

EAST CAPITAL

30 March 2012
Monthly product sheet

East Capital Eastern European Fund

Eastern European Fund celebrates ten years of success
+283%* (SEK) vs. index 119%



Jacob Grapengiesser

"We have outperformed the index by being an active manager, meeting companies often and being skilled in re-allocating. While others invest in five countries, we invest in 19. This reduces risk substantially", says Jacob Grapengiesser, member of the investment team since start.

Tapping into the growth in the economies catching up to Western European economies has been the fund's investment strategy since its launch in March 2002.

"The convergence between east and west is far from over", Jacob points out. Read more at www.eastcapital.com/ee10years

*020318-120318. MSCI EM Europe until 10/06/2010, then MSCI EM Europe Index Total Return (net).

Fund facts

Risk	High
Manager	East Capital Asset Management
Type	UCITS IV
Launch date	18.03.2002
Quotation	Daily
Benchmark	MSCI EM Europe Index Total Return
Dividend	Yes, reinvested
Management fee	2.5%
Subscription fee	2.5%
Redemption fee	0%
Minimum investment	200 SEK
Domicile	Sweden
NAV currency	SEK
NAV per unit	36.25 SEK (30.03.2012)
Fund size	SEK 4,795m (30.03.2012) EUR 542m (30.03.2012) USD 723m (30.03.2012)
Number of holdings	152 (30.03.2012)
Turnover	0.83 (2011), 0.72 (2010), 0.93 (2009)
Bank account (IBAN)	SE13 5000 0000 0586 4100 6362
SWIFT	ESSESESS
ISIN	SE0000888208
Bloomberg	EACOSTE

Portfolio comments

Most equity markets took a breather in March after a very strong start to the year. Profit taking and increasing concerns about the economic outlook in China and the US were the main reasons behind the small correction. A handful of frontier markets in Eastern Europe did, however, manage to stay in positive territory in March. Slovenia, Croatia, Kazakhstan, Estonia and Romania were among the best performers, gaining a couple of percent. Turkey was a notable outperformer among the larger markets, gaining 0.4%, even though the TRY depreciated against the USD. Poland and Russia were hit harder by the negative sentiment, dropping 3.5% and 5.6% respectively.

The biggest positive and negative contributors to the fund were all Russian. The reason behind the performance was more stock specific than general, as stocks within the same sector moved in different directions. Among the energy companies, Surgut NG gained 3.5% after reporting results removing uncertainty over its dividend yield on preferred shares, while Lukoil dropped 6.3% after releasing a 10-year strategy with capex exceeding market expectations. Due to increased concerns over a potential tax hike, which may result in a 30% earnings drop, Gazprom declined 8.2%.

Financials were not generally in favour, and Sberbank and Erste were among the worst contributors in the fund after falling 6.6% and 11% respectively. Sberbank was dragged down by the coming overhang from the placement of a 7.6% stake, despite strong FY2011 results, delivering an ROE of 28% on the back of loan growth of 35%.

The focus during the month was on company-specific adjustments within sectors rather than major changes across sectors and markets.

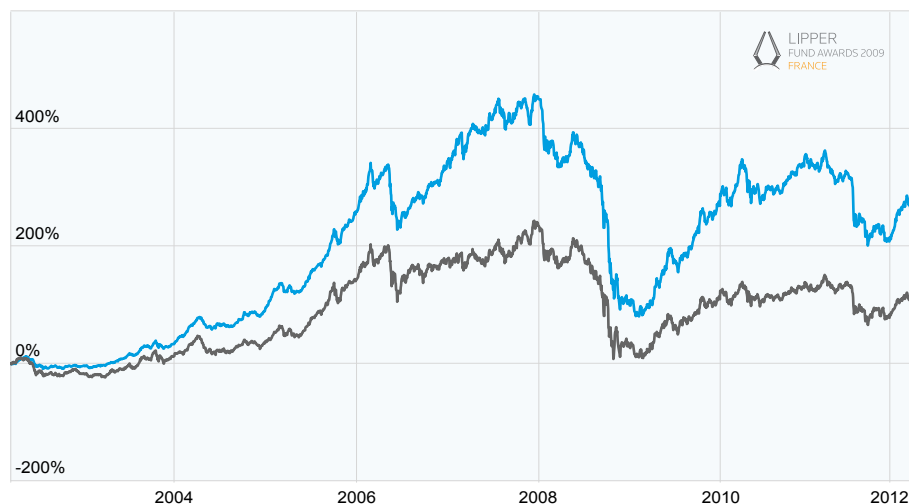
Aim and investment strategy

East Capital's investment philosophy is based on a long-term perspective, fundamental analysis and active stock-picking, combining growth with value.

