

Parex Asset Management

Discover Investment Opportunities in the Baltics and the CIS

April 2010



Who we are

- The leading investment specialist and wealth management service provider in the Baltics
- Headquartered in Latvia with on-the-ground presence in Russia, Ukraine, Belarus, Lithuania and Kazakhstan
- Established track record in the market goes back to 1996
- In-house managed strategies for clients seeking exposure to the Baltics and the CIS assets
 - Built over the years investment expertise in the Baltics, CEE and the CIS markets
- Wealth management services for regional clients
 - Prime focus on generating absolute returns in all market conditions
- Portfolio management services for local institutions
- Open architecture platform allows to focus on client needs
 - Products of the leading investment managers, covering all investment strategies, asset classes, broad geography and economic sectors
- Broad client base:
 - Serves more than 200,000 clients, high net worth individuals, corporates, institutional investors
- Team of more than 50 seasoned professionals with local and international experience
- Subsidiary of Parex banka (main shareholders 75% Latvian Privatization Agency, 25% European Bank of Reconstruction and Development)



Portfolio Management and Research



Edgars Makarovs, Head of Portfolio Management

Member of Investment Committee and Board Member

Mr. Edgars Makarovs, is Head of Portfolio Management since 2002 and is currently supervising the team of client portfolios and funds. He has been with Parex Group since 1999. Mr. Makarov began his career as a financial market analyst in Investment Planning and Strategy Department at Parex banka and was involved in the Bank's proprietary portfolio management. Since 2005 he is a member of Investment Committee for all Parex managed investment funds and pension funds. Edgars holds a Master's degree of Science in Business Administration from University of Latvia.



Zigurds Vaikulis, Head of Research

Member of Investment Committee and Board Member

Mr. Zigurds Vaikulis is in charge of research, with specific focus on Forex, interest rates and macro. Mr. Vaikulis is responsible for the corporate investment outlook development, which includes global asset allocation and investment strategies for PAM investment and pension funds and client portfolios. Prior to joining Parex Asset Management in 2002 Mr. Vaikulis has served as an analyst in Capital Markets Division at Parex banka for two years. He is a board member of Parex Asset Management and also serves as co-head of Economic and Monetary Affairs Committee with Association of Commercial Banks of Latvia. He received his bachelors degree in Economics and Management from the University of Latvia in 1998.



Janis Vizbulis, Head of Real Estate, Parex Asset Management

Member of the Real Estate Investment Committee

Mr. Janis Vizbulis is Head of Real Estate Project Management Department. He is directly responsible for Real Estate management process: projects selection, evaluation , implementation and development and serves as a member of Investment Committee for all Parex managed property funds up to 100 mln. EUR (Baltics and Ukraine) and portfolios since 2003. He is a Chairman of the Real Estate Evaluation Expert Committee in Parex banka. Prior to joining Parex in 2003, Mr. Vizbulis served as a Project Manager and Managing Director at Skanska Real Estate development in Latvia, subsidiary of Skanska Central Europe, one of the leading global construction groups. He has Civil Engineer Degree from Agriculture University of Latvia and a Master's degree in Business Administration from University of Latvia.



