

RUSSIAN PROSPERITY FUND EURO

K units

Simplified Fund Prospectus – 31 October 2011

KEY INFORMATION

Fund Management Company:

Seligson & Co Fund Management Plc
Erottajankatu 1-3, FI-00130 Helsinki, Finland
Phone: +358 9 68178200 Fax: +358 9 68178222
Web: www.seligson.fi E-mail: info@seligson.fi
Portfolio Manager: Mr. Jonathan Aalto, jonathan.aalto@seligson.fi

Investment Advisor:

Prosperity Capital Management Group
Phone: Moscow +7 4959612810, London +44 2072996950
Web: www.prosperitycapital.com

Status & domicile:

Open-ended (daily traded), UCITS, Finland

Size: 121,1 million euro (October 31, 2010)

ISIN code: FI0008808183

Inception: March 2000

Latest update of fund rules: 16 June 2010

Unit type:

K-shares (sold outside Finland and Sweden) - accumulating, no yearly dividend

(A-shares exist for Finnish and Swedish investors)

NAV/Price release:

Daily – www.seligson.fi/english, OMX Helsinki, Bloomberg (SELRPEK FH), etc.

Fees:

Management & Custody fee: 2.9% p.a.

This fee covers all the expenses of the Management Company and Custodian. It is calculated daily and deducted daily from the value of the Fund.

Subscription fee:

EUR	5 000 - 49 999	2,50%
	50 000 - 99 999	2,00%
	100 000 - 199 999	1,50%
	200 000 - 299 999	1,00%
	300 000 =>	none

Anti-dilution fee (credited to the fund):

0,5% - for redemptions within 6 months of subscription

Minimum initial subscription: euro 25 000,

Additional subscriptions: in euro 5000 increments

Fund's bank account:

NORDEA BANK, HELSINKI, WTC
IBAN: FI32 1805 3000 0003 22
BIC: NDEAFIHH



The Power of Simplicity.

RUSSIAN PROSPERITY FUND EURO

Russian Prosperity Fund Euro is an actively managed equity fund specializing in the Russian market.

Prosperity Capital Management Group (PCM) acts as the Investment Advisor to the Fund.

The Fund is best suited as a diversifying component of a broader, long term equity portfolio. The Fund is UCITS III compliant.

INVESTMENT POLICY

The Fund invests in the Russian equity markets and, on a smaller scale, also in other neighboring CIS markets. The long term objective of the Fund is to provide a return higher than the RTS1-Interfax index as calculated by the Russian Trading System.

The Fund has a long only “fundamental value” strategy, selecting well-managed companies benefiting from Russia’s fast-developing market economy. The Fund takes positions in mainly blue chips - allowing the Fund to offer daily liquidity. But by harnessing PCM’s unique experience and contact network across corporate Russia, it also invests in mid-cap restructuring situations, providing high-return opportunities.

THE INVESTMENT ADVISOR

PCM is among the largest portfolio investors operating in Russia today. Founded in 1996, PCM has consistently topped performance charts for emerging market funds. The firm has built a reputation for its thorough research and "active" investment approach. PCM is now a major shareholder in some of the leading companies in Russia, Ukraine and Central Asia – holding board seats accounting for around 45% of the total assets under management.

PCM’s international client base includes international pension funds, insurers, endowments, family offices and private banks, as well as sovereign wealth funds. PCM has a strong presence in Moscow - with around 20 staff based in offices close to Red Square - with an office in London. The majority of the staff are Russian.

The company's philosophy is "long-only/activist" and use no leverage. Investments are made on a fundamental value basis, using a bottom-up approach, with top-down themes. The Fund’s portfolio tends to be concentrated, but adheres to UCITS diversification rules.

SUBSCRIPTION OF FUND UNITS

Fund Units may be subscribed on every Finnish banking day. Units are subscribed by paying the desired amount in euro to the Fund’s bank account and notifying Seligson & Co Fund Management by phone, fax, or e-mail (name, address, contact details).

First-time subscribers are required to fill out and sign a Customer Agreement and return it to Seligson & Co Fund Management.

