

## PRESS RELEASE

7 August, 2012

### East Capital launches new Russia fund

In order to exploit the potential of the strong domestic Russian economy, East Capital launches a new alternative fund, the East Capital Russia Domestic Growth Fund. The fund is expected to have its first closing around end of August.

Despite the uncertain global economic outlook across the globe, the Russian economy continues to buck the trend, demonstrating impressive growth rates. In addition to unemployment, inflation and interest rates are also at record lows whilst wages have risen rapidly. As a result, domestic consumption has been particularly strong.

*"Under current market conditions there are good investment opportunities in a number of companies with exposure to the growth of the domestic economy sectors in Russia,"* said Aivaras Abromavicius, partner and senior advisor at East Capital.

The aim of East Capital Russia Domestic Growth Fund is to create a concentrated portfolio of between 10 and 20 different companies which generate at least half of the revenue in Russia. They will be listed companies with a market capitalization of above USD 500 million.

*"Companies exposed to the domestic economy have consistently been delivering higher growth in revenue than export-led companies. We expect that trend to continue. It has been reflected by the share prices, as companies focusing on the domestic market have outperformed export oriented stocks that are dependent on global demand,"* said Aivaras Abromavicius.

The fund will operate across all sectors and invest in securities that are believed to be undervalued and so have significant performance potential. East Capital will be an active manager in the fund's portfolio investments, through board member nominations and shareholder actions in order to protect minority rights and improve corporate governance standards, when required.

East Capital Explorer AB, a Swedish listed entity investing mainly in East Capital's alternative funds, has committed to invest EUR 15 million in the first closing of the fund, which is domiciled in Luxembourg and open to other institutional and qualified investors.

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#### About East Capital

East Capital is the leading independent asset manager specializing in the emerging markets of Eastern Europe and China. The company, founded in 1997, bases its investment strategy on thorough knowledge of the markets, fundamental analysis and frequent company visits by its investment teams. East Capital actively manages EUR 3.5 billion in public equity, private equity and real estate. It is headquartered in Stockholm, with offices in Hong Kong, Kyiv, Moscow, Oslo, Paris, Shanghai and Tallinn.

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