Parex Asset Management Management Board



Roberts Idelsons, CEO and Chairman of the Board

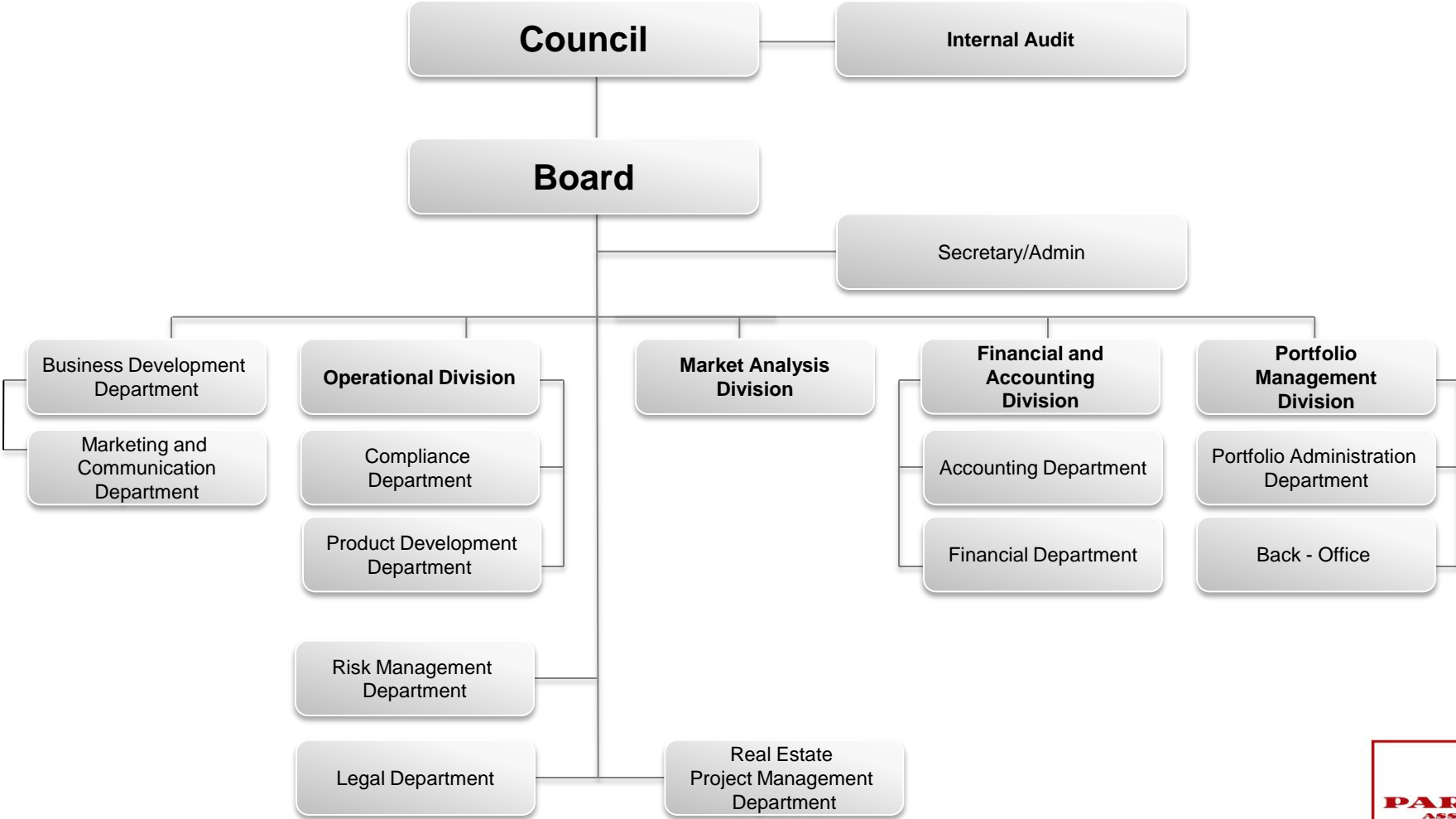
Roberts Idelsons joined Parex Group in 2003 from Suprema, Latvian subsidiary of a pan-Baltic investment bank where he served as Managing Director. During his career Mr. Idelsons has held senior positions in various local banks and asset management companies. Mr. Idelsons is a member of the Supervisory Council of *Latvian Central Depository* and the President of *Latvian Association of Securities Market Professionals*.

PAM: Members of the Board

Roberts Idelsons	Chairman of the Board
Elena Coleman	Board Member
Edgars Makarovs	Board Member
Zigurds Vaikulis	Board Member
Igors Petrovs	Board Member