The subscription date and price are those of the following Finnish banking day after the payment has arrived into the Fund’s bank account, regardless of the date of payment or any advance notices or requests. Subscriptions are registered at the NAV of the relevant subscription date.

REDEMPTION OF FUND UNITS

Fund Units may be redeemed on every Finnish banking day (except in circumstances detailed in the Fund’s rules). Redemption requests can be made by phone, fax, or e-mail. The redemption date and price are those of the following Finnish banking day after the request has arrived to Seligson & Co Fund Management. Redemptions are registered at the NAV of the relevant redemption date and paid out in accordance with the Fund’s Rules.

Please remember that electronic media, especially e-mail, are not fully reliable – make sure you receive a confirmation!

In connection with phone redemptions, the customer number and other identification details will be asked.

The redemption proceeds will only be paid to the bank account stated in the signed Customer Agreement. Possible changes of bank accounts must be made in writing signed by the authorized person(s).

MONEY TRANSFERS

All money transfers shall be made in euro. The Fund does not accept subscriptions in other currencies. The Fund does not pay any costs related to money transfer or currency exchange for subscriptions or redemptions other than those arising from regular money transfers for the payments of redemption proceeds.

The manner and timeliness of bank transactions is never the responsibility of the Fund nor of the Fund Management Company.

IMPORTANT

The information in this Simplified Prospectus is for investors domiciled outside Finland and Sweden where only “K” shares are offered. The information is valid as of the date on the cover, unless otherwise stated. This publication and the current Rules of the Fund, confirmed by Finnish Financial Supervision and available at the Fund Management Company, form the Fund Prospectus. An Annual Report and Quarterly or Semiannual Reports are also published and available at the Fund Management Company. A list of possible errors in the calculation of the net asset value of the fund is viewable by unit holders at the company’s offices at Erottajankatu 1–3, 6th floor, FI– 00130 Helsinki, Finland. The subscription and redemption fees published in this prospectus only apply to orders placed directly with the Fund Management Company. When operating through a fund broker or other distributor, investors should take into account their specific conditions.

This Simplified Prospectus does not constitute an offer or solicitation (i) by anyone in any jurisdiction in which it is illegal, (ii) where the person making an offer or solicitation is not qualified to do so, or (iii) to anyone to whom it is illegal to make or offer a solicitation. It is the responsibility of prospective subscribers of units to inform themselves as to, and to observe, the legal requirements, exchange control regulations and applicable taxes to which they are subject. The Fund Management Company may restrict or prevent the ownership of units by any person, firm or corporate body including, but without limitation, any US Person.

ADMINISTRATION

The Fund Management Company

The Fund is administered by Seligson & Co Rahastoyhtiö Oyj (in English: Seligson & Co Fund Management Plc). The company was founded in 1997, is domiciled in Helsinki, Finland, and operates as a licensed and supervised fund management company.

The Group’s parent company is Seligson & Co Oyj, which is majority owned by its employees and management.

Seligson & Co has stated policies for its services, the main tenets being to act openly and responsibly, to bring true added value, and to treat all of its funds’ investors equitably .

Seligson & Co Fund Management and its parent company manages and/or acts as representative to a broad selection of funds.

Seligson & Co Fund Management applies a maximum valuation error margin of +/- 0.1% of NAV before fund values are re-stated.

Board of Directors of the Fund Management Company

The Board currently consists of three members of which one is always selected by fund unit holders.

Auditors of the Fund and the Fund Management Company

KPMG Oy Ab (Helsinki, Finland), Mr Timo Nummi being responsible auditor and Mr Marcus Tötterman his deputy. The auditors elected by the unit holders’ representative board are Mrs Paula Pasanen and Mrs Eija Kauppi-Hakkarainen (deputy).

More information and current names of persons in fiduciary positions can be requested from the company or may be found on the company’s web site (www.seligson.fi).

Custodian

The Fund’s custodian is Seligson & Co Oyj, domiciled in Helsinki, Finland. The Custodian is authorized to use sub-custodians. The Custodian’s main businesses are proprietary asset management and custody operations.

