, the Fund operates in accordance with its rules and regulations, the articles of association of East Capital Asset Management AB and other directions issued on the basis of the law or other statute.

The Fund's assets are owned jointly by its unit-holders. Each unit entitles the holder to an equal share of the assets. The fund manager in accordance with Section 2 below represents the unit-holders on matters that concern the Fund, makes decisions involving the Fund's assets and exercises the rights that derive from the Fund.

The Fund cannot acquire rights and assume obligations.

Section 2 Fund Manager

East Capital Asset Management AB (the "Manager" below), corporate identity number 556564-5370, manages the Fund.

Section 3 The Custodial Institution and Its Duties

The custodial institution of the Fund is Skandinaviska Enskilda Banken AB (publ), SEB Securities Services, 106 40 Stockholm, corporate identity number 502032-9081 (the "Custodial Institution" below). The duties of the Custodial Institution are to receive and hold the Fund's assets and ensure that

- subscription for and redemption of fund units comply with the law and the rules and regulations of the Fund
- the value of the fund units is calculated in compliance with the law and the rules and regulations of the Fund
- the Custodial Institution receives the Fund's assets without delay
- the Fund's assets are used pursuant to the law and rules and regulations of the Fund.

Section 4 Nature of the Fund

The Fund is an equity unit trust oriented toward Russia.

On behalf of the unit-holders, the objectives of the Fund are to generate financial exposure to the economic development of Russia and to maximise long-term return. To achieve the objectives, the Fund invests in a broad selection of businesses in various sectors and of various sizes within the specified geographic region. The investments of the Fund are associated with the risks described in Section 17 below.

Section 5 Focus of the Fund's Investments

The Fund's investments

Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be placed in equity-related transferable securities and fund units ("Financial Assets"). The investment focus is linked to the Russian economy. The Fund may invest in Financial Assets of issuers in Russia (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in Russia, provided that at least 20% of the issuer's sales or earnings stem from Russia, or at least 20% of the issuer's employees are in Russia (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified by Section 7, of issuers other than those stipulated above, provided that the exposure of the instruments is consistent with the above investment focus.

At least one half of the Fund's assets shall at all times be invested in Russia by means of direct exposure.

In an effort to meet the Fund's objectives as stated in Section 4 above, the Manager has great manoeuvrability when it comes to the choice of sectors, businesses, Financial Assets and degree of diversification.

Financial Assets shall account for at least 75% of the Fund's assets.

At least two-thirds of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

The need may arise from time to time to place the Fund's assets in other types of financial instruments and outside Russia. That may be the case if the Fund has an excessive inflow or an analysis of the Russian market indicates that there are no current options for investing there.

The Fund may invest up to one-third of its assets for the purpose of diversification and maintaining efficient liquidity management. Such investments may be made in Financial Assets, interest-related transferable securities and money market instruments of issuers domiciled in Armenia, Azerbaijan, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Tajikistan, Turkmenistan, Ukraine, Uzbekistan and Belarus. The Fund may also invest in money market instruments and interest-related transferable securities of issuers domiciled in Russia. The Fund may also invest on account at the credit institutions of Russia and other countries above (insofar as Swedish and foreign legislation permits) and in all EEA member states. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

Section 6 Marketplaces

The Fund shall trade on regulated markets within the

EEA or corresponding markets outside the EEA. The Fund may also trade in another market within or outside the EEA that is regulated and open to the public. The Fund may trade in markets other than those specified above to a limited extent as defined by law.

Section 7 Special Investment Focus

The Fund's assets may be placed in the transferable securities and money market instruments specified in Chapter 5, Section 5 of the Investment Funds Act.

The Fund may trade in standardised derivative instruments and non-standardised OTC derivatives. The Fund may use exchange rate derivatives to hedge its assets. The Fund may not contain commodity derivatives. Derivative instruments are traded on a limited basis as an integrated tool for managing the Fund's assets more efficiently, as well as protecting them from exchange rate losses and other risks. Thus, derivative instruments may not be used in a manner that leverages the Fund.

The Fund may lend financial instruments representing up to 20% of its assets. Any premiums or profits accrue to the Fund, and the Fund may not reinvest security received.

The Fund may invest up to 10% of its value in other mutual funds and foreign collective investment undertakings.

Section 8 Valuation

The value of the Fund consists of its assets less its liabilities.

The value of the fund units is the value of the Fund divided by the number of outstanding units. Financial instruments in the Fund are assigned the current market value.

If such market value is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

Transferable securities specified in Chapter 5, Section 5 of the Investment Funds Act (see Section 6 above) are assigned the latest known market value. In the event that the transferable securities are not traded on any market (OTC securities), they are assigned the latest transaction price. If that information is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

OTC derivatives are assessed in accordance with generally accepted valuation models, such as Black-Scholes, or a price assigned by an independent party.

The Manager calculates the value of the fund units at 15.30 or later on every business day. The value of the fund units is calculated at 12.00 noon or later on half-days or the day before a public holiday.

The Manager shall put the calculated value of the fund units on its website by the next business day. Among the Fund's liabilities are compensation to the Manager, the Custodial Institution, unpaid financial instruments and any taxes.

Section 9 Subscriptions and Redemptions of Fund Units

The minimum purchase on a single occasion, as well as the minimum monthly saving amount, is SEK 200.

Subscriptions shall be requested by fax, post or other means specified by the Manager. Orders for subscriptions are executed only if the subscriber has been registered as a client and has received a client number.

Orders for subscriptions can be executed on any business day. By way of exception, the Fund may be closed for subscriptions on the conditions specified below in these rules and regulations. The subscription date is said business day, provided that the Manager has received a complete order and a deposit has been made to the Fund's bank account no later than 15.00 CET on that day. A unit-holder may either deposit directly into the Fund's bank account or authorise regular transfers from a payroll account or the like.

Because the Manager determines the value of fund units after 15.00 CET on the subscription date, their price is unknown when the subscription is requested. The request for subscription is carried out by entering the units in the Fund's unit-holder register.

Redemption shall be requested in writing by fax, post or other means specified by the Manager. The unit-holder is responsible for ensuring that orders and instructions concerning redemption are duly signed, verified and that the Manager is furnished with the correct bank account number. A client who requests deposit of the redemption amount to a bank account other than the one of which the Manager was pre-notified, must submit a copy of an ID or relevant authorisation documents in the case of legal entities. The Fund's assets are used to pay for the units that are redeemed. Fund units may be redeemed on any business day that the Fund is open for trading. The redemption date is said business day, provided that the Manager has received a complete order concerning redemption no later than 15.00 CET and there are sufficient assets (liquid assets also include sales for which the Fund still has not received payment on the redemption date) available in the Fund to fulfil the request. Any sale of the Fund's assets required to carry out the redemption shall be made immediately. If sale of the Fund's assets would significantly prejudice the interests of other unit-holders, the Manager may delay such sale after notifying the Swedish Financial Supervisory Authority. The Manager determines the value of fund units after

Rules and Regulations of the East Capital Russian Fund

Approved by the Swedish Financial Supervisory Authority on November 18, 2010

15.00 p.m. CET on the redemption date and therefore, the redemption price is unknown when redemption is requested. The redemption is completed by removing the units from the Fund's unit-holder register. The price of a fund unit is the value as calculated by the Manager on the business day during which it is redeemed. In the event that the Manager must acquire liquid assets by selling Fund assets, the redemption price is based on the value of the fund unit on the date that all financial instruments have been sold for the purpose of completing the redemption.

The redemption amount is disbursed to the unit-holder on the business day after the redemption has been carried out, provided that the Fund has sufficient available liquid assets. If the Manager needs to sell assets of the Fund in order to be able to carry out the redemption, the amount is disbursed the business day after the Fund has received payment from such sales.

On a half day or the day before a public holiday, the Manager must receive a request for subscription or redemption by 11.30 a.m. (as opposed to 15.00 p.m. CET on other business days) in order for the subscription/redemption to be carried out on the same day.

Closing the Fund to subscriptions for units

The Fund may be closed if large inflows can cause its liquidity to represent 20% or more of its assets and the Manager deems that the excess cannot be corrected shortly.

As soon as the Fund's liquidity again represents less than 20% of its assets or the Manager deems that additional capital is obtainable, the Fund shall immediately reopen for subscription. The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund and the timing of its reopening.

Section 10 Closing the Fund to Subscription and Redemption

If extraordinary circumstances arise such that the Fund's assets cannot be assigned a value in way that ensures the equal rights of all unit-holders, the Fund may be closed to subscription and redemption.

The Fund may also be closed to subscription and redemption if, due to closed markets or unforeseen events that lead to significant price fluctuations, the Manager deems that 25% or more of its financial instruments cannot be priced or valued in a manner that protects the equal rights of unit-holders. The Fund shall open for subscription and redemption when the proportion of the abovementioned financial instruments returns to less than 25% or when the Manager deems that its financial instruments can again be priced and valued in a manner that protects the equal rights of unit-holders.

The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund to subscription and redemption and the timing of its reopening.