Parex Asset Management Organisational Structure



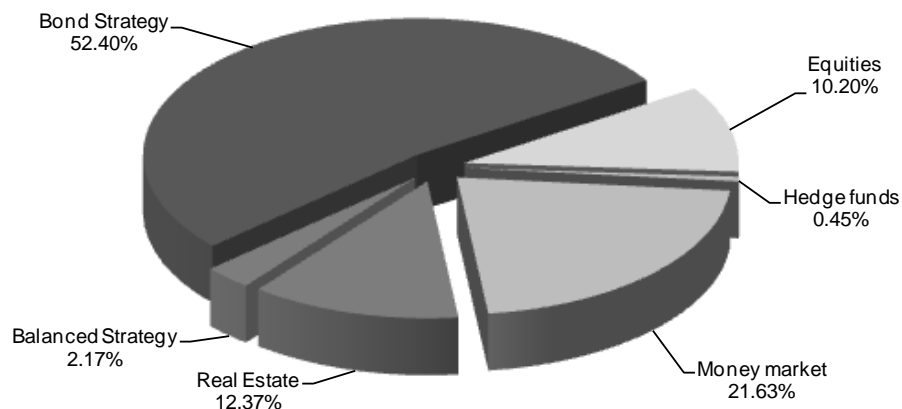
Parex Asset Management

Our Core Business

Fund Management

- Regional Equity funds
- Regional Fixed Income and Balanced funds
- Real Estate funds investing in the Baltics and Ukraine
- Tailor-made solutions
- Pension fund management
- Institutional portfolio management

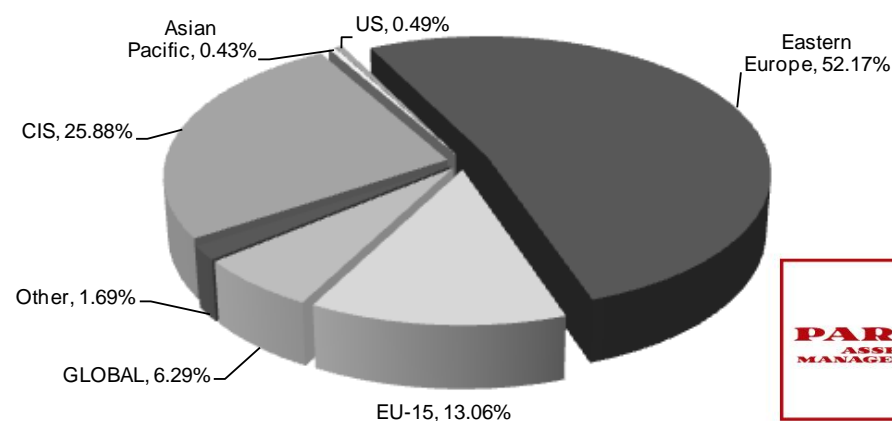
Asset Allocation by Asset Class *



Wealth Management

- Global asset allocation for local clients
- Core client base– Baltics and Former Soviet Union
- Service platform in Latvia and Switzerland
- Over 20 000 products from leading fund managers covering all asset classes and geographical regions

Asset Allocation by Region *



Our Vision and Mission

PAM Vision

- To provide value added services and investment solutions to international clients
- To be the leading investment management service provider in the Baltics

PAM Mission

- Meeting customer needs with innovative and competitive products
- Investments of time and effort to build long-term relationships with clients
- Value creation in order to enable sustainable growth
- Thorough attention to risk mitigation and risk management



Parex Investment Funds

Fixed Income Funds

Parex Eastern
European Bond
Fund
(USD)

Parex Ukrainian
Bond fund
(UAH)

Parex Baltic
High Yield fund
(EUR)

Balanced Funds

Parex
Eastern European
Balanced fund
(EUR)

Parex
Ukrainian
Balanced fund
(UAH)

Equity Funds

Parex
Ukrainian Equity
fund
(EUR)

Parex
Baltic Sea
Equity fund
(EUR)

Parex Caspian
Sea Equity fund
(EUR)

Parex
Russian Equity
fund
(USD)

Funds of Funds

Parex Strategic
Allocation
Funds
(USD, EUR)

