

Citadele Russian Equity Fund

Fund statement as of 31 March 2012

Investment Objective

The fund seeks a high level of capital growth by investing in a selected list of Russian companies equities exhibiting the highest growth potential, but which are currently undervalued. The fund is a diversified array of the most liquid equity holdings representing primarily the oil, gas, energy and telecommunications sectors. The fund's return is a combination of stock value growth and dividend payoffs. In line with the overall Russian equity market growth, the fund is allowed to invest in regional companies, as well as construction, metallurgy, and transportation sectors of the Russian economy.

Portfolio Manager's comments for March

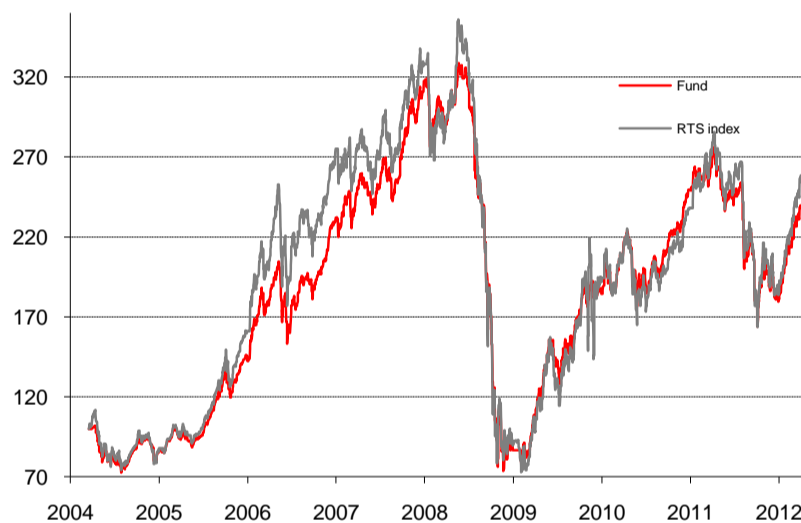
The Fund declined 2.9% in March, outperforming its benchmark index. Sector-wise, the top negative contributors were metals, mining and energy sectors. On the contrary, some modest positive performance came from the consumer discretionary sector with Severstal Avto and Rosinter leading ahead. Among individual names Sberbank, Gazprom, Lukoil and Rosneft were the most significant laggards.

During the month, the Fund invested into gold mining stocks, namely Polyus Zoloto and Petropavlovsk. Within the sector, we sold out Polymetal, following the delisting of its depository receipts from the London Stock Exchange. However, we currently watch to invest into the primary shares of the company in the same exchange as we consider the company to be adequately priced. In addition, the Fund invested into the shares of Mobile Telesystems, which has a decent dividend yield and a promising potential due to the expected rise of revenues from data services. Overall, the Fund's trade turnover was moderate and by the end of March our cash position stood at around 4.4% of the net asset value.

Looking forward, we still believe that situation in the EU banking system, Chinese economy and global central banks' decisions will set up the stage for the following market dynamics. Hydrocarbons market juncture is also a very important factor, as many global investors frequently take exposure on oil play via Russian energy stocks. As far as local factors are concerned, investors expect a clearer situation about the coming Government, which must be formed by the newly elected president soon. The possible increase of dividend payout ratio in state owned companies, advances in WTO accession process and on-going reporting season can be viewed as most viable positive drivers for Russian equities.

| | |
|-------------------------------------|----------------------------|
| Date of inception | 17/03/2004 |
| Legal Status | UCITS III Latvia domiciled |
| Base currency | USD |
| Fund size | USD 10.06 mln |
| Minimum Subscription | 1 investment certificate |
| NAV | 22.81 |
| Number of Holdings | 48 |
| Load fee | up to 2.5% |
| Management fee | 2.00% p.a. |
| Benchmark | RTSI\$ (USD) |
| ISIN code | LV0000400190 |
| Riga Stock Exchange, Bloomberg code | PXSPKAFR, PARRUEQ LR |
| VALOR number | 2390580 |
| Issue/Redemption | Daily |
| Distribution Dividends | Reinvested |
| Morningstar | ★★★★ |

Indexed performance since inception vs. Benchmark



| Ratios | 1 year | 3 years | 5 years |
|----------------------|--------|---------|---------|
| Volatility | 30.95% | 28.46% | 38.60% |
| Alpha | -0.40% | 0.11% | 0.00% |
| Daily Tracking Error | 14.96% | 17.23% | 30.29% |
| Sharpe Ratio* | -0.63 | 1.00 | -0.09 |
| Information Ratio | 0.04 | -0.26 | 0.05 |
| Max Drawdown** | 25.24% | 25.24% | 58.64% |

* Risk free rate: 3M LIBOR USD

** Max Drawdown is calculated as the max drop of 30D roll return

Top 10 Holdings

| | |
|----------------|---------------|
| Transneft | 5.67% |
| Sberbank | 5.40% |
| Surgutneftegaz | 4.85% |
| TNK | 4.67% |
| Lukoil | 4.22% |
| Gazprom | 3.67% |
| Rostelecom | 3.54% |
| Rosneft Oil | 3.06% |
| Magnit | 2.87% |
| Polymetal | 2.78% |
| TOTAL: | 40.73% |

Performance as at 31/03/2012

| | |
|----------------------------|---------|
| YTD | 18.68% |
| 1 month | -2.89% |
| 3 months | 18.68% |
| 6 months | 19.80% |
| 1 year | -18.71% |
| 3 years annualised | 29.81% |
| 5 years annualised | -1.85% |
| Since inception | 128.10% |
| Since Inception annualised | 10.80% |

Calendar Year Performance

| | |
|---------|---------|
| 2004*** | -14.16% |
| 2005 | 65.39% |
| 2006 | 62.92% |
| 2007 | 36.90% |
| 2008 | -72.73% |
| 2009 | 125.40% |
| 2010 | 35.09% |
| 2011 | -27.11% |

*** - From 17/03/04

Portfolio Composition



Sector Breakdown