Section 11 Fees and Compensation

The Manager is entitled to compensation by charging a fee of no more than 2.5% of the subscribed-for amount. The fee constitutes compensation to the Manager for sale of fund units. The Manager is entitled to charge a fee of 1% of the redemption amount for fund units that have been held for less than six months. Any fee that is charged shall accrue to the Fund. Redemption of fund units that have been held for longer than six months is not subject to a fee. The Fund compensates the Manager for its management, marketing, sales, administrative, accounting and information costs, including payment to Finansinspektionen, auditors and the Custodial Institution for holding the Fund's assets in safe custody. An amount equivalent to no more than 2.5% of the Fund's assets per year is calculated each day. The compensation is paid once or twice a month, normally the 15th or the closest business day and the last business day, as requested by the Manager.

Costs for the purchase and sale of financial instruments are charged to the Fund. The costs may involve customary brokerage, registration, transaction fees to the Custodial Institution or the acquisition of rights to the Fund's assets. The brokerage fee is normally included in the price of an equity transaction but may sometimes be several percent of the total. The cost of entering the transaction in the company's share register and the Fund's custodial account is considerably greater than that on more established markets. The Manager strives to keep all these costs as low as possible.

The above compensation is exclusive of any VAT.

Section 12 Dividends

The Fund pays dividends as determined by the Manager for the purpose of transferring taxation on the Fund's yield to the unit-holders and avoiding taxation at two levels.

When applicable, the distributable amount is based on the Fund's taxable yield. The dividend shall be paid out in June. A withholding tax is charged according to applicable law. After deductions, the dividend shall be used to acquire new units on behalf of the unit-holders. In other words, unit-holders do not receive dividends in cash.

Dividends are paid to anyone who is entered in the unit-holder register as of the record day set by the Manager.

Section 13 Financial Year

The Fund's financial year runs concurrently with the calendar year.

Section 14 Semi-annual and Annual Reports, Amendments to the Rules and Regulations

The semi-annual report shall be available from the Manager within two months, and the annual report within four months, after the end of the report period. The Manager may decide whether or not to send the report to all unit-holders who have not declined it. But a unit-holder is always entitled to request the material.

Finansinspektionen shall approve any amendment of the Fund's rules. The Manager shall, when applicable, announce amendments as instructed by Finansinspektionen and shall make them available to unit-holders.

Section 15 Pledging and Transferring Fund Units

Pledges or pledgers shall notify the Manager in writing when pledging fund units. The notification shall be signed by the pledger and indicate the identity of the pledgee, the number of fund units pledged and any restrictions on the scope of the pledge.

The Manager shall enter the pledge in the unit-holder register. The unit-holder is notified in writing that the pledge has been entered. Once the pledge has been terminated, the information is deleted after written notification from the pledgee. Pledged units may not be redeemed without the written consent of the pledgee. The Manager is entitled to charge the unit-holder a fee of no more than SEK 1,000 to cover costs associated with each pledge.

A unit-holder may transfer his or her units to someone else after having notified the Manager in writing.

Section 16 The Unit-holder Register

The Manager shall keep a register of the units held by the various unit-holders.

Entry in the register, which shall be made promptly after subscription, is decisive to the entitlement to hold fund units and associated rights.

Section 17 Risks Associated with the Investment Focus

Investments in the stock markets of the above countries entail significantly higher risks than those in established Western European markets.

The primary risks are political, company, currency, liquidity, legal and administrative risks.

As opposed to a stock market like the one in Sweden, there is no guarantee that shares will be entered in the Fund's name shortly after the transaction date or that transactions can be securely settled. The countries have no comprehensive legislation to protect the interests of shareholders. Some of the Fund's assets may be listed in a currency other than its base currency, thereby entailing an exchange rate risk.

Section 18 Limitation of Liability

Each unit-holder should carefully read all the details of the risks described in the prospectus that are associated with the financial instruments in which the Fund invests.

Neither the Manager nor the Custodial Institution is liable for losses due to Swedish or foreign statutes, measures taken by a Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or similar developments. The proviso also applies to strikes, blockades, boycotts and lockouts that the Manager or Custodial Institution initiates or is the object of. Losses that arise under other circumstances are paid by neither the Manager nor Custodial Institution provided that normal care has been taken. Under no circumstances is the Manager or the Custodial Institution liable for indirect losses.

Neither the Manager nor the Custodial Institution is liable for losses caused by custodial banks or other service providers engaged by the Manager and/or Custodial Institution with due diligence. Neither the Manager nor the Custodial Institution is liable for losses incurred by the Fund, unit-holders or others as a result of restrictions on the disposition of financial instruments to which the Manager and/or Custodial Institution may be subject.

If the Manager and/or Custodial Institution encounters obstacles to taking a measure due to circumstances specified above, the measure may be delayed until the obstacle is removed. Neither the Manager, Custodial Institution nor unit-holder shall be liable to pay interest on arrears if such circumstances prevent the Manager and/or Custodial Institution from making or receiving payment.

Regardless of the above discharges from liability, Chapter 2, Section 21 of the Investment Funds Act (Swedish Code of Statutes 2004:46) shall apply.

Section 1 The Fund's Legal Status

The name of the Fund is the East Capital Eastern European Fund. The Fund is a mutual fund pursuant to the Investment Funds Act (Swedish Code of Statutes 2004:46). In addition to the above act, the Fund operates in accordance with its rules and regulations, the articles of association of East Capital Asset Management AB and other directions issued on the basis of the law or other statute.

The Fund's assets are owned jointly by its unit-holders. Each unit entitles the holder to an equal share of the assets. The fund manager in accordance with Section 2 below represents the unit-holders on matters that concern the Fund, makes decisions involving the Fund's assets and exercises the rights that derive from the Fund.

The Fund cannot acquire rights and assume obligations.

Section 2 Fund Manager

East Capital Asset Management AB (the "Manager" below), corporate identity number 556564-5370, manages the Fund.

Section 3 The Custodial Institution and its Duties

The custodial institution of the Fund is Skandinaviska Enskilda Banken AB (publ), SEB Securities Services, 106 40 Stockholm, corporate identity number 502032-9081 (the "Custodial Institution" below). The duties of the Custodial Institution are to receive and hold the Fund's assets and ensure that

- subscription for and redemption of fund units comply with the law and the rules and regulations of the Fund
- the value of the fund units is calculated in compliance with the law and the rules and regulations of the Fund
- the Custodial Institution receives the Fund's assets without delay
- the Fund's assets are used pursuant to the law and rules and regulations of the Fund.

Section 4 Nature of the Fund

The Fund is an equity unit trust oriented toward Eastern Europe.

On behalf of the unit-holders, the objectives of the Fund are to generate financial exposure to the economic development of Eastern Europe and to maximise long-term return. To achieve the objectives, the Fund invests in a broad selection of businesses in various sectors and of various sizes within the specified geographic region. The investments of the Fund are associated with the risks described in Section 17 below.

Section 5 Focus of the Fund's Investments

The fund's investments

Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be placed in equity-related transferable securities and fund units ("Financial Assets"). The investment focus is linked to the Eastern European economy. The Fund may invest in Financial Assets of issuers in Albania, Armenia, Azerbaijan, Bosnia-Herzegovina, Bulgaria, Cyprus, Estonia, Georgia, Greece, Kazakhstan, Kyrgyzstan, Croatia, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Russia, Romania, Serbia, Slovakia, Slovenia, Tajikistan, the Czech Republic, Turkey, Turkmenistan, Ukraine, Hungary, Uzbekistan, Belarus and Austria (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in the above countries, provided that at least 20% of the issuer's sales or earnings stem from these countries, or at least 20% of the issuer's employees are in these countries (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified by Section 7, of issuers other than those stipulated above, provided that the exposure of the instruments is consistent with the above investment focus.

At least one half of the Fund's assets shall at all times be invested in the above countries by means of direct exposure.

In an effort to meet the Fund's objectives as stated in Section 4 above, the Manager has great manoeuvrability when it comes to the choice of sectors, businesses, Financial Assets and degree of diversification.

Financial Assets shall account for at least 75% of the Fund's assets.

At least three-fourths of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

From time to time, the need arises to invest the Fund's assets in financial instruments other than those specified by the primary focus. That may be the case if the Fund has a large inflow or an analysis of the Eastern European market indicates that there are no current options for investing in Financial Assets.

The Fund may invest up to one-fourth of its assets for the purpose of diversification and maintaining efficient liquidity management. Such investments may be in money market instruments and interest-related transferable securities of issuers in countries specified by the primary focus. The Fund may also invest on account at the credit institutions of these countries (insofar as Swedish and foreign legislation permits) and in all EEA member states. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

Section 6 Marketplaces

The Fund shall trade on regulated markets within the EEA or corresponding markets outside the EEA. The Fund may also trade in another market within or outside the EEA that is regulated and open to the public. The Fund may trade in markets other than those specified above to a limited extent as defined by law.

Section 7 Special Investment Focus

The Fund's assets may be placed in the transferable securities and money market instruments specified in Chapter 5, Section 5 of the Investment Funds Act.

