

Alpcot Capital Management launches Europe's first actively managed equity ETF

Fund to offer investors the benefits of active management within an ETF structure

LONDON - 21 February 2012 - Alpcot Capital Management (Alpcot), a leading asset manager focused on investing in Eastern Europe, has today announced the launch of Europe's first actively managed equity ETF.

The physically-backed fund Alpcot Active Greater Russia aims to achieve long-term capital appreciation through investing in the securities of issuers based in the 'Greater Russia' region, i.e. Russia and other CIS region states. The Luxembourg-domiciled UCITS IV - compliant fund today lists its ETF Share Class on NASDAQ OMX in Stockholm, and is targeting retail and institutional investors locally, but is also open to professional investors across Europe. Alpcot Active is organised as an investment company registered under Part I of the Luxembourg law of 17 December 2010 on undertakings for collective investment.

The fund combines active management of its holdings with the liquidity, transparency and tradability benefits of an ETF. The fund's portfolio is separated into disclosed portfolio securities (DPS) and non-disclosed portfolio securities (NDPS). Alpcot will daily disclose the portfolio's DPS, which will typically amount to as much as 80 per cent of the portfolio, but will not reveal the NDPS on a daily basis. This partial disclosure will enable Alpcot to employ effective and active investment management and mitigate the risks of being exposed to front running and portfolio replication. The high degree of DPS will facilitate an efficient secondary market, but Alpcot will also provide a real-time indicative intra-day NAV as an estimate of the NAV per share over the course of the trading day. This will further improve the price mechanism on the secondary market. The fund will have a management fee of 1.4 per cent per annum. The level of management fee is very competitive for actively managed Russia-focused equity funds reflecting that the benefits of stock exchange distribution are passed on to investors.

Commenting on the launch of the fund, Alpcot partner Bjorn Lindstrom said: "The Alpcot Active Greater Russia Fund is Europe's first truly actively-managed equity ETF, and refutes the traditional argument that active fund management is impossible to combine with stock exchange distribution."

"Alpcot's approach captures the best of both worlds of investing, and is one that stays loyal to the original ETF concept by offering investors real-time trade execution and a high degree of transparency, while also allowing for effective active management to take place."

"From an investment perspective, the current turbulent markets and depressed equity valuations in the greater Russia region offer an excellent opportunity for long-term investors who are seeking an entry point to this fundamentally attractive market. However, it is also a less researched market, and the true value of opportunities in the region can only be exploited by experienced active managers."

Alpcot is an independent investment management company launched in 2005 by a group of investment professionals with significant experience of investing in Eastern Europe. The manager has over US\$300m in assets under management across asset classes, and has offices in London, Moscow and Kiev.

For additional comments, please contact

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About Alpcot Capital Management Ltd

Alpcot Capital Management Ltd ("Alpcot") is an independent investment management company focused on Eastern Europe. Alpcot is based in London, United Kingdom, and has representative offices in Kiev and Moscow. Alpcot's main business areas are mutual funds and alternative investments. Alpcot is authorised and regulated by the Financial Services Authority in the United Kingdom. Please refer to www.alpcot.com for additional information.