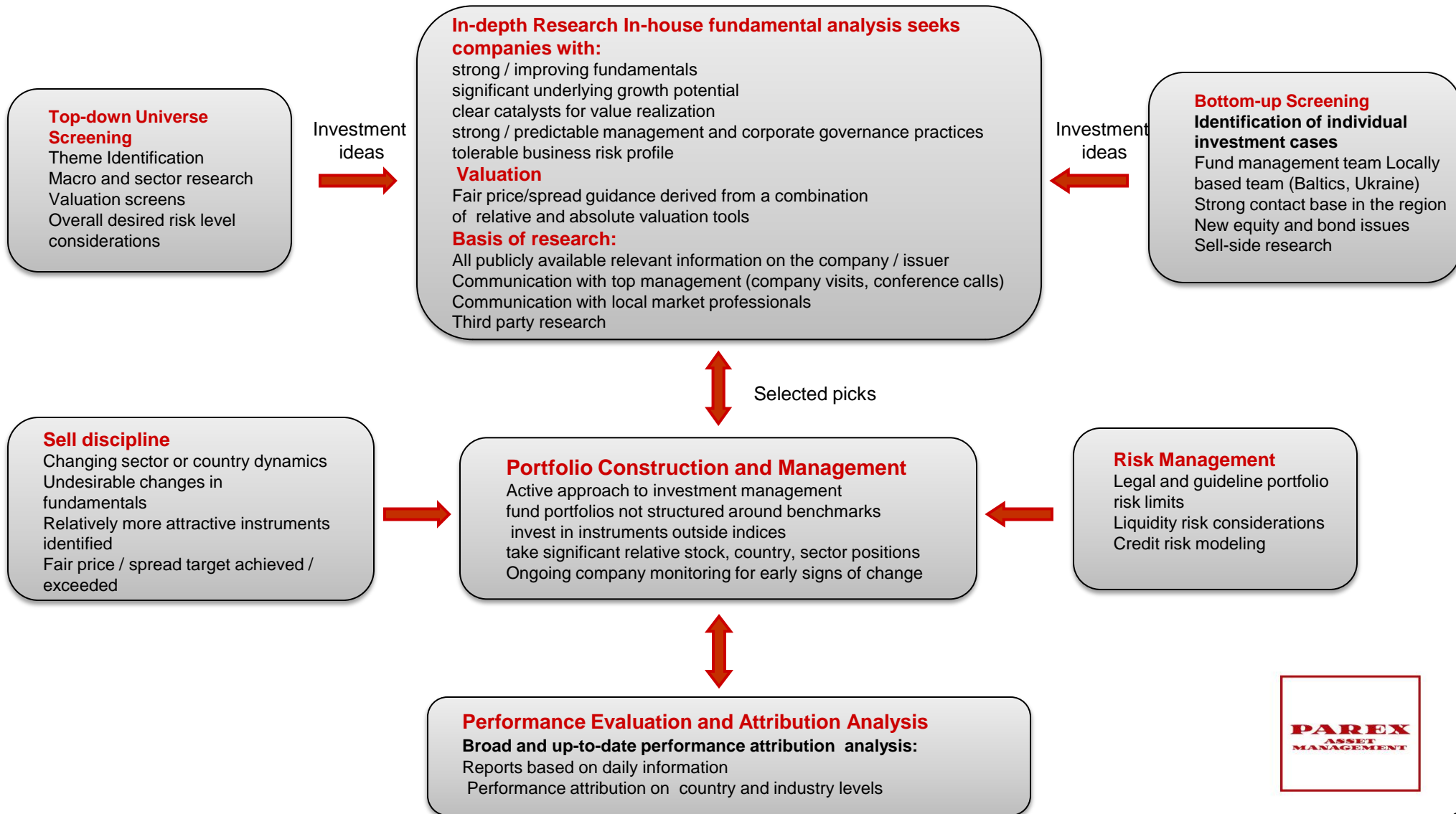
Real Estate Funds

Parex Baltic
Real Estate
Fund II
(EUR)

Parex
Ukrainian Real
Estate Fund
(UAH)



Parex Asset Management Investment Process



Risk Management and Compliance

- Weekly and monthly risk and performance measurements
- On-going limits control procedures
- Detailed review of funds' performance and risk attributions, main risk drivers and Value-at-Risk on a monthly basis
- Investment funds and pension schemes
 - Investment guidelines by investment committee
 - Investment decisions on the basis of investment guidelines
 - Control performed by Portfolio Accounting Department and Risk Management Department
- Discretionary portfolio management
 - Portfolio management is based on individual investment policy and Investment recommendations from Market Analysis Division
 - Monthly risk management reports
- Reporting
 - Detailed monthly report for all clients
 - Position reports and performance report
- Consistent upgrade of Anti-Money Laundering Program
 - PAM's policies, procedures, and practices are designed to be in compliance with:
 - Local regulatory requirements in AML
 - Latvian Financial and Capital Market Commission Guidelines
 - FATF 40+9 Recommendations
 - Best Practices as Discussed in Basel and Wolfsberg AML Papers
 - U.S. Patriot Act, AML Regulations