The Fund may trade in standardised derivative instruments and non-standardised OTC derivatives. The Fund may use exchange rate derivatives to hedge its assets. The Fund may not contain commodity derivatives. Derivative instruments are traded on a limited basis as an integrated tool for managing the Fund's assets more efficiently, as well as protecting them from exchange rate losses and other risks. Thus, derivative instruments may not be used in a manner that leverages the Fund.

The Fund may lend financial instruments representing up to 20% of its assets. Any premiums or profits accrue to the Fund, and the Fund may not reinvest security received.

The Fund may invest up to 10% of its value in other mutual funds and foreign collective investment undertakings.

Section 8 Valuation

The value of the Fund consists of its assets less its liabilities.

The value of the fund units is the value of the Fund divided by the number of outstanding units. Financial instruments in the Fund are assigned the current market value.

If such market value is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

Transferable securities specified in Chapter 5, Section 5 of the Investment Funds Act (see Section 6 above) are assigned the latest known market value. In the event that the transferable securities are not traded on any market (OTC securities), they are assigned the latest transaction price. If that information is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

OTC derivatives are assessed in accordance with generally accepted valuation models, such as Black-Scholes, or a price assigned by an independent party.

The Manager calculates the value of the fund units at 15.30 or later on every business day. The value of the fund units is calculated at 12.00 noon or later on half-days or the day before a public holiday.

The Manager shall put the calculated value of the fund units on its website by the next business day.

Among the Fund's liabilities are compensation to the Manager, the Custodial Institution, unpaid financial instruments and any taxes.

Section 9 Subscriptions and Redemptions of Fund Units

The minimum purchase on a single occasion, as well as the minimum monthly saving amount, is SEK 200.

Subscription shall be requested by fax, post or other means specified by the Manager. Orders for subscription are executed only if the subscriber has been registered as a client and has received a client number.

Orders for subscription can be executed on any business day. By way of exception, the Fund may be closed for subscription on the conditions specified below in these rules and regulations. The subscription date is said business day, provided that the Manager has received a complete order and a deposit has been made to the Fund's bank account no later than 15.00 CET on that day. A unit-holder may either deposit directly into the Fund's bank account or authorise regular transfers from a payroll account or the like.

Because the Manager determines the value of fund units after 15.00 CET on the subscription date, their price is unknown when subscription is requested. The request for subscription is carried out by entering the units in the Fund's unit-holder register.

Redemption shall be requested in writing by fax, post or other means specified by the Manager. The unit-holder is responsible for ensuring that orders and instructions concerning redemption are duly signed/verified and that the Manager is furnished with the correct bank account number. A client who requests deposit of the redemption amount to a bank account other than the one of which the Manager was pre-notified, must submit a copy of an ID or relevant authorisation documents in the case of legal entities. The Fund's assets are used to pay for the units that are redeemed. Fund units may be redeemed on any business day that the Fund is open for trading. The redemption date is said business day, provided that the Manager has received a complete order concerning redemption no later than 15.00 CET and there are sufficient assets (liquid assets also include sales for which the Fund still has not received payment on the redemption date) available in the Fund to fulfil the request. Any sale of the Fund's assets required to carry out the redemption shall be made immediately. If sale of the Fund's assets would significantly prejudice the interests of other unit-

Rules and Regulations of the East Capital Eastern European Fund

Approved by the Swedish Financial Supervisory Authority on November 18, 2010

holders, the Manager may delay such sale after notifying the Swedish Financial Supervisory Authority. The Manager determines the value of fund units after 15.00 CET on the redemption date and therefore, the redemption price is unknown when redemption is requested. The redemption is completed by removing the units from the Fund's unit-holder register. The price of a fund unit is the value as calculated by the Manager on the business day during which it is redeemed. In the event that the Manager must acquire liquid assets by selling Fund assets, the redemption price is based on the value of the fund unit on the date that all financial instruments have been sold for the purpose of completing the redemption.

The redemption amount is disbursed to the unit-holder on the business day after the redemption has been carried out, provided that the Fund has sufficient available liquid assets. If the Manager needs to sell assets of the Fund in order to be able to carry out the redemption, the amount is disbursed the business day after the Fund has received payment from such sales.

On a half day or the day before a public holiday, the Manager must receive a request for subscription or redemption by 11.30 a.m. (as opposed to 15.00 p.m. CET on other business days) in order for the subscription/redemption to be carried out on the same day.

Closing the Fund to subscription for units

The Fund may be closed if large inflows can cause its liquidity to represent 20% or more of its assets and the Manager deems that the excess cannot be corrected shortly.

As soon as the Fund's liquidity again represents less than 20% of its assets or the Manager deems that additional capital is obtainable, the Fund shall immediately reopen for subscription. The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund and the timing of its reopening.

Section 10 Closing the Fund to Subscription and Redemption

If extraordinary circumstances arise such that the Fund's assets cannot be assigned a value in way that ensures the equal rights of all unit-holders, the Fund may be closed to subscription and redemption.

The Fund may also be closed to subscription and redemption if, due to closed markets or unforeseen events that lead to significant price fluctuations, the Manager deems that 25% or more of its financial instruments cannot be priced or valued in a manner that protects the equal rights of unit-holders. The Fund shall open for subscription and redemption when the proportion of the abovementioned financial instruments returns to less than 25% or when the Manager deems that its financial instruments can again be priced and valued in a manner that protects the equal rights of unit-holders.

The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund to subscription and redemption and the timing of its reopening.

Section 11 Fees and Compensation

The Manager is entitled to compensation by charging a fee of no more than 2.5% of the subscribed-for amount. The fee constitutes compensation to the Manager for sale of fund units. The Manager is entitled to charge a fee of 1% of the redemption amount for fund units that have been held for less than six months. Any fee that is charged shall accrue to the Fund. Redemption of fund units that have been held for longer than six months is not subject to a fee. The Fund compensates the Manager for its management, marketing, sales, administrative, accounting and information costs, including payment to Finansinspektionen, auditors and the Custodial Institution for holding the Fund's assets in safe custody. An amount equivalent to no more than 2.5% of the Fund's assets per year is calculated each day. The compensation is paid once or twice a month, normally the 15th or the closest business day and the last business day, as requested by the Manager.

Costs for the purchase and sale of financial instruments are charged to the Fund. The costs may involve customary brokerage, registration, transaction fees to the Custodial Institution or the acquisition of rights to the Fund's assets. The brokerage fee is normally included in the price of an equity transaction but may sometimes be several percent of the total. The cost of entering the transaction in the company's share register and the Fund's custodial account is considerably greater than that on more established markets. The Manager strives to keep all these costs as low as possible.

The above compensation is exclusive of any VAT.

Section 12 Dividends

The Fund pays dividends as determined by the Manager for the purpose of transferring taxation on the Fund's yield to the unit-holders and avoiding taxation at two levels.

When applicable, the distributable amount is based on the Fund's taxable yield. The dividend shall be paid out in June. A withholding tax is charged according to applicable law. After deductions, the dividend shall be used to acquire new units on behalf of the unit-holders. In other words, unit-holders do not receive dividends in cash.

Dividends are paid to anyone who is entered in the unit-holder register as of the record day set by the Manager.

Section 13 Financial Year

The Fund's financial year runs concurrently with the

calendar year.

Section 14 Semi-annual and Annual Reports, Amendments to the Rules and Regulations

The semi-annual report shall be available from the Manager within two months, and the annual report within four months, after the end of the report period. The Manager may decide whether or not to send the report to all unit-holders who have not declined it. But a unit-holder is always entitled to request the material.

Finansinspektionen shall approve any amendment of the Fund's rules and regulations. The Manager shall, when applicable, announce amendments as instructed by Finansinspektionen and shall make them available to unit-holders.

Section 15 Pledging and Transferring Fund Units

Pledges or pledgers shall notify the Manager in writing when pledging fund units. The notification shall be signed by the pledger and indicate the identity of the pledgee, the number of fund units pledged and any restrictions on the scope of the pledge.

The Manager shall enter the pledge in the unit-holder register. The unit-holder is notified in writing that the pledge has been entered. Once the pledge has been terminated, the information is deleted after written notification from the pledgee. Pledged units may not be redeemed without the written consent of the pledgee. The Manager is entitled to charge the unit-holder a fee of no more than SEK 1,000 to cover costs associated with each pledge.

A unit-holder may transfer his or her units to someone else after having notified the Manager in writing.

Section 16 The Unit-holder Register

The Manager shall keep a register of the units held by the various unit-holders. Entry in the register, which shall be made promptly after subscription, is decisive to the entitlement to hold fund units and associated rights.

Section 17 Risks Associated with the Investment Focus

Investments in the stock markets of the above countries entail significantly higher risks than those in established Western European markets. The primary risks are political, company, currency, liquidity, legal and administrative risks.

As opposed to a stock market like the one in Sweden, there is no guarantee that shares will be entered in the Fund's name shortly after the transaction date or that transactions can be securely settled. The countries have no comprehensive legislation to protect the interests of shareholders. Some of the Fund's assets may be listed in a currency other than its base currency, thereby entailing an exchange rate risk.

Section 18 Limitation of Liability

Each unit-holder should carefully read all the details of the risks described in the informational brochure that are associated with the financial instruments in which the Fund invests.

