

East Capital (Lux) Eastern European Fund

Simplified Prospectus | August 2010

IMPORTANT INFORMATION

This simplified prospectus contains key information about East Capital (Lux) Eastern European Fund (the "Compartment"). If you would like more information before you invest, please consult the most recent full prospectus (the "Full Prospectus") of East Capital (Lux) (hereinafter the "Fund"). Unless defined in this document, defined terms shall bear the same meaning as in the Full Prospectus. For details about the Compartment's holdings, please see the most recent periodical report.

The rights and duties of the investor as well as the legal relationship with the Fund are laid down in the Full Prospectus. The Full Prospectus and the periodical reports may be obtained free of charge from the Fund.

INVESTMENT OBJECTIVE

The Compartment will invest principally in securities of issuers domiciled in, or exercising a predominant part of their activity in Eastern Europe namely in Albania, Armenia, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, The Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine. The Compartment may also invest up to one third of its assets in securities of issuers domiciled in, or exercising a predominant part of their activity in Austria, Azerbaidjan, Cyprus, Greece, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. The Compartment may also invest in securities (such as ADRs and GDRs) giving exposure to the above securities.

At least 75% of the Compartment's assets will be invested in equity or equity-related securities.

The Compartment may hold liquid assets on an ancillary basis. Under normal market conditions, investment in liquid assets and debt instruments of any kind will not exceed 25% of the Compartment's assets.

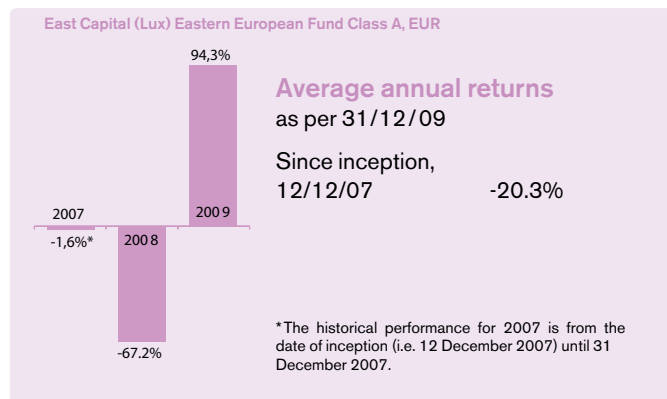
The Compartment may use derivative techniques and instruments for efficient management and hedging purposes on an ancillary basis.

When investing in Russia, the Compartment may only invest in securities listed on the RTS Stock Exchange, on the Moscow Interbank Currency Exchange and on any other regulated markets in Russia.

COMPARTMENT'S RISK PROFILE

As the Compartment primarily invests in a portfolio of Eastern European equities the Compartment is subject to stock market fluctuations, interest rates or currency fluctuations and to the risk inherent in all investments. Therefore, no assurance can be given that the invested capital will be preserved, or that capital appreciation will occur.

PERFORMANCE OF THE COMPARTMENT



Performance data does not take into account commissions and costs incurred upon the issue and redemption of each share.

PERFORMANCE DISCLAIMER

Past performance is not necessarily a guide to future performance. Investors may not get back the full amount invested, as prices of shares and the income from them may fall as well as rise.

PROFILE OF THE TYPICAL INVESTOR

The Compartment mainly invests in the emerging markets of Eastern Europe. Whilst the long-term growth potential of East European emerging markets make this Compartment very attractive for investors looking for high investment returns, investors in the Compartment need to be comfortable with the additional political and economic risks associated with emerging market investments. The Compartment may, therefore, be suitable for investors who already have a globally diversified portfolio and now want to expand into riskier assets in order to potentially boost returns. Because emerging stock markets are very volatile, investors should also have a five-to-ten year investment horizon.

TREATMENT OF INCOME

The Compartment pursues a policy of achieving capital growth and reinvests income earned; as a result no dividend shall be paid out. However, it is the intention of the Board of Directors to distribute substantially all the income attributable to Class B and Class D Shares. Subject to any legal or regulatory requirements, dividends may also be paid out of the capital attributable to such Classes of Shares.

COMPARTMENT EXPENSES

The Compartment will pay out of its net assets a management fee, accrued daily and payable on a monthly basis, which is based on the net asset values of the shares during the relevant period.

The maximum management fees for the Compartment amount to 2.50% per annum for Class A Shares, Class B Shares and Class F Shares and 2.00% per annum for Class C Shares and Class D Shares.

CACEIS Bank Luxembourg is entitled to a variable custodian fee (as percentage of the average of the net assets of the Compartment) between 0.05% and 0.50% per annum, depending on the assets, the geographical investment areas and/or the size of the Compartment. In addition to transaction-based fees, it is also entitled to a variable administration fee (as a percentage of the net asset value) of up to 0.06% per annum and a fixed annual fee of EUR 30,000.

SHAREHOLDERS EXPENSES

Subscription fee

up to 5% (3% in respect of Class F Shares) of the net asset value of the shares being subscribed.

Redemption fee

up to 1% of the net asset value of the shares being redeemed.

Conversion charges

None

Distribution fee

up to 0.5% of the net asset value of Class F Shares may be charged annually for the benefit of distributors and other financial intermediaries.