Corporate Governance

- Parex Asset Management is regulated by the UCITS directive and is supervised by Financial and Capital Markets Commission in Latvia
- The Code of Conduct: The Company is committed to provide superior services to its clients and practicing sound, transparent and responsible business at all times
- The Company complies with MiFID regulation, implemented in Latvian laws
- Independent Supervisory Council

Parex Asset Management is committed to comply with the best practices in corporate governance



Fund Performance as at 30/04/2010

Fund	Currency	1 month	YTD	2009	Since Inception
Parex Eastern European Bond Fund	USD	1.31%	10.86%	67.89%	62.30%
Parex Eastern European Balanced Fund	EUR	1.09%	11.07%	55.83%	48.50%
Parex Russian Equity Fund	USD	-0.44%	15.63%	125.40%	125.70%
Parex Baltic Sea Equity Fund	EUR	1.81%	11.14%	38.59%	26.14%
Parex Caspian Sea Equity Fund	EUR	0.00%	16.49%	84.76%	-54.80%
Parex Ukrainian Equity Fund	EUR	1.56%	52.34%	29.70%	-67.40%
Parex Baltic Real Estate Fund II	EUR	-0.03%	-0.27%	-28.19%	-50.50%
Parex Ukrainian Bond Fund	UAH	0.69%	7.27%	10.70%	74.20%
Parex Ukrainian Balanced Fund	UAH	3.67%	22.66%	12.52%	80.80%

More information about Parex funds can be found on www.bloomberg.com, www.rfb.lv and www.parexgroup.com



Superior Market Research Capabilities

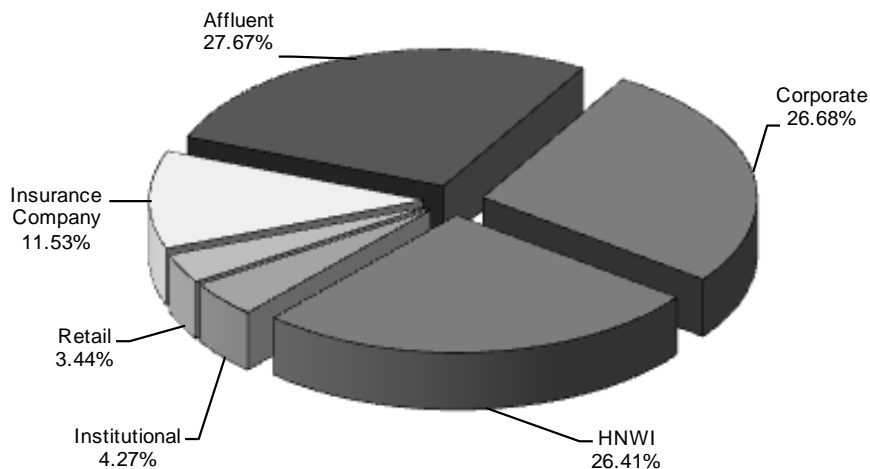
- Research team of 10 professionals with core expertise in Central and Eastern Europe
- On-the-ground presence in Moscow and Kiev provides input to Riga-based research
- Synergy between fund managers and analysts ensures a more in depth market knowledge and more thorough research
- Major themes, markets covered:
 - Eastern European fixed income and equities (Caspian region, Ukraine, Baltics, Russia)
 - Regional and global macro, interest rates, currencies, global investment strategies
- Weekly, monthly, quarterly market reports, investment strategies, client notes
 - Research reports and notes sent to over 2 000 subscribers globally
- Frequent company visits across the region
- *Parex banka* outsources global macro research to PAM Team
 - Latvian and Baltic general macro research and forecasts
 - Research on specific industries (banking, real estate etc.)
 - CEE and CIS macro coverage
 - Global macro outlook
- PAM market research serves as an opinion leader in the Baltic market
- Being a part of the Soviet Union in the past, we have intimate understanding of underlying processes driving investment environment in the region
- <http://www.pam.lv/en/sections/view/market-research>