Neither the Manager nor the Custodial Institution is liable for losses due to Swedish or foreign statutes, measures taken by a Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or similar developments. The proviso also applies to strikes, blockades, boycotts and lockouts that the Manager or Custodial Institution initiates or is the object of. Losses that arise under other circumstances are paid by neither the Manager nor Custodial Institution provided that normal care has been taken. Under no circumstances is the Manager or the Custodial Institution liable for indirect losses.

Neither the Manager nor the Custodial Institution is liable for losses caused by custodial banks or other service providers engaged by the Manager and/or Custodial Institution with due diligence. Neither the Manager nor the Custodial Institution is liable for losses incurred by the Fund, unit-holders or others as a result of restrictions on the disposition of financial instruments to which the Manager and/or Custodial Institution may be subject.

If the Manager and/or Custodial Institution encounters obstacles to taking a measure due to circumstances specified above, the measure may be delayed until the obstacle is removed. Neither the Manager, Custodial Institution nor unit-holder shall be liable to pay interest on arrears if such circumstances prevent the Manager and/or Custodial Institution from making or receiving payment.

Regardless of the above discharges from liability, Chapter 2, Section 21 of the Investment Funds Act (Swedish Code of Statutes 2004:46) shall apply.

Section 1 The Fund's Legal Status

The name of the Fund is the East Capital Baltic Fund. The Fund is a mutual fund pursuant to the Investment Funds Act (Swedish Code of Statutes 2004:46). In addition to the above act, the Fund operates in accordance with its rules and regulations, the articles of association of East Capital Asset Management AB and other directions issued on the basis of the law or other statute.

The Fund's assets are owned jointly by its unit-holders. Each unit entitles the holder to an equal share of the assets. The fund manager in accordance with Section 2 below represents the unit-holders on matters that concern the Fund, makes decisions involving the Fund's assets and exercises the rights that derive from the Fund.

The Fund cannot acquire rights and assume obligations.

Section 2 Fund Manager

East Capital Asset Management AB (the "Manager" below), corporate identity number 556564-5370, manages the Fund.

Section 3 The Custodial Institution and Its Duties

The custodial institution of the Fund is Skandinaviska Enskilda Banken AB (publ), SEB Securities Services, 106 40 Stockholm, corporate identity number 502032-9081 (the "Custodial Institution" below). The duties of the Custodial Institution are to receive and hold the Fund's assets and ensure that

- subscription for and redemption of fund units comply with the law and the rules and regulations of the Fund
- the value of the fund units is calculated in compliance with the law and the rules and regulations of the Fund
- the Custodial Institution receives the Fund's assets without delay
- the Fund's assets are used pursuant to the law and rules and regulations of the Fund.

Section 4 Nature of the Fund

The Fund is an equity unit trust oriented toward the Baltic countries, as well as Poland to a limited extent. On behalf of the unit-holders, the objectives of the Fund are to generate financial exposure to the economic development of the Baltic countries, as well as Poland to a limited extent, and to maximise long-term return. To achieve the objectives, the Fund invests in a broad selection of businesses in various sectors and of various sizes within the specified geographic region. The investments of the Fund are associated with the risks described in Section 17 below.

Section 5 Focus of the Fund's Investments

The Fund's investments

Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be placed in equity-related transferable securities and fund units ("Financial Assets"). The primary focus is linked to the economies of the Baltic countries, as well as Poland to a limited extent. The Fund may invest in Financial Assets of issuers in Estonia, Latvia and Lithuania, as well as invest up to 10% of its assets in Poland (direct exposure).. The Fund may also invest in Financial Assets of issuers not domiciled in Estonia, Latvia or Lithuania, provided that at least 20% of the issuer's sales or earnings stem from one or more of these countries, or at least 20% of the company's employees are in one or more of these countries (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified by Section 7, of issuers other than those stipulated above, provided that the exposure of the instruments is consistent with the above investment focus.

At least one half of the Fund's assets shall at all times be invested in Estonia, Latvia, Lithuania and Poland by means of direct exposure.

In an effort to meet the Fund's objectives as stated in Section 4 above, the Manager has great manoeuvrability when it comes to the choice of sectors, businesses, Financial Assets and degree of diversification.

Shares of issuers within the EU total at least 75% of the Fund's assets.

At least three-fourths of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

From time to time, the need arises to invest the Fund's assets in financial instruments other than those specified by the primary focus. That may be the case if the Fund has a large inflow or an analysis of the Baltic and Polish markets indicates that there are no current options for investing in Financial Assets.

The Fund may invest up to one-fourth of its assets for the purpose of diversification and maintaining efficient liquidity management. Such investments may be in money market instruments and interest-related transferable securities of issuers in countries specified by the primary focus. The Fund may also invest assets on account in the credit institutions of all EEA countries. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

Section 6 Marketplaces

The Fund shall trade on regulated markets within the EEA or corresponding markets outside the EEA. The Fund may also trade in another market within or

outside the EEA that is regulated and open to the public. The Fund may trade in markets other than those specified above to a limited extent as defined by law.

Section 7 Special Investment Focus

The Fund's assets may be placed in the transferable securities and money market instruments specified in Chapter 5, Section 5 of the Investment Funds Act.

The Fund may trade in standardised derivative instruments and non-standardised OTC derivatives. The Fund may use exchange rate derivatives to hedge its assets. The Fund may not contain commodity derivatives. Derivative instruments are traded on a limited basis as an integrated tool for managing the Fund's assets more efficiently, as well as protecting them from exchange rate losses and other risks. Thus, derivative instruments may not be used in a manner that leverages the Fund.

The Fund may lend financial instruments representing up to 20% of its assets. Any premiums or profits accrue to the Fund, and the Fund may not reinvest security received.

The Fund may invest up to 10% of its value in other mutual funds and foreign collective investment undertakings.

Section 8 Valuation

The value of the Fund consists of its assets less its liabilities.

The value of the fund units is the value of the Fund divided by the number of outstanding units. Financial instruments in the Fund are assigned the current market value.

If such market value is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

Transferable securities specified in Chapter 5, Section 5 of the Investment Funds Act (see Section 6 above) are assigned the latest known market value. In the event that the transferable securities are not traded on any market (OTC securities), they are assigned the latest transaction price. If that information is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

OTC derivatives are assessed in accordance with generally accepted valuation models, such as Black-Scholes, or a price assigned by an independent party.

The Manager calculates the value of the fund units at 15.30 or later on every business day. The value of the fund units is calculated at 12.00 noon or later on half-days or the day before a public holiday.

The Manager shall put the calculated value of the fund units on its website by the next business day. Among the Fund's liabilities are compensation to the Manager, the Custodial Institution, unpaid financial instruments and any taxes.

Section 9 Subscriptions and Redemptions of Fund Units

The minimum purchase on a single occasion, as well as the minimum monthly saving amount, is SEK 200.

Subscription shall be requested by fax, post or other means specified by the Manager. Orders for subscription are executed only if the subscriber has been registered as a client and has received a client number.

Orders for subscription can be executed on any business day. By way of exception, the Fund may be closed for subscription on the conditions specified below in these rules and regulations. The subscription date is said business day, provided that the Manager has received a complete order and a deposit has been made to the Fund's bank account no later than 13.00 CET on that day. A unit-holder may either deposit directly into the Fund's bank account or authorise regular transfers from a payroll account or the like.

Because the Manager determines the value of fund units after 13.00 CET on the subscription date, their price is unknown when subscription is requested. The request for subscription is carried out by entering the units in the Fund's unit-holder register.

Redemption shall be requested in writing by fax, post or other means specified by the Manager. The unit-holder is responsible for ensuring that orders and instructions concerning redemption are duly signed/verified and that the Manager is furnished with the correct bank account number. A client who requests deposit of the redemption amount to a bank account other than the one of which the Manager was pre-notified, must submit a copy of an ID or relevant authorisation documents in the case of legal entities. The Fund's assets are used to pay for the units that are redeemed. Fund units may be redeemed on any business day that the Fund is open for trading. The redemption date is said business day, provided that the Manager has received a complete order concerning redemption no later than 13.00 CET and there are sufficient assets (liquid assets also include sales for which the Fund still has not received payment on the redemption date) available in the Fund to fulfil the request. Any sale of the Fund's assets required to carry out the redemption shall be made immediately. If sale of the Fund's assets would significantly prejudice the interests of other unit-holders, the Manager may delay such sale after notifying the Swedish Financial Supervisory Authority. The Manager determines the value of fund units after 13.00 CET on the redemption date and therefore, the redemption price is unknown when redemption is

Rules and Regulations
of the East Capital Baltic Fund

Approved by the Swedish Financial Supervisory Authority on November 18, 2010

requested. The redemption is completed by removing the units from the Fund's unit-holder register. The price of a fund unit is the value as calculated by the Manager on the business day during which it is redeemed. In the event that the Manager must acquire liquid assets by selling Fund assets, the redemption price is based on the value of the fund unit on the date that all financial instruments have been sold for the purpose of completing the redemption.