The East Capital Eastern European Fund invests in shares of companies in the whole of Eastern Europe.

In order to capture the growth and the lowest valuations, the fund seeks investments in a very wide spectrum of countries, sectors and companies without country or sector limits. Two thirds of the portfolio consists of large or medium sized companies. The fund can have up to 10% of its net asset value invested in a single issuer, with most holdings being under 5%. The fund has a low turnover rate.

Performance



● East Capital Eastern European Fund (SEK)
● Benchmark¹

Performance (%)	East Capital Eastern European Fund			Benchmark ¹			Risk measures ²	East Capital Eastern Benchmark ¹ European Fund	
	USD	EUR	SEK	USD	EUR	SEK		SEK	SEK
March 2012	-3.2	-2.4	-1.9	-4.3	-3.5	-3.1	Volatility (%)	24	25
YTD	22.6	19.1	18.3	19.3	16.0	15.1	Sharpe ratio	0.8	0.7
2011	-30.5	-28.7	-29.3	-23.5	-21.5	-22.2	Alpha (%)	19	
2010	25.7	35.1	18.3	16.0	24.7	9.2	Beta	0.9	
2009	100.3	98.1	85.7	77.5	75.6	64.6	Tracking error (%)	7	
2008	-69.9	-68.8	-63.9	-68.4	-67.2	-62.0	Information Ratio	0.5	
Since inception	467.8	273.4	263.7	219.1	109.9	104.4	Consistency (%)	58	

10 largest holdings

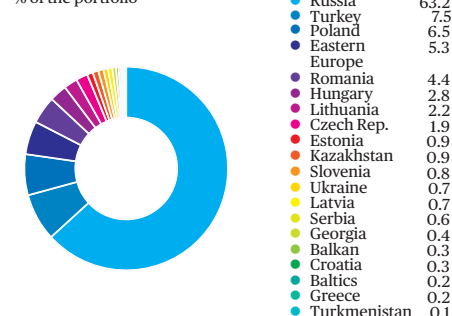
Company	% of the fund	1 M change	Country	Sector
Surgut NG	6.7	3.0	Russia	Energy
Lukoil	6.1	4.0	Russia	Energy
Sberbank	5.7	3.2	Russia	Financials
Gazprom	5.1	1.1	Russia	Energy
M.Video	3.3	1.5	Russia	Consumer Discretionary
MRSK Holding	3.0	3.0	Russia	Utilities
Fondul Proprietatea	2.4	1.2	Romania	Financials
Bashneft	2.3	1.0	Russia	Energy
FESCO	2.2	1.0	Russia	Industrials
Transneft	2.2	1.1	Russia	Energy

Sector weighting

Sector	% of the portfolio	% of the benchmark
Energy	32.6	42.9
Financials	29.3	24.8
Utilities	8.9	6.7
Industrials	7.6	1.3
Consumer Discretionary	7.0	1.0
Telecommunication Services	6.7	8.7
Materials	3.8	9.6
Consumer Staples	3.1	4.2
Health Care	0.7	0.6
Information Technology	0.3	0.3

Asset allocation by country

% of the portfolio



¹ MSCI EM Europe Index until 30.06.2010, MSCI EM Europe Index Total Return (net) from 01.07.2010.

² Risk measures of the funds and their indices are based upon monthly data from the latest 3 years. Sharpe ratio is based on an annual risk free rate of return of 3%.

Important notice

1. The Funds are investment funds established according to the Swedish Investment Funds Act (2004:46) (UCITS IV) and are managed by East Capital Asset Management AB which is a regulated fund management company supervised by the Swedish Financial Supervisory Authority.
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