Supervising authority

Seligson & Co Fund Management and its mutual funds are supervised by the Finnish Financial Supervision (address: Snellmaninkatu 6, P.O. Box 159, FI – 00101 Helsinki, Finland; www.fin-fsa.fi/en).

TAXATION

The Fund

Under current law, mutual funds registered in Finland are tax exempt. They do not pay tax on capital gains from securities transactions or withholding tax on interest income. They do, where applicable, pay withholding tax for international dividend income. In most cases, the level of such withholding tax is governed by a bilateral agreement between Finland and country of domicile of the company paying the dividend.

Unit holders

It is the responsibility of prospective investors to inform themselves as to the tax and other consequences to them of buying, holding, selling (or otherwise transferring) or redeeming units under the laws of country or countries in which they are or may be taxable.

RISK

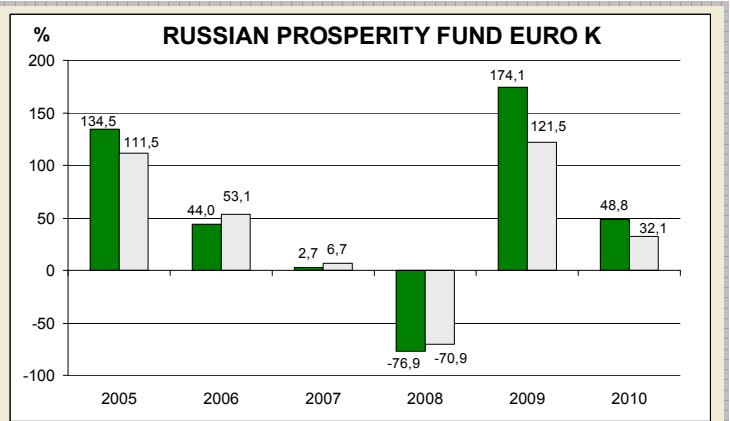
The Fund's investments may be subject to political, economic and currency risks and the risk associated with investing in underdeveloped legal, regulatory and accounting environments. In addition, the markets in which the fund invests are volatile, and have limited liquidity, transparency and depth, which may make it difficult to achieve a desired purchase or sale price for investments at any particular time. Please contact the Fund Management Company for more detailed information about the risks associated with the Fund.

HISTORICAL RETURN

Historical annual returns of the Fund and its benchmark.

Green bar = Fund
Grey bar = RTS1—Interfax

PLEASE NOTE that historical returns are no guarantee of future returns and the value of a fund investment may increase or decrease and an investor may lose a significant portion of the assets invested. We recommend careful examination of the Fund’s rules before investing.



KEY RATIOS, 1-12/ 2010

TER 1 / Total Expense ratio 1 : 3,00%

This ratio shows the expenses charged from the fund as a percentage of the average assets of the fund during a given period. The ratio includes the management fee, custodian fee, and any possible legal, administrative and banking fees. It does not, however, include the fund’s trading expenses. Overall, trading expenses in the Russian market are normally not explicit commission, but trades are executed “at spread”.

Portfolio Turnover: -83,57%

This ratio shows what proportion of the Fund’s securities are traded in a given period of time. The ratio is calculated by adding together the amount of purchases and sales of securities (sum 1) and subtracting the total of subscriptions and redemptions (sum 2). Portfolio turnover is the ratio achieved by dividing this difference (sum1 minus sum 2) by the average assets of the fund during a given period. For example a turnover ratio of 100% would indicate a level of activity in which all of the securities in the portfolio have been traded on average once during that year. A negative figure means that the volume of subscriptions and redemptions has been higher than trades to manage the investment portfolio.

SELIGSON & CO

Seligson & Co was founded in 1997 to produce cost efficient investment services for long-term investors. We serve both private and institutional customers.

We are a majority employee and management owned independent asset manager focusing on what is truly best for our customers. Usually this equates with patience and cost efficiency.

We concentrate on helping our customers meet their long-term investment objectives with time tested investment services that are fair and easy to understand, that lead to superior long term results – for our customers.



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