The redemption amount is disbursed to the unit-holder on the business day after the redemption has been carried out, provided that the Fund has sufficient available liquid assets. If the Manager needs to sell assets of the Fund in order to be able to carry out the redemption, the amount is disbursed the business day after the Fund has received payment from such sales.

On a half day or the day before a public holiday, the Manager must receive a request for subscription or redemption by 11.30 a.m. (as opposed to 13.00 p.m. CET on other business days) in order for the subscription/redemption to be carried out on the same day.

Closing the Fund to subscription for units

The Fund may be closed if large inflows can cause its liquidity to represent 20% or more of its assets and the Manager deems that the excess cannot be corrected shortly.

As soon as the Fund's liquidity again represents less than 20% of its assets or the Manager deems that additional capital is obtainable, the Fund shall immediately reopen for subscription. The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund and the timing of its reopening.

Section 10 Closing the Fund to Subscription and Redemption

If extraordinary circumstances arise such that the Fund's assets cannot be assigned a value in way that ensures the equal rights of all unit-holders, the Fund may be closed to subscription and redemption.

The Fund may also be closed to subscription and redemption if, due to closed markets or unforeseen events that lead to significant price fluctuations, the Manager deems that 25% or more of its financial instruments cannot be priced or valued in a manner that protects the equal rights of unit-holders. The Fund shall open for subscription and redemption when the proportion of the above-mentioned financial instruments returns to less than 25% or when the Manager deems that its financial instruments can again be priced and valued in a manner that protects the equal rights of unit-holders.

The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund to subscription and redemption and the timing of its reopening.

Section 11 Fees and Compensation

The Manager is entitled to compensation by charging a fee of no more than 2.5% of the subscribed-for amount. The fee constitutes compensation to the Manager for sale of fund units. The Manager is entitled to charge a fee of 1% of the redemption amount for fund units that have been held for less than six months. Any fee that is charged shall accrue to the Fund. Redemption of fund units that have been held for longer than six months is not subject to a fee. The Fund compensates the Manager for its management, marketing, sales, administrative, accounting and information costs, including payment to Finansinspektionen, auditors and the Custodial Institution for holding the Fund's assets in safe custody. An amount equivalent to no more than 2.5% of the Fund's assets per year is calculated each day. The compensation is paid once or twice a month, normally the 15th or the closest business day and the last business day, as requested by the Manager.

Costs for the purchase and sale of financial instruments are charged to the Fund. The costs may involve customary brokerage, registration, transaction fees to the Custodial Institution or the acquisition of rights to the Fund's assets. The brokerage fee is normally included in the price of an equity transaction but may sometimes be several percent of the total. The cost of entering the transaction in the company's share register and the Fund's custodial account is considerably greater than that on more established markets. The Manager strives to keep all these costs as low as possible.

The above compensation is exclusive of any VAT.

Section 12 Dividends

The Fund pays dividends as determined by the Manager for the purpose of transferring taxation on the Fund's yield to the unit-holders and avoiding taxation at two levels.

When applicable, the distributable amount is based on the Fund's taxable yield. The dividend shall be paid out in June. A withholding tax is charged according to applicable law. After deductions, the dividend shall be used to acquire new units on behalf of the unit-holders. In other words, unit-holders do not receive dividends in cash.

Dividends are paid to anyone who is entered in the unit-holder register as of the record day set by the Manager.

Section 13 Financial Year

The Fund's financial year runs concurrently with the calendar year.

Section 14 Semi-annual and Annual Reports, Amendments to the Rules and Regulations

The semi-annual report shall be available from the Manager within two months, and the annual report within four months, after the end of the report period. The Manager may decide whether or not to send the report to all unit-holders who have not declined it. But a unit-holder is always entitled to request the material.

Finansinspektionen shall approve any amendment of the Fund's rules and regulations. The Manager shall, when applicable, announce amendments as instructed by Finansinspektionen and shall make them available to unit-holders.

Section 15 Pledging and Transferring Fund Units

Pledgees or pledgers shall notify the Manager in writing when pledging fund units. The notification shall be signed by the pledger and indicate the identity of the pledgee, the number of fund units pledged and any restrictions on the scope of the pledge.

The Manager shall enter the pledge in the unit-holder register. The unit-holder is notified in writing that the pledge has been entered. Once the pledge has been terminated, the information is deleted after written notification from the pledgee. Pledged units may not be redeemed without the written consent of the pledgee. The Manager is entitled to charge the unit-holder a fee of no more than SEK 1,000 to cover costs associated with each pledge.

A unit-holder may transfer his or her units to someone else after having notified the Manager in writing.

Section 16 The Unit-holder Register

The Manager shall keep a register of the units held by the various unit-holders. Entry in the register, which shall be made promptly after subscription, is decisive to the entitlement to hold fund units and associated rights.

Section 17 Risks Associated with the Investment Focus

Investments in the stock markets of the above countries entail significantly higher risks than those in established Western European markets. The primary risks are political, company, currency, liquidity, legal and administrative risks.

As opposed to a stock market like the one in Sweden, there is no guarantee that shares will be entered in the Fund's name shortly after the transaction date or that transactions can be securely settled. The countries have no comprehensive legislation to protect the interests of shareholders.

Some of the Fund's assets may be listed in a currency other than its base currency, thereby entailing an exchange rate risk.

Section 18 Limitation of Liability

Each unit-holder should carefully read all the details of the risks described in the informational brochure that are associated with the financial instruments in which the Fund invests.

Neither the Manager nor the Custodial Institution is liable for losses due to Swedish or foreign statutes, measures taken by a Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or similar developments. The proviso also applies to strikes, blockades, boycotts and lockouts that the Manager or Custodial Institution initiates or is the object of. Losses that arise under other circumstances are paid by neither the Manager nor Custodial Institution provided that normal care has been taken. Under no circumstances is the Manager or the Custodial Institution liable for indirect losses.

Neither the Manager nor the Custodial Institution is liable for losses caused by custodial banks or other service providers engaged by the Manager and/or Custodial Institution with due diligence. Neither the Manager nor the Custodial Institution is liable for losses incurred by the Fund, unit-holders or others as a result of restrictions on the disposition of financial instruments to which the Manager and/or Custodial Institution may be subject.

If the Manager and/or Custodial Institution encounters obstacles to taking a measure due to circumstances specified above, the measure may be delayed until the obstacle is removed. Neither the Manager, Custodial Institution nor unit-holder shall be liable to pay interest on arrears if such circumstances prevent the Manager and/or Custodial Institution from making or receiving payment.

Regardless of the above discharges from liability, Chapter 2, Section 21 of the Investment Funds Act (Swedish Code of Statutes 2004:46) shall apply.

Section 1 The Fund's Legal Status

The name of the fund is the East Capital Balkan Fund. The Fund is a mutual fund pursuant to the Investment Funds Act (Swedish Code of Statutes 2004:46). In addition to the above act, the Fund operates in accordance with its rules and regulations, the articles of association of East Capital Asset Management AB and other directions issued on the basis of the law or other statute.

The Fund's assets are owned jointly by its unit-holders. Each unit entitles the holder to an equal share of the assets. The fund manager in accordance with Section 2 below represents the unit-holders on matters that concern the Fund, makes decisions involving the Fund's assets and exercises the rights that derive from the Fund.

The Fund cannot acquire rights and assume obligations.

Section 2 Fund Manager

East Capital Asset Management AB (the "Manager" below), corporate identity number 556564-5370, manages the Fund.

Section 3 The Custodial Institution and Its Duties

The custodial institution of the Fund is Skandinaviska Enskilda Banken AB (publ), SEB Securities Services, 106 40 Stockholm, corporate identity number 502032-9081 (the "Custodial Institution" below). The duties of the Custodial Institution are to receive and hold the Fund's assets and ensure that — subscription for and redemption of fund units comply with the law and the rules and regulations of the Fund, — the value of the fund units is calculated in compliance with the law and the rules and regulations of the Fund, — the Custodial Institution receives the Fund's assets without delay — the Fund's assets are used pursuant to the law and rules and regulations of the Fund.

Section 4 Nature of the Fund

The Fund is an equity unit trust oriented toward the Balkan countries.

On behalf of the unit-holders, the objectives of the Fund are to generate financial exposure to the economic development of the Balkan Countries and to maximise long-term return. To achieve the objectives, the Fund invests in a broad selection of businesses in various sectors and of various sizes within the specified geographic region. The investments of the Fund are associated with the risks described in Section 17 below.

Section 5 Focus of the Fund's Investments

The Fund's investments Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, fund units and on account at credit institutions.

Primary investment focus
The Fund's assets may be placed in equity-related transferable securities and fund units ("Financial Assets"). The investment focus is linked to the economy of the Balkan countries. The Fund may invest in Financial Assets of issuers in Albania, Armenia, Azerbaijan, Bosnia-Herzegovina, Bulgaria, Cyprus, Georgia, Greece, Croatia, Macedonia, Moldova, Montenegro, Russia, Romania, Serbia, Slovakia, Slovenia, the Czech Republic, Turkey, Ukraine, Hungary and Austria (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in the above countries, provided that at least 20% of the issuer's sales or earnings stem from these countries, or at least 20% of the issuer's employees are in these countries (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified by Section 7, of issuers other than those stipulated above, provided that the exposure of the instruments is consistent with the above investment focus.