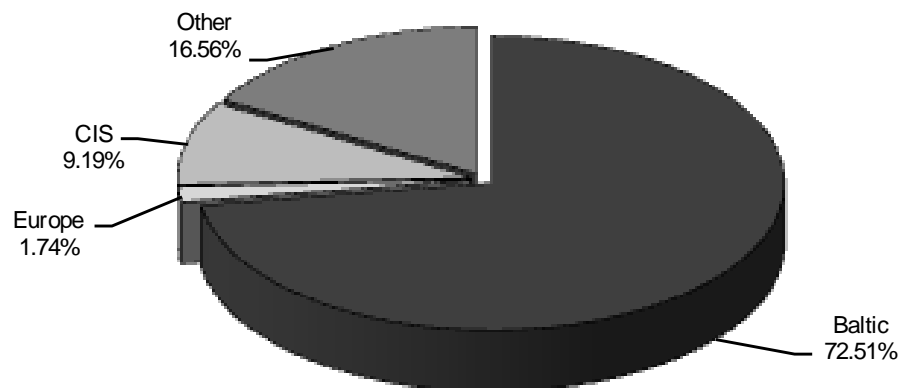
Parex Asset Management

Our Clients

Type *



Origin *



NASDAQ OMX NASDAQ OMX Riga
(Riga Stock Exchange)



Pirmais Slegtāis Pensiju Fond SPF
(The largest private pension fund in Latvia)



NESTOR Osteuropa Bond Fond
(Germany)



World Investment Opportunities funds
(Asset Management, Luxembourg)



Banque Privée Edmond de Rothschild S.A.
(Switzerland)

