

**Parex Baltic Sea Equity Fund
Appendix to the Prospectus**

**On the procedure for distribution of investment certificates of
Parex Baltic Sea Equity Fund in the Republic of Latvia**

The provisions contained in this appendix set procedure for the distribution of investment certificates of Parex Baltic Sea Equity Fund (hereinafter – the Investment certificates) in the Republic of Latvia.

Joint Stock Company “Parex Banka”, address: Smilšu street 3, Riga LV 1522, hereinafter – “Parex Banka”, is the distributor in Latvia of investment certificates of UAB “Parex investiciju valdymas” investment funds, including “Parex Baltic Sea Equity Fund”, and offers to its customers (hereinafter - the Customers) an opportunity to acquire and to transact with Investment certificates pursuant to the conditions prescribed below.

In order to acquire and to transact with Investment certificates, a Customer shall open a Financial instruments account and a Cash account (cash account for financial instruments transactions) with "Parex Banka". In order to open a Financial instruments account and Cash account, a Customer shall sign a contract with “Parex Banka”. Opening and servicing of a Financial instruments account and Cash account with “Parex Banka” follows rules and procedures for opening and servicing of a Financial instruments account and Cash account approved by “Parex Banka”.

“Parex Bank” shall ensure that information about the Fund, opening and servicing of Financial instruments accounts and Cash accounts and other information required by law is available to Customers, also on the relevant section on the Internet website www.parex.lv.

“Parex Banka” distributes Investment certificates only in registered form. “Parex Banka” distributes redeemable Investment certificates whose value on the date of the Fund’s commencement was equal to LTL 100.00 (one hundred) litas.

When a Customer has purchased the Investment certificates, “Parex Banka” registers them in the Customer’s Financial Instruments account in the Customer's name. For each record “Parex Banka” issues to the Customer a statement confirming a transaction with Investment certificates. A Customer has the right to receive statements of a Financial instruments account in accordance with the contract.

TRANSACTIONS WITH INVESTMENT CERTIFICATES

A Customer who has opened a Financial instruments account and Cash account has the right to conclude Investment certificate purchase-sales contracts – including contracts for

distribution of Investment certificates (purchase of Investment certificates), for sales (redemption of Investment certificates), regular purchase or sales. The minimum number of Investment certificates to be purchased is determined by UAB "Parex investiciju valdymas", the minimum amount of investments is 1,000 (one thousand) litas. The maximum amount of investments or number of Investment certificates has not been determined.

Contracts concluded by a Customer for transactions with Investment certificates are fulfilled within three business days if they are submitted and paid up until 12.00, and within four business days – if after 12.00 on the day of conclusion of the contract. One additional business day is necessary for fulfilment of concluded contracts if the day when they are received happens to be a holiday in Lithuania. "Parex Banka" is not obliged to fulfil contracts and ensure trading on the days that are national holidays in Latvia, even though those might be business days in Lithuania.

The payment for purchase of Investment certificates shall comprise an exact currency and amount that the Customer has designated in the contract for purchase of Investment Certificates, unless a different agreement has been reached with "Parex Banka".

A Customer may indicate in the Investment certificate purchase-sales contract (and pay with or receive) any freely convertible currency for the purposes of settlement. "Parex Banka" automatically converts the Customer's money for fulfilment of Investment certificate purchase/redemption contract to the relevant currency at the "Parex Banka's" commercial exchange rate on the day when the contract was concluded.

VALUE OF INVESTMENT CERTIFICATES

Value of Investment certificates (hereinafter, the Value) is the Fund's net asset value per Investment certificate (see Article 24 of the Prospectus "Rules for determining SC sales and redemption prices"). In addition to the Value of Investment Certificates, a Customer pays to "Parex Banka" a commission for execution of Investment certificate purchase contract. Upon submission of the transaction Order neither "Parex Banka", nor the Customer know the Value – it is calculated by UAB "Parex investiciju valdymas" at the end of each business day for the Lithuanian office, and it is published on the next business day.

INVESTMENT CERTIFICATE PURCHASE CONTRACTS

Investment certificate purchase contracts are executed at the Value applicable for the day when the Investment certificate purchase contract is executed. For execution of the Investment certificate purchase contract the Customer shall pay to "Parex Banka" a commission in accordance with the Prospectus, and such commission shall not exceed 5 (five) percent of the amount of the Customer's Investment certificate purchase contract.

INVESTMENT CERTIFICATE REDEMPTION CONTRACTS

Investment certificate redemption contracts are executed at the Value applicable for the day when the redemption Order is executed. No commission is charged for a redemption Order.

INFORMATION ABOUT THE FUND

General information about the Fund is available on the Internet at the relevant sections of websites www.parexinvest.lt and www.parex.lv and/or by calling investment experts of "Parex Banka". Investment experts of "Parex Banka" provide more detailed information about the Fund and investments in the Fund.

The Values of Investment certificates are available on the Internet in website www.parexinvest.lt and relevant section of website of "Parex Banka" – www.parex.lv. Information about the Value of Investment certificates is available to the Customers also by contacting an investment expert of "Parex Banka".

A Customer can publicly (via Internet website) access the Fund Rules and the Prospectus. Any amendments to the Fund Rules or Prospectus or any other important information about the Fund, which shall be provided to the investor in accordance with the normative acts, will be placed on the Internet website (www.parex.lv).

A Customer can access the Fund's annual and semi-annual reports on the website (www.parex.lv). The annual report comprises audited financial reports of the Fund. The semi-annual report comprises unaudited financial reports of the Fund. The reports are provided for free to all Customers that have requested so in writing.

GOVERNING LAW

The legal relationship between a Customer and "Parex Banka" arising from Investment certificates shall be governed by the Republic of Latvia law, unless otherwise provided by binding normative acts.

AMENDMENTS

"Parex Banka" shall have the right to unilaterally amend this Appendix subject to approval from the Financial and Capital Market Commission. Information about any amendments shall be freely accessible to the Customers.

On behalf of the JSC "Parex Banka",

V. Kargins
Chairman of the Executive Board
President