At least one half of the Fund's assets shall at all times be invested in the above countries by means of direct exposure.

In an effort to meet the Fund's objectives as stated in Section 4 above, the Manager has great manoeuvrability when it comes to the choice of sectors, businesses, Financial Assets and degree of diversification.

Financial Assets shall account for at least 75% of the Fund's assets.

At least three-fourths of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options
From time to time, the need arises to invest the Fund's assets in financial instruments other than those specified by the primary focus. That may be the case if the Fund has a large inflow or an analysis of the Balkan market indicates that there are no current options for investing in Financial Assets.

The Fund may invest up to one-fourth of its assets for the purpose of diversification and maintaining efficient liquidity management. Such investments may be in money market instruments and interest-related transferable securities of issuers in countries specified by the primary focus. The Fund may also invest on account at the credit institutions of these countries (insofar as Swedish and foreign legislation permits) and in all EEA member states. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

Section 6 Marketplaces

The Fund shall trade on regulated markets within the

EEA or corresponding markets outside the EEA. The Fund may also trade in another market within or outside the EEA that is regulated and open to the public. The Fund may trade in markets other than those specified above to a limited extent as defined by law.

Section 7 Special Investment Focus

The Fund's assets may be placed in the transferable securities and money market instruments specified in Chapter 5, Section 5 of the Investment Funds Act.

The Fund may trade in standardised derivative instruments and non-standardised OTC derivatives. The Fund may use exchange rate derivatives to hedge its assets. The Fund may not contain commodity derivatives. Derivative instruments are traded on a limited basis as an integrated tool for managing the Fund's assets more efficiently, as well as protecting them from exchange rate losses and other risks. Thus, derivative instruments may not be used in a manner that leverages the Fund.

The Fund may lend financial instruments representing up to 20% of its assets. Any premiums or profits accrue to the Fund, and the Fund may not reinvest security received.

The Fund may invest up to 10% of its value in other mutual funds and foreign collective investment undertakings.

Section 8 Valuation

The value of the Fund consists of its assets less its liabilities.

The value of the fund units is the value of the Fund divided by the number of outstanding units. Financial instruments in the Fund are assigned the current market value.

If such market value is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

Transferable securities specified in Chapter 5, Section 5 of the Investment Funds Act (see Section 6 above) are assigned the latest known market value. In the event that the transferable securities are not traded on any market (OTC securities), they are assigned the latest transaction price. If that information is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

OTC derivatives are assessed in accordance with generally accepted valuation models, such as Black-Scholes, or a price assigned by an independent party.

The Manager calculates the value of the fund units at 15.30 or later on every business day. The value of the fund units is calculated at 12.00 noon or later on half-days or the day before a public holiday.

The Manager shall put the calculated value of the fund units on its website by the next business day. Among the Fund's liabilities are compensation to the Manager, the Custodial Institution, unpaid financial instruments and any taxes.

Section 9 Subscriptions and Redemptions of Fund Units

The minimum purchase on a single occasion, as well as the minimum monthly saving amount, is SEK 200.

Subscription shall be requested by fax, post or other means specified by the Manager. Orders for subscription are executed only if the subscriber has been registered as a client and has received a client number.

Orders for subscription can be executed on any business day. By way of exception, the Fund may be closed for subscription on the conditions specified below in these rules and regulations. The subscription date is said business day, provided that the Manager has received a complete order and a deposit has been made to the Fund's bank account no later than 15.00 p.m. CET on that day. A unit-holder may either deposit directly into the Fund's bank account or authorise regular transfers from a payroll account or the like.

Because the Manager determines the value of fund units after 15.00 CET on the subscription date, their price is unknown when subscription is requested. The request for subscription is carried out by entering the units in the Fund's unit-holder register.

Redemption shall be requested in writing by fax, post or other means specified by the Manager. The unit-holder is responsible for ensuring that orders and instructions concerning redemption are duly signed/verified and that the Manager is furnished with the correct bank account number. A client who requests deposit of the redemption amount to a bank account other than the one of which the Manager was pre-notified, must submit a copy of an ID or relevant authorisation documents in the case of legal entities. The Fund's assets are used to pay for the units that are redeemed. Fund units may be redeemed on any business day that the Fund is open for trading. The redemption date is said business day, provided that the Manager has received a complete order concerning redemption no later than 15.00 CET and there are sufficient assets (liquid assets also include sales for which the Fund still has not received payment on the redemption date) available in the Fund to fulfil the request. Any sale of the Fund's assets required to carry out the redemption shall be made immediately. If sale of the Fund's assets would significantly prejudice the interests of other unit-holders, the Manager may delay such sale after notifying the Swedish Financial Supervisory Authority. The Manager determines the value of fund units after

Rules and Regulations of the East Capital Balkan Fund

Approved by the Swedish Financial Supervisory Authority on November 18, 2010

15.00 CET on the redemption date and therefore, the redemption price is unknown when redemption is requested. The redemption is completed by removing the units from the Fund's unit-holder register. The price of a fund unit is the value as calculated by the Manager on the business day during which it is redeemed. In the event that the Manager must acquire liquid assets by selling Fund assets, the redemption price is based on the value of the fund unit on the date that all financial instruments have been sold for the purpose of completing the redemption.

The redemption amount is disbursed to the unit-holder on the business day after the redemption has been carried out, provided that the Fund has sufficient available liquid assets. If the Manager needs to sell assets of the Fund in order to be able to carry out the redemption, the amount is disbursed the business day after the Fund has received payment from such sales.

On a half day or the day before a public holiday, the Manager must receive a request for subscription or redemption by 11.30 a.m. (as opposed to 15.00 p.m. CET on other business days) in order for the subscription/redemption to be carried out on the same day.

Closing the Fund to subscription for units The Fund may be closed if large inflows can cause its liquidity to represent 20% or more of its assets and the Manager deems that the excess cannot be corrected shortly.

As soon as the Fund's liquidity again represents less than 20% of its assets or the Manager deems that additional capital is obtainable, the Fund shall immediately reopen for subscription. The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund and the timing of its reopening.

Section 10 Closing the Fund to Subscription and Redemption

If extraordinary circumstances arise such that the Fund's assets cannot be assigned a value in way that ensures the equal rights of all unit-holders, the Fund may be closed to subscription and redemption.

The Fund may also be closed to subscription and redemption if, due to closed markets or unforeseen events that lead to significant price fluctuations, the Manager deems that 25% or more of its financial instruments cannot be priced or valued in a manner that protects the equal rights of unit-holders. The Fund shall open for subscription and redemption when the proportion of the abovementioned financial instruments returns to less than 25% or when the Manager deems that its financial instruments can again be priced and valued in a manner that protects the equal rights of unit-holders.

The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund to subscription and redemption and the timing of its reopening.

Section 11 Fees and Compensation

The Manager is entitled to compensation by charging a fee of no more than 2.5% of the subscribed-for amount. The fee constitutes compensation to the Manager for sale of fund units. The Manager is entitled to charge a fee of 1% of the redemption amount for fund units that have been held for less than six months. Any fee that is charged shall accrue to the Fund. Redemption of fund units that have been held for longer than six months is not subject to a fee. The Fund compensates the Manager for its management, marketing, sales, administrative, accounting and information costs, including payment to Finansinspektionen, auditors and the Custodial Institution for holding the Fund's assets in safe custody. An amount equivalent to no more than 2.5% of the Fund's assets per year is calculated each day. The compensation is paid once or twice a month, normally the 15th or the closest business day and the last business day, as requested by the Manager.

Costs for the purchase and sale of financial instruments are charged to the Fund. The costs may involve customary brokerage, registration, transaction fees to the Custodial Institution or the acquisition of rights to the Fund's assets. The brokerage fee is normally included in the price of an equity transaction but may sometimes be several percent of the total. The cost of entering the transaction in the company's share register and the Fund's custodial account is considerably greater than that on more established markets. The Manager strives to keep all these costs as low as possible.

The above compensation is exclusive of any VAT.

Section 12 Dividends

The Fund pays dividends as determined by the Manager for the purpose of transferring taxation on the Fund's yield to the unit-holders and avoiding taxation at two levels.

When applicable, the distributable amount is based on the Fund's taxable yield. The dividend shall be paid out in June. A withholding tax is charged according to applicable law. After deductions, the dividend shall be used to acquire new units on behalf of the unit-holders. In other words, unit-holders do not receive dividends in cash.

Dividends are paid to anyone who is entered in the unit-holder register as of the record day set by the Manager.

Section 13 Financial Year

The Fund's financial year runs concurrently with the calendar year.

Section 14 Semi-annual and Annual Reports, Amendments to the Rules and Regulations

The semi-annual report shall be available from the Manager within two months, and the annual report within four months, after the end of the report period. The Manager may decide whether or not to send the report to all unit-holders who have not declined it. But a unit-holder is always entitled to request the material.

