



Wermuth Asset Management GmbH
Press Release

January 8, 2010

The Greater Europe Fund Ltd. up 222% in 2009 vs. 129% for the Russian RTS index.

The top performing fund between Q1 1998 and Q2 2008 is back to top of league tables in 2009.

Investors who invested in The Greater Europe Fund Ltd. on 31 January 2009 earn 256%.

We are happy to announce that The Greater Europe Fund Ltd. has delivered an outstanding performance in 2009.

After the set-backs and mark-downs of 2008, the fund's valuations have rebounded in 2009 and done well compared to peers. Gains of 222% in 2009 make the fund one of the best-performing ones globally. It won Barclays Hedge awards for its performance in September 2009. For the full year, we expect it to take top positions in terms of performance in its category.

At Troika's Russia Forum in February 2009 Jochen Wermuth, chief investment officer of Frankfurt-based Wermuth Asset Management, was quoted by Reuter's as one of the last bulls on Russia: "...despite the gloom, some investors were still bullish", such as Jochen Wermuth who pointed out that ... "You have some assets here with a 25 percent dividend yield." (*Reuter's*, 5 February 2009 <http://www.reuters.com/assets/print?aid=USL440401820090205>).

Investors who followed his advice at the time and invested on 31 January 2009 in The Greater Europe Fund Ltd. have earned some 256%, or \$1m invested has turned into \$3.6m. New investments at the time were actually \$3.1m – they are now worth \$11.0m.

Please find below a letter to investors from Jochen Wermuth, Chief Investment Officer.

"Dear Co-investors,

After the unprecedented equity market sell-off in 2008 the year 2009 was like a breeze of fresh air. From early-on, we have pointed out the potential of Russian securities: at the beginning of the year equities traded at a trailing p/e ratio of 3.5 while sovereign bonds reached a spread of 1,000 bps over US Treasuries. This was a once-in-a-lifetime buying opportunity. As risk assets were re-rated globally Russia became one of the major beneficiaries: the blue chip RTS index gained 129% over the course of 2009.

For experienced investors such a performance may have sounded the alarm bells. The upside potential of the most liquid stocks is indeed limited by now, and some of them are even overvalued. We therefore urge investors to have a look at some neglected sectors. Our top-pick in 2010 is electricity distribution where new regulation, based on market principles, will dramatically improve the earnings outlook. We intend to be very selective in 2010 - the most successful strategy will be stock-picking rather than broad market exposure.

After having been among the world's best-performing funds on a risk adjusted basis for over a decade (March 1998 to March 2008), the Greater Europe Fund Ltd. (GEF) suffered a severe setback in 2008, due to very unusual circumstances which were partially outside our control. It meant that protective measures could not be implemented. We are happy to report that in 2009 GEF was back to its usual outperformance. We expect to continue in this fashion. Unlike many other funds which have reset their high water marks and thus started to charge performance fees even before investors got their money back, we have not and will not reset the high water mark. We are committed to work as long as it takes, and as much as is required, to make our investors whole again. We intend to reach the high water mark through years of good performance.

On 24 October 2009, Wermuth Asset Management organized its first investor conference in Moscow, attended by the Senior Advisory Board and the funds' directors. We encourage you to participate in meetings planned for this year:

- 26-27 March 2010, at the Oxford and Cambridge Club in London
- 29-31 July 2010 at the Marriot Courtyard Hotel in Moscow, with on-site visits by investors during the following days
- you may also want to participate in the 14th St. Petersburg International Economic Forum on 17-19 June 2010 to learn more about Russia first-hand and to enjoy the festivities of the "White Nights". For details, see <http://www.forumspb.com/mains/eng/>.

Let us know whether you want to come to Russia, plan to join us at any of these events, or just like to visit our Wiesbaden or Moscow offices. We always appreciate meeting you.

Yours sincerely,

Jochen Wermuth"

Background information:

Jochen Wermuth, Chief Investment Officer of Wermuth Asset Management GmbH, is German and was

- head of the EU- and World Bank-financed Economic Expert Group under the Russian Ministry of Finance between 1993 and 1997, participated in IMF and World Bank loan negotiations
- member of the management committee which set up Deutsche Bank Russia between 1997 and 1998; as head of debt origination he raised \$8bn of debt for Russia
- founder of Wermuth Asset Management GmbH and adviser to the Greater Europe Funds; over ten years they have invested more than \$1.5bn into Russian capital markets, real estate and private equity

Wermuth Asset Management GmbH is the exclusive adviser to four investment vehicles which combined have some \$300m in assets under management. It specializes in value investing and friendly activism, bottom-up and macro economic analysis. Its regional focus is Eastern Europe, in particular Russia and the countries of the former Soviet Union.

Contact persons:

Natalia Kozlovskaya
Client Services and Marketing Officer
phone +7 495 580 7303
Fax: +7 495 580 7302
natalia@wermutham.com

Dieter Wermuth
Partner and Economic Advisor
phone +49 611 7239 040
or +49 699 5925 478
dieter@wermutham.com

Sitz der Gesellschaft: Frankfurt/Main
FFM HRB 51884 USt-ID-Nr. DE 200110358
Geschäftsführer: Jochen Wermuth, Michael Hyuk Choi

HypoVereinsbank
BLZ: 503 201 91
Konto-Nr.: 367 905 310