



Riga, June 30, 2009

To the Investors of open-ended investment funds "Parex Eastern European Balanced Fund", "Parex Eastern European Bond Fund", "Parex Eastern European Local Currency Bond Fund", „Parex Balanced Fund”

Regarding the merger of open-ended investment funds "Parex Eastern European Balanced Fund", "Parex Eastern European Bond Fund", "Parex Eastern European Local Currency Bond Fund", „Parex Balanced Fund” under the management of „Parex Asset Management” IPAS

To enhance the efficiency of Funds performance as well as to optimize Funds administration expenses, the Board of "Parex Asset Management" IPAS (Company) has made a decision to merge the open-ended investment funds under its management - "Parex Eastern European Balanced Fund", "Parex Eastern European Bond Fund", "Parex Balanced Fund" and "Parex Eastern European Local Currency Bond Fund”.

On June 19, 2009, Financial and Capital Market Commission made a decision to allow the merger of 4 (four) aforementioned open-ended investment funds under the management of Company into a single open-ended investment fund "Parex Eastern European Fixed Income Funds" with 2 (two) sub-funds:

Sub-fund „Parex Eastern European Bond Fund” will be formed from the current open-ended investment fund „Parex Eastern European Bond Fund”. All Investors will become the Investors of sub-fund „Parex Eastern European Bond Fund”, retaining the current number of the investment certificates and the current amount of investments at the moment of merger.

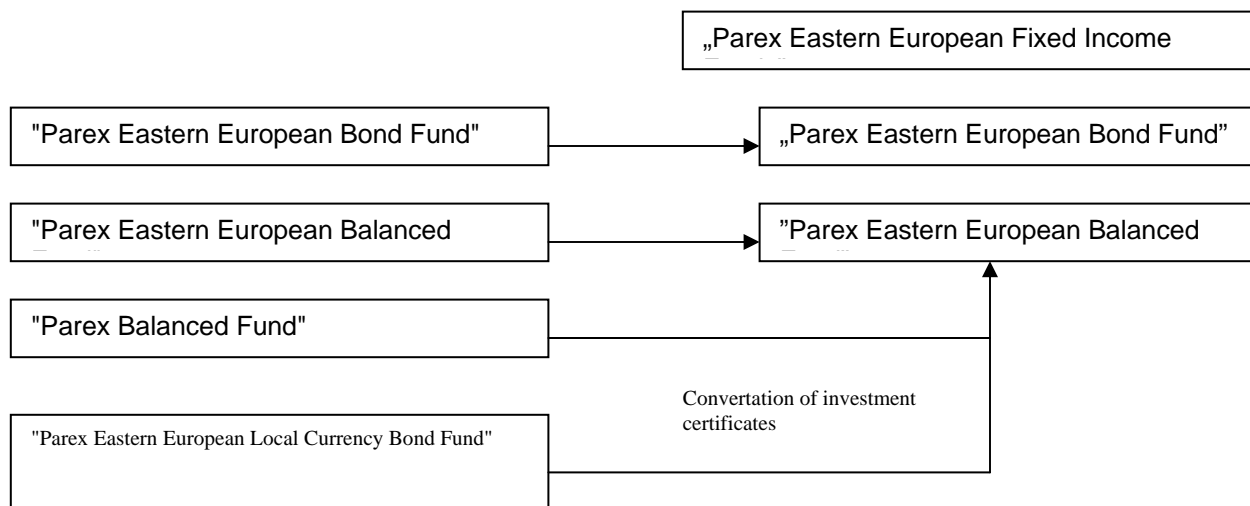
The base currency of the sub-fund is USD.

Sub-fund "Parex Eastern European Balanced Fund" will be formed by adding open-ended investment funds "Parex Eastern European Local Currency Bond Fund" and "Parex Balanced Fund" (ceases to exist on the day of merger – July 20, 2009) to the open-ended investment fund "Parex Eastern European Balanced Fund". All Investors of open-ended investment funds "Parex Eastern European Local Currency Bond Fund" and "Parex Balanced Fund" will become the Investors of sub-fund „Parex Eastern European Balanced Fund” retaining the current amount of investments at the moment of merger. The number of the investment certificates of Investors of open-ended investment funds "Parex Eastern European Local Currency Bond Fund" and "Parex Balanced Fund" within a new sub-fund "Parex Eastern European Balanced Fund" will be proportional to the current amount of investments of each Investor at the moment of merger divided by value of the investment certificate of the open-ended investment fund "Parex Eastern European Balanced Fund" at the moment of merger. As the base currency of the sub-fund "Parex Eastern European Balanced Fund" is EUR, but the base currency of the open-ended investment fund "Parex Balanced Fund" is LVL, the currency will be converted on July 20, applying the market exchange rate as at July 17.

The base currency of the sub-fund is EUR.

The decision of Financial and Capital Market Commission to allow the merger of the Funds and to register a new open-ended investment fund will become effective in one month after announcing this decision to Company, ie. on July 20, 2009. In order to ensure the implementation of the decision, from 17 July to 20 July Company will suspend the issue and redemption of the investment certificates of funds undergoing merger. The issue and redemption of the investment certificates of sub-funds "Parex Eastern European Balanced Fund" and "Parex Eastern European Bond Fund" of fund "Parex Eastern European Fixed Income Funds" will be renewed starting 21 July 2009.

The Scheme of Merger



During the merger process of the open-ended investment funds "Parex Eastern European Balanced Fund", "Parex Eastern European Bond Fund", "Parex Balanced Fund" un "Parex Eastern European Local Currency Bond Fund" the rights of investors will be abided by as the current amount of each Investor's investments will remain unchanged, ensuring that during this period each Investor is provided with the possibility to exercise their rights in full as stated in the Fund prospectus... Fund investors have the rights to request the redemption of investment certificates, and according to Fund prospectus no commission fee will be applicable for this operation. The application of redemption of fund investment certificates can be submitted to Company no later than on July 17, 6.00 p.m. (Latvian time). Redemption of investment certificates will be carried out in the established order stated in Fund prospectus.

The documents of the open-ended investment fund "Parex Eastern European Fixed Income Funds" and announcement to the Investors of the open-ended investment funds "Parex Eastern European Balanced Fund", "Parex Eastern European Bond Fund", "Parex Balanced Fund" and "Parex Eastern European Local Currency Bond Fund" are available on our web site www.parex.lv or can be acquired by visiting our office in Riga, 14 Z.A.Meierovica boulevard , 1st floor, during business hours from 9.00 to 18.00.

Sincerely yours,
"Parex Asset Management" IPAS