Finansinspektionen shall approve any amendment of the Fund's rules and regulations. The Manager shall, when applicable, announce amendments as instructed by Finansinspektionen and shall make them available to unit-holders.

Section 15 Pledging and Transferring Fund Units

Pledges or pledgers shall notify the Manager in writing when pledging fund units. The notification shall be signed by the pledger and indicate the identity of the pledgee, the number of fund units pledged and any restrictions on the scope of the pledge.

The Manager shall enter the pledge in the unit-holder register. The unit-holder is notified in writing that the pledge has been entered. Once the pledge has been terminated, the information is deleted after written notification from the pledgee. Pledged units may not be redeemed without the written consent of the pledgee. The Manager is entitled to charge the unit-holder a fee of no more than SEK 1,000 to cover costs associated with each pledge.

A unit-holder may transfer his or her units to someone else after having notified the Manager in writing.

Section 16 The Unit-holder Register

The Manager shall keep a register of the units held by the various unit-holders. Entry in the register, which shall be made promptly after subscription, is decisive to the entitlement to hold fund units and associated rights.

Section 17 Risks Associated with the Investment Focus

Investments in the stock markets of the above countries entail significantly higher risks than those in established Western European markets. The primary risks are political, company, currency, liquidity, legal and administrative risks.

As opposed to a stock market like the one in Sweden, there is no guarantee that shares will be entered in the Fund's name shortly after the transaction date or that transactions can be securely settled. The countries have no comprehensive legislation to protect the interests of shareholders. Some of the Fund's assets may be listed in a currency other than its base currency, thereby entailing a currency risk.

Section 18 Limitation of Liability

Each unit-holder should carefully read all the details of the risks described in the informational brochure that are associated with the financial instruments in which the Fund invests.

Neither the Manager nor the Custodial Institution is liable for losses due to Swedish or foreign statutes, measures taken by a Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or similar developments. The proviso also applies to strikes, blockades, boycotts and lockouts that the Manager or Custodial Institution initiates or is the object of. Losses that arise under other circumstances are paid by neither the Manager nor Custodial Institution provided that normal care has been taken. Under no circumstances is the Manager or the Custodial Institution liable for indirect losses.

Neither the Manager nor the Custodial Institution is liable for losses caused by custodial banks or other service providers engaged by the Manager and/or Custodial Institution with due diligence. Neither the Manager nor the Custodial Institution is liable for losses incurred by the Fund, unit-holders or others as a result of restrictions on the disposition of financial instruments to which the Manager and/or Custodial Institution may be subject.

If the Manager and/or Custodial Institution encounters obstacles to taking a measure due to circumstances specified above, the measure may be delayed until the obstacle is removed. Neither the Manager, Custodial Institution nor unit-holder shall be liable to pay interest on arrears if such circumstances prevent the Manager and/or Custodial Institution from making or receiving payment.

Regardless of the above discharges from liability, Chapter 2, Section 21 of the Investment Funds Act (Swedish Code of Statutes 2004:46) shall apply.

Section 1 The Fund's Legal Status

The name of the Fund is the East Capital Turkish Fund. The Fund is a mutual fund pursuant to the Investment Funds Act (Swedish Code of Statutes 2004:46). In addition to the above act, the Fund operates in accordance with its rules and regulations, the articles of association of East Capital Asset Management AB and other directions issued on the basis of the law or other statute.

The Fund's assets are owned jointly by its unit-holders. Each unit entitles the holder to an equal share of the assets. The fund manager in accordance with Section 2 below represents the unit-holders on matters that concern the Fund, makes decisions involving the Fund's assets and exercises the rights that derive from the Fund.

The Fund cannot acquire rights and assume obligations.

Section 2 Fund Manager

East Capital Asset Management AB (the "Manager" below), corporate identity number 556564-5370, manages the Fund.

Section 3 The Custodial Institution and Its Duties

The custodial institution of the Fund is Skandinaviska Enskilda Banken AB (publ), SEB Securities Services, 106 40 Stockholm, corporate identity number 502032-9081 (the "Custodial Institution" below). The duties of the Custodial Institution are to receive and hold the Fund's assets and ensure that — subscription for and redemption of fund units comply with the law and the rules and regulations of the Fund, — the value of the fund units is calculated in compliance with the law and the rules and regulations of the Fund, — the Custodial Institution receives the Fund's assets without delay — the Fund's assets are used pursuant to the law and rules and regulations of the Fund.

Section 4 Nature of the Fund

The Fund is an equity unit trust oriented toward Turkey.

On behalf of the unit-holders, the objectives of the Fund are to generate financial exposure to the economic development of Turkey and to maximise long-term return. To achieve the objectives, the Fund invests in a broad selection of businesses in various sectors and of various sizes within the specified geographic region. The investments of the Fund are associated with the risks described in Section 17 below.

Section 5 Focus of the Fund's Investments

The Fund's investments Subject to the restrictions below, the Fund may invest in transferable securities, money market instruments, fund units and on account at credit institutions.

Primary investment focus

The Fund's assets may be placed in equity-related transferable securities and fund units ("Financial Assets"). The investment focus is linked to the Turkish economy. The Fund may invest in Financial Assets of issuers in Turkey (direct exposure). The Fund may also invest in Financial Assets of issuers not domiciled in Turkey, provided that at least 20% of the issuer's sales or earnings stem from Turkey, or at least 20% of the issuer's employees are in Turkey (indirect exposure). In addition, the Fund may invest in fund units and derivative instruments, to the extent specified by Section 7, of issuers other than those stipulated above, provided that the exposure of the instruments is consistent with the above investment focus.

At least one half of the Fund's assets shall at all times be invested in Turkey by means of direct exposure.

In an effort to meet the Fund's objectives as stated in Section 4 above, the Manager has great manoeuvrability when it comes to the choice of sectors, businesses, Financial Assets and degree of diversification.

Financial Assets shall account for at least 75% of the Fund's assets.

At least two-thirds of the Fund's assets shall at all times be invested in accordance with the primary investment focus.

Other investment options

The need may arise from time to time to place the Fund's assets in other types of financial instruments and outside Turkey. That may be the case if the Fund has an excessive inflow or an analysis of the Turkish market indicates that there are no current options for investing there.

The Fund may invest up to one-third of its assets for the purpose of diversification and maintaining efficient liquidity management. Such investments may be made in Financial Assets, interest-related transferable securities and money market instruments of issuers domiciled in Armenia, Azerbaijan, Bahrain, Bulgaria, Cyprus, Egypt, the United Arab Emirates, Georgia, Iraq, Kuwait, Lebanon, Oman, Russia, Saudi Arabia and Syria. The Fund may also invest in money market instruments and interest-related transferable securities of issuers domiciled in Turkey. The Fund may also invest on account at the credit institutions of Turkey, other countries above (insofar as Swedish and foreign legislation permits) and in all EEA member states. The Fund may also invest in money market instruments, interest-related transferable securities and on account at credit institutions in Sweden.

Section 6 Marketplaces

The Fund shall trade on regulated markets within the EEA or corresponding markets outside the EEA. The Fund may also trade in another market within or outside the EEA that is regulated and open to the public. The Fund may trade in markets other than those specified above to a limited extent as defined by law.

Section 7 Special Investment Focus

The Fund's assets may be placed in the transferable securities and money market instruments specified in Chapter 5, Section 5 of the Investment Funds Act.

The Fund may trade in standardised derivative instruments and non-standardised OTC derivatives. The Fund may use exchange rate derivatives to hedge its assets. The Fund may not contain commodity derivatives. Derivative instruments are traded on a limited basis as an integrated tool for managing the Fund's assets more efficiently, as well as protecting them from exchange rate losses and other risks. Thus, derivative instruments may not be used in a manner that leverages the Fund.

The Fund may lend financial instruments representing up to 20% of its assets. Any premiums or profits accrue to the Fund, and the Fund may not reinvest security received.

The Fund may invest up to 10% of its value in other mutual funds and foreign collective investment undertakings.

Section 8 Valuation

The value of the Fund consists of its assets less its liabilities. The value of the fund units is the value of the Fund divided by the number of outstanding units. Financial instruments in the Fund are assigned the current market value.

If such market value is lacking or appears to be irrelevant, the Manager may assign financial assets an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

Transferable securities specified in Chapter 5, Section 5 of the Investment Funds Act (see Section 6 above) are assigned the latest known market value. In the event that the transferable securities are not traded on any market (OTC securities), they are assigned the latest transaction price. If that information is lacking or appears to be irrelevant, the Manager may assign financial instruments an objective value based on available market data. Information from external independent sources, corporate events, index comparisons or discounted cash flows may be used as guidance for the objective assessment.

OTC derivatives are assessed in accordance with generally accepted valuation models, such as Black-Scholes, or a price assigned by an independent party.

The Manager calculates the value of the fund units at 15.30 or later on every business day. The value of the fund units is calculated at 12.00 noon or later on half-days or the day before a public holiday.

The Manager shall put the calculated value of the fund units on its website by the next business day. Among the Fund's liabilities are compensation to the Manager, the Custodial Institution, unpaid financial instruments and any taxes.