TAXATION OF THE COMPARTMENT

The Compartment is not subject in Luxembourg to any taxes on income or capital gains. However, pursuant to Council Directive 2003/48/EC of 3rd June 2003 on taxation of savings income implemented in the Luxembourg law by a law of 31st June 2005, a withholding tax may be applicable. Further details are provided in the Full Prospectus. The only tax to which the Compartment is subject is the *taxe d'abonnement* at a rate of 0.05% per annum based on the net asset value of the Compartment or at a reduced rate of 0.01% per annum based on the net asset value of classes of shares which are reserved for institutional investors.

Interest and dividend income received by the Compartment may be subject to non-recoverable withholding tax in the countries of origin. The Compartment may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

The effects of investment in the Compartment on the tax bill of an individual investor are dependent on the fiscal regulations applicable to that individual. Please consult your distributor or other professional adviser for further information.

PRICE PUBLICATION

The net asset value of each Class shall be calculated on any valuation day, being any day that is a bank business day in Luxembourg and Sweden (a "Business Day") and which is also a day where stock exchanges and regulated markets in countries where the Compartment is materially invested (more than 25% of the Compartment's assets) are open for trading. The Business Days which are not valuation days will be available at least one week in advance at the registered office of the Fund and on the following website: www.eastcapital.com. The net asset value per share of each Class as well as the issue and redemption prices will be made public at the offices of the Administration Agent. Details on suspension of the calculation of the net asset value and of the issue, redemption and conversion of shares are provided in the Full Prospectus.

HOW TO BUY/SELL/CONVERT SHARES

You can buy, sell and convert shares via CACEIS Bank Luxembourg.

In order to be dealt with on a specific valuation day, any requests for subscriptions, redemptions and conversion needs to be received by CACEIS Bank Luxembourg prior to 12 noon Central European Time ("CET") on such valuation day. Such requests will be dealt at the net asset value per share determined on that valuation day. Individual redemption requests exceeding EUR 10 million (based on the latest available net asset value) must however be received by CACEIS Bank Luxembourg by 12 noon CET three bank business days before the applicable valuation day, unless otherwise decided by the Board of Directors (subject to treating in the same manner all redemption requests exceeding EUR 10 million placed to be dealt with as at the same valuation day).

For any request for subscriptions, redemptions and conversions received by CACEIS Bank Luxembourg after the applicable cut-off time, the net asset value applicable will be the net asset value as calculated on the following valuation day.

Further details are provided in the Full Prospectus.

SUBSCRIPTION/REDEMPTION INFORMATION

The Compartment contains Class A Shares, Class B Shares, Class C Shares and Class D Shares which are each available in Euros and US Dollars.

The Compartment also contains Class F Shares which are available in Euros. In addition, subscription, redemption and conversion requests for Class F Shares shall also be accepted by Caceis Bank Luxembourg in the following currencies: US Dollar (USD), Czech Koruna (CZK), Slovak Koruna (SKK), Lithuanian Litas (LTL), Latvian Lats (LVL), Ukrainian Hryvnia (UAH), Russian Rouble (RUB), Croatian Kuna (HRK), Romanian Lei (ROL), Estonian Kroon (EEK), Hungarian Forint (HUF) and Polish Zloty (PLN) (each an "Alternative Currency").

The minima indicated below in EUR and USD for each Class of Shares of the Compartment respectively apply to the Euro and US Dollar Classes of Shares.

Investments in Shares of Class A and Class B shall be subject to the following minima:

Minimum initial subscription:	EUR 1,000 / USD 1,000
Subsequent minimum subscriptions:	EUR 1,000 / USD 1,000
Minimum holding:	EUR 1,000 / USD 1,000

Investments in Shares of Class C* and Class D* shall be subject to the following minimum initial subscription and minimum holding:

EUR 2,000,000 / USD 2,000,000

Investments in Shares of Class F shall be subject to the following minima:

Minimum initial subscription:
EUR 1,000 or its equivalent in any Alternative Currency
Subsequent minimum subscriptions:
EUR 1,000 or its equivalent in any Alternative Currency
Minimum holding:
EUR 1,000 or its equivalent in any Alternative Currency

** These shares shall be reserved for investments made by investors qualifying as institutional investors within the meaning of article 129 of the Luxembourg law of 20 December, 2002.*

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ADDITIONAL INFORMATION

Legal structure:

The Compartment is a compartment of the Fund. The Fund is an open-ended Luxembourg investment fund with multiple compartments organised as a "société anonyme" incorporated on 13 November 2006. The Fund is organised under Part I (UCITS) of the Luxembourg law of 20 December 2002 on undertakings for collective investment, as amended, as a self-managed "Société d'Investissement à Capital Variable", for an unlimited period. It currently comprises six compartments in operation which are described in the Full Prospectus.

Registered Office:

5, allée Scheffer, L-2520 Luxembourg

Investment Manager:

East Capital AB, Kungsgatan 33, Box 1364
SE-111 93 Stockholm, Sweden

Administrative Coordinator:

East Capital Advisory S.A., 5, allée Scheffer, L-2520 Luxembourg

Custodian and Central Administration:

CACEIS Bank Luxembourg, 5, allée Scheffer, L-2520 Luxembourg

Auditor:

KPMG Audit S.à r.l., 9, allée Scheffer, L-2520 Luxembourg

Promoter:

East Capital Holding AB, Kungsgatan 30, Box 1364
SE-111 93 Stockholm, Sweden

Supervisory Authority:

Commission de Surveillance du Secteur Financier, Luxembourg

Launch Date:

12 December 2007

FURTHER INFORMATION

Please contact CACEIS Bank Luxembourg
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