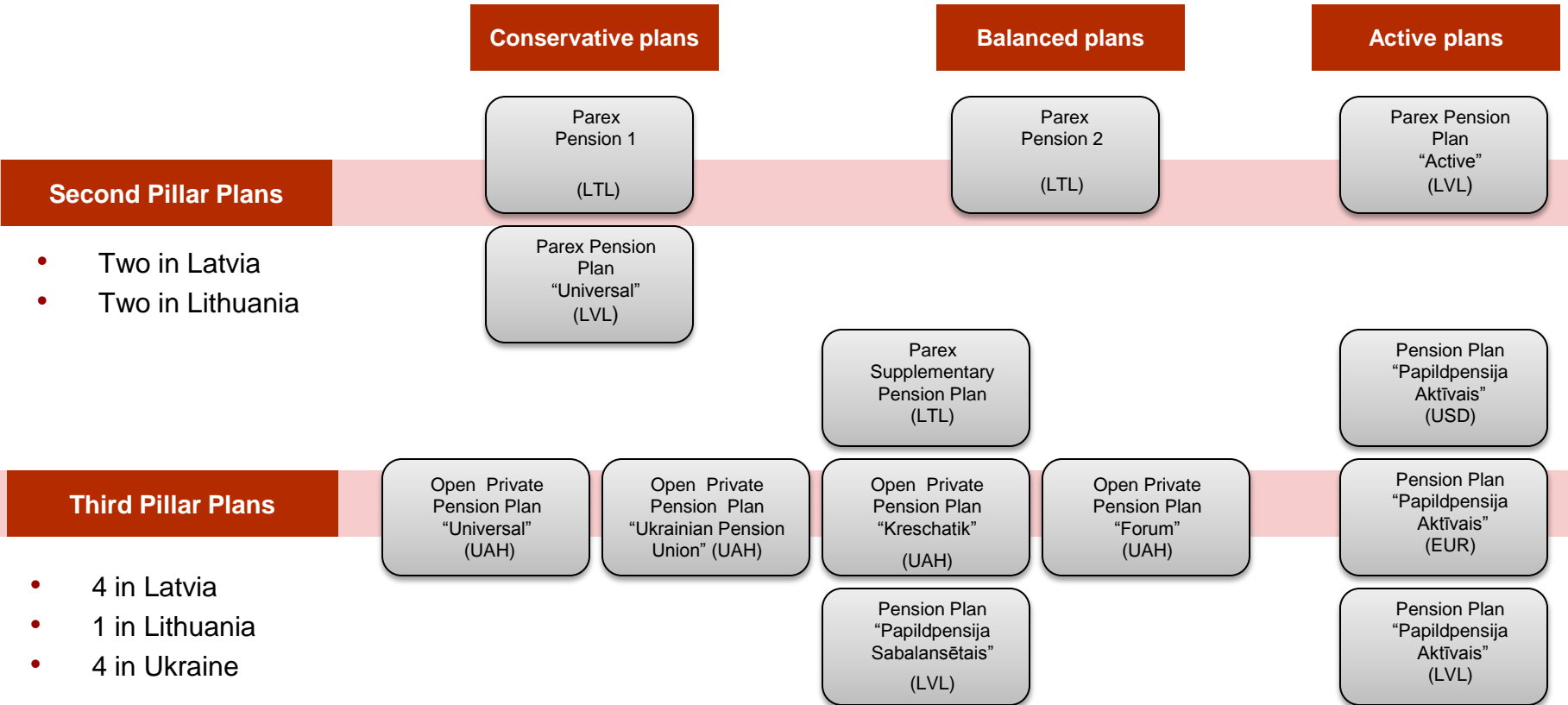


Ukio Bankas
(Lithuania)