Section 9 Subscriptions and Redemptions of Fund Units

The minimum purchase on a single occasion, as well as the minimum monthly saving amount, is SEK 200. Subscription shall be requested by fax, post or other means specified by the Manager. Orders for subscription are executed only if the subscriber has been registered as a client and has received a client number.

Orders for subscription can be executed on any business day. By way of exception, the Fund may be closed for subscription on the conditions specified below in these rules and regulations. The subscription date is said business day, provided that the Manager has received a complete order and a deposit has been made to the Fund's bank account no later than 15.00 CET on that day. A unit-holder may either deposit directly into the Fund's bank account or authorise regular transfers from a payroll account or the like.

Because the Manager determines the value of fund units after 15.00 CET on the subscription date, their price is unknown when subscription is requested. The request for subscription is carried out by entering the units in the Fund's unit-holder register.

Redemption shall be requested in writing by fax, post or other means specified by the Manager. The unit-holder is responsible for ensuring that orders and instructions concerning redemption are duly signed/verified and that the Manager is furnished with the correct bank account number. A client who requests deposit of the redemption amount to a bank account other than the one of which the Manager was pre-notified, must submit a copy of an ID or relevant authorisation documents in the case of legal entities. The Fund's assets are used to pay for the units that are redeemed. Fund units may be redeemed on any business day that the Fund is open for trading. The redemption date is said business day, provided that the Manager has received a complete order concerning redemption no later than 15.00 CET and there are sufficient assets (liquid assets also include sales for which the Fund still has not received payment on the redemption date) available in the Fund to fulfil the request. Any sale of the Fund's assets required to carry out the redemption shall be made immediately. If sale of the Fund's assets would significantly prejudice the interests of other unit-holders, the Manager may delay such sale after

Rules and Regulations of the East Capital Turkish Fund

Approved by the Swedish Financial Supervisory Authority on November 18, 2010

notifying the Swedish Financial Supervisory Authority. The Manager determines the value of fund units after 15.00 CET on the redemption date and therefore, the redemption price is unknown when redemption is requested. The redemption is completed by removing the units from the Fund's unit-holder register. The price of a fund unit is the value as calculated by the Manager on the business day during which it is redeemed. In the event that the Manager must acquire liquid assets by selling Fund assets, the redemption price is based on the value of the fund unit on the date that all financial instruments have been sold for the purpose of completing the redemption.

The redemption amount is disbursed to the unit-holder on the business day after the redemption has been carried out, provided that the Fund has sufficient available liquid assets. If the Manager needs to sell assets of the Fund in order to be able to carry out the redemption, the amount is disbursed the business day after the Fund has received payment from such sales.

On a half day or the day before a public holiday, the Manager must receive a request for subscription or redemption by 11.30 a.m. (as opposed to 15.00 p.m. CET on other business days) in order for the subscription/redemption to be carried out on the same day.

Closing the Fund to subscription for units

The Fund may be closed if large inflows can cause its liquidity to represent 20% or more of its assets and the Manager deems that the excess cannot be corrected shortly.

As soon as the Fund's liquidity again represents less than 20% of its assets or the Manager deems that additional capital is obtainable, the Fund shall immediately reopen for subscription. The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund and the timing of its reopening.

Section 10 Closing the Fund to Subscription and Redemption

If extraordinary circumstances arise such that the Fund's assets cannot be assigned a value in way that ensures the equal rights of all unit-holders, the Fund may be closed to subscription and redemption.

The Fund may also be closed to subscription and redemption if, due to closed markets or unforeseen events that lead to significant price fluctuations, the Manager deems that 25% or more of its financial instruments cannot be priced or valued in a manner that protects the equal rights of unit-holders. The Fund shall open for subscription and redemption when the proportion of the abovementioned financial instruments returns to less than 25% or when the Manager deems that its financial instruments can again be priced and valued in a manner that protects the equal rights of unit-holders.

The Manager shall put notification of closure and reopening on its website.

The board of directors of the Manager shall make any decisions about closure of the Fund to subscription and redemption and the timing of its reopening.

Section 11 Fees and Compensation

The Manager is entitled to compensation by charging a fee of no more than 2.5% of the subscribed-for amount. The fee constitutes compensation to the Manager for sale of fund units. The Manager is entitled to charge a fee of 1% of the redemption amount for fund units that have been held for less than six months. Any fee that is charged shall accrue to the Fund. Redemption of fund units that have been held for longer than six months is not subject to a fee. The Fund compensates the Manager for its management, marketing, sales, administrative, accounting and information costs, including payment to Finansinspektionen, auditors and the Custodial Institution for holding the Fund's assets in safe custody. An amount equivalent to no more than 2.5% of the Fund's assets per year is calculated each day. The compensation is paid once or twice a month, normally the 15th or the closest business day and the last business day, as requested by the Manager. Costs for the purchase and sale of financial instruments are charged to the Fund. The costs may involve customary brokerage, registration, transaction fees to the Custodial Institution or the acquisition of rights to the Fund's assets. The brokerage fee is normally included in the price of an equity transaction but may sometimes be several percent of the total. The cost of entering the transaction in the company's share register and the Fund's custodial account is considerably greater than that on more established markets. The Manager strives to keep all such costs as low as possible.

The above compensation is exclusive of any VAT.

Section 12 Dividends

The Fund pays dividends as determined by the Manager for the purpose of transferring taxation on the Fund's yield to the unit-holders and avoiding taxation at two levels.

When applicable, the distributable amount is based on the Fund's taxable yield. The dividend shall be paid out in June. A withholding tax is charged according to applicable law. After deductions, the dividend shall be used to acquire new units on behalf of the unit-holders. In other words, unit-holders do not receive dividends in cash.

Dividends are paid to anyone who is entered in the unit-holder register as of the record day set by the Manager.

Section 13 Financial Year

The Fund's financial year runs concurrently with the

calendar year.

Section 14 Semi-annual and Annual Reports, Amendments to the Rules and Regulations

The semi-annual report shall be available from the Manager within two months, and the annual report within four months, after the end of the report period. The Manager may decide whether or not to send the report to all unit-holders who have not declined it. But a unit-holder is always entitled to request the material.

Finansinspektionen shall approve any amendment of the Fund's rules and regulations. The Manager shall, when applicable, announce amendments as instructed by Finansinspektionen and shall make them available to unit-holders.

Section 15 Pledging and Transferring Fund Units

Pledges or pledgers shall notify the Manager in writing when pledging fund units. The notification shall be signed by the pledger and indicate the identity of the pledgee, the number of fund units pledged and any restrictions on the scope of the pledge.

The Manager shall enter the pledge in the unit-holder register. The unit-holder is notified in writing that the pledge has been entered. Once the pledge has been terminated, the information is deleted after written notification from the pledgee. Pledged units may not be redeemed without the written consent of the pledgee. The Manager is entitled to charge the unit-holder a fee of no more than SEK 1,000 to cover costs associated with each pledge.

A unit-holder may transfer his or her units to someone else after having notified the Manager in writing.

Section 16 The Unit-holder Register

The Manager shall keep a register of the units held by the various unit-holders. Entry in the register, which shall be made promptly after subscription, is decisive to the entitlement to hold fund units and associated rights.

Section 17 Risks Associated with the Investment Focus

Investments in the stock markets of the above countries entail significantly higher risks than those in established Western European markets. The primary risks are political, company, currency, liquidity, legal and administrative risks.

As opposed to a stock market like the one in Sweden, there is no guarantee that shares will be entered in the Fund's name shortly after the transaction date or that transactions can be securely settled. The countries have no comprehensive legislation to protect the interests of shareholders. Some of the Fund's assets may be listed in a currency other than its base currency, thereby entailing an exchange rate risk.

Section 18 Limitation of Liability

Each unit-holder should carefully read all the details of the risks described in the informational brochure that are associated with the financial instruments in which the Fund invests.

Neither the Manager nor the Custodial Institution is liable for losses due to Swedish or foreign statutes, measures taken by a Swedish or foreign authorities, acts of war, strikes, blockades, boycotts, lockouts or similar developments. The proviso also applies to strikes, blockades, boycotts and lockouts that the Manager or Custodial Institution initiates or is the object of. Losses that arise under other circumstances are paid by neither the Manager nor Custodial Institution provided that normal care has been taken. Under no circumstances is the Manager or the Custodial Institution liable for indirect losses.

Neither the Manager nor the Custodial Institution is liable for losses caused by custodial banks or other service providers engaged by the Manager and/or Custodial Institution with due diligence. Neither the Manager nor the Custodial Institution is liable for losses incurred by the Fund, unit-holders or others as a result of restrictions on the disposition of financial instruments to which the Manager and/or Custodial Institution may be subject.

If the Manager and/or Custodial Institution encounters obstacles to taking a measure due to circumstances specified above, the measure may be delayed until the obstacle is removed. Neither the Manager, Custodial Institution nor unit-holder shall be liable to pay interest on arrears if such circumstances prevent the Manager and/or Custodial Institution from making or receiving payment.

Regardless of the above discharges from liability, Chapter 2, Section 21 of the Investment Funds Act (Swedish Code of Statutes 2004:46) shall apply.