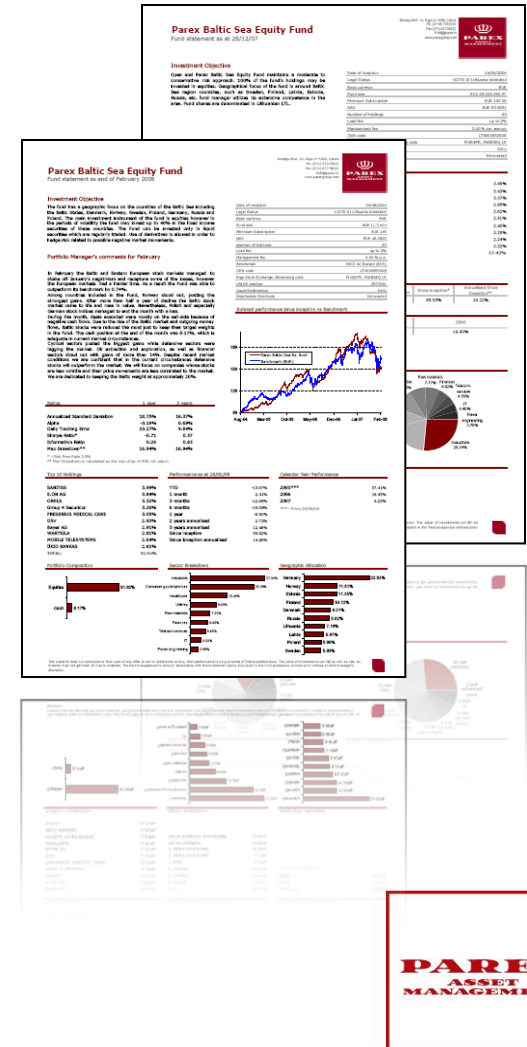
Parex Asset Management

Parex Pension Plans

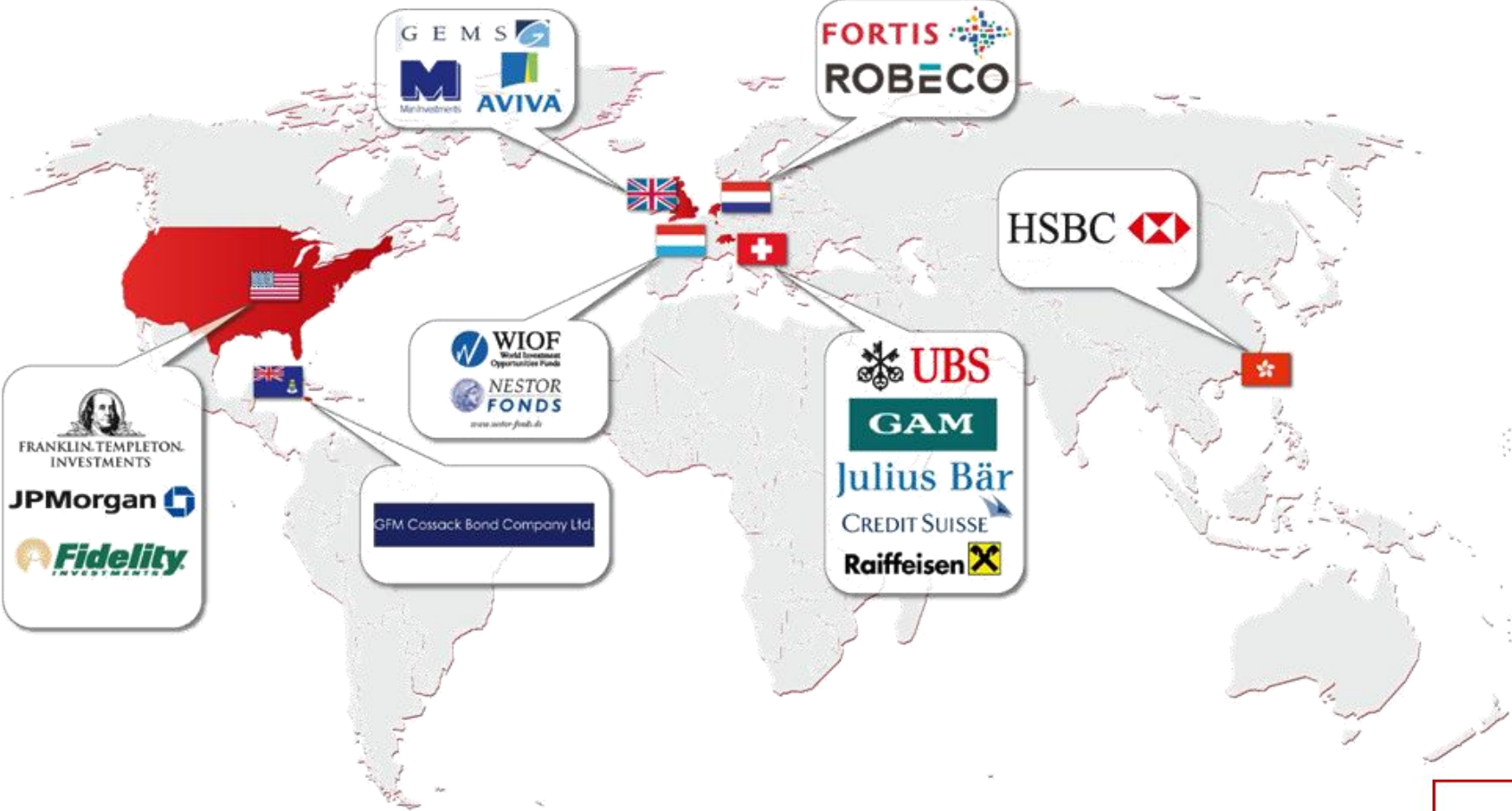


Value added customer relations

- Regular distribution of fund performance highlights (fact sheets and presentations) to international clients
- International roadshows:
 - *Baltic & CIS Investment Day* - annual seminar for European institutional investors
- Regular events for private and institutional clients in the Baltics and the CIS
- Quarterly Investor Conference Calls with fund managers
 - Fund managers are also available for conference calls on demand by international institutional investors



Our Partners



Parex Asset Management

Stages of Development



Parex Asset Management International Presence



LATVIA
Pension funds
Mutual funds
Discretionary portfolio management
Sales & Distribution
Research
Real Estate fund Management



LITHUANIA
Pension funds
Mutual funds
Discretionary portfolio management
Sales & Distribution



UKRAINE
Pension funds
Mutual funds
Discretionary portfolio management
Sales & Distribution
Research
Real Estate fund Management



SWITZERLAND
AP Anlage und Privatbank AG,
subsidiary of *Parex banka*



REPRESENTATIVE OFFICES / CROSS BORDER REGISTRATION



Russia



UK



Sweden



Germany



Kazakhstan



Belarus



International Recognition



Since 2006 Parex Asset Management is ranked one of the top 400 largest investment managers by Investments & Pension Europe Magazine



Parex Asset Management was named European Specialist Investment Firm 2007 by Funds Europe magazine



Parex Asset Management was named the best real estate investment management company in Latvia in 2008 by *Liquid Real Estate magazine*



The Company was ranked number one in the categories:

- Best range of investment products
- Best fixed income portfolio management
- Best equity portfolio management
- Precious metals investment
- Foreign exchange



Parex Asset Management

Contact Details

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