

# Magna Eastern European Fund



The Magna Eastern European Fund seeks to achieve capital growth by investing in a diversified portfolio of Eastern European, including Turkish, Securities.

The Magna Eastern European Fund is a sub-fund of the Magna Umbrella Fund plc.

## Key Characteristics

30 – 60 Holdings  
Tracking Error Target 6% – 10%  
Stockpicking focus

## Fund Facts

Structure	UCITS
Domicile	Ireland
Registrations	AT CH DE DK FI FR GB IT LU NL SE SG
Launch Date	14 Jul 1998
Income	Accumulated
Daily Dealing	12 noon (Dublin time)
Dealing Cut-off	T - 1
Number of Holdings	38
Cash Weight	1.3%
Tracking Error	6.5% (ex-post)
Fund Size	EUR 33.9m
Benchmark	MSCI EM Europe 10/40 Index
Portfolio Advisors	Stefan Herz, Nick Page Robert Bonte-Friedheim

## NAV Data

Open Share Classes	EUR	GBP	USD
C Shares	35.655		
R Shares	7.787	6.669	10.463
Closed Share Classes	EUR	GBP	USD
A Shares	24.308		
D Shares			8.393

Charlemagne Capital is the source of all information  
All data as at 30 Nov 2011

## Commentary

November 2011

Eastern European markets were broadly lower in November as the ongoing euro zone sovereign debt crisis continued to preoccupy financial markets, though Russia held up relatively well, supported by an oil price that remained around USD 110 per barrel for Brent crude.

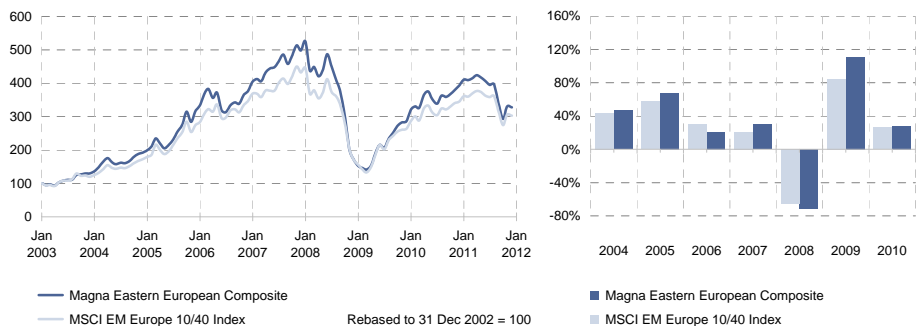
The Fund benefited from an off-benchmark position in Koza Gold, the Turkish gold miner, whose shares were 13% higher despite little net movement in the gold price as its parent company, Koza Holding, announced a rights issue. This prompted a sell-off in the parent company, with many investors seeming to migrate to its gold mining subsidiary. The overweight position in the Russian holding company Sistema also added value as its shares rose 19% after its wireless operator subsidiary MTS reported strong third quarter results.

On the downside, the Czech bank Komerční was 10% lower on fears that its majority owner, the French bank Société Générale may be forced to sell some part of its holding to boost its own capital. Russian retailer X5 lost 11% despite encouraging third quarter numbers as investors sold shares to fund participation in the Magnit rights issue. Of the two retailers, we continue to prefer X5 which has better longer term prospects available at a more attractive valuation.

Amongst changes to the portfolio, we have further added to our position in Gazprom, Russia's largest company, following recent talk of a significant increase in its dividend payout, supported by a marked cutback in capital expenditure next year. This suggests that it may be beginning to take greater account of its minority investors, a tendency that may also be evident amongst other Russian state-controlled companies. Valued at just two and a half times current earnings, given that the state has until now appropriated much of its cash flow, the stock could provide exceptional returns if its policy towards minorities really has changed.

Elsewhere, the Fund's position in the Turkish white goods manufacturer Arcelik was divested in favour of a new position in the construction group Enka. This reflects some concern for Arcelik's exports to western Europe as well as the relatively defensive nature of Enka's business, with significant exposure to both Russia and the Middle East.

## Gross EUR Performance



Period to 30 Nov 2011	Composite	Index
1 Month	-0.7%	-0.9%
3 Months	-2.7%	-3.4%
From 31 Dec 2010	-20.2%	-16.2%
1 Year	-16.6%	-12.2%
<i>Annualized data:</i>		
3 Years	23.7%	20.7%
5 Years	-2.7%	-2.7%
Since inception (31 Oct 2002)	14.3%	12.8%

Calendar Year	Composite	Index
2010	28.1%	26.2%
2009	110.6%	84.1%
2008	-71.0%	-65.1%
2007	29.9%	21.0%
2006	21.2%	29.9%
2005	67.4%	57.6%
2004	46.6%	44.0%

The Magna Eastern European Composite is based on all share classes of the Magna Eastern European Fund. Composite performance figures are shown gross, ie before fees, in EUR. The Index is the MSCI EM Europe 10/40 Index (MSCI EM Eastern Europe Index Russia @ 30% prior to 30 Jun 2006). Performance figures are annualized for periods in excess of one year. Charlemagne Capital claims compliance with the Global Investment Performance Standards (GIPS®), as verified for the period 1 June 2000 through 30 June 2011 by Ashland Partners. A copy of the verification report and a presentation that adheres to GIPS standards are available upon request.

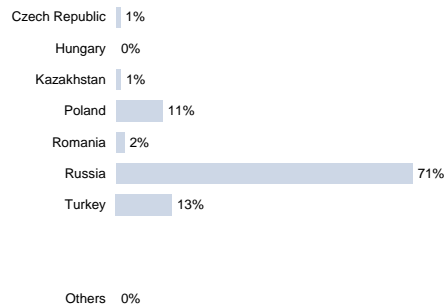
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Portfolio Data as at 30 Nov 2011

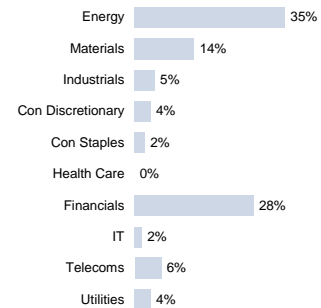
## Top 10 Holdings

Company Name	Country	Sector
Federal Grid	Russia	Utilities
Gazprom	Russia	Energy
Koza Gold	Turkey	Materials
LUKOIL	Russia	Energy
NOVATEK	Russia	Energy
PKO Bank Polski	Poland	Financials
Rosneft	Russia	Energy
Sberbank	Russia	Financials
TP Group	Poland	Telecommunication Services
Uralkali	Russia	Materials
In alphabetical order		
Combined weight of top 10 holdings:	56%	

## Country Exposure



## Sector Exposure



Excluding cash

## Subscription Information



	C Shares	R Shares
Minimum Subscription	EUR 1,000,000	EUR 5,000
Additional Subscriptions	EUR 1,000	EUR 500
Annual Management Fee	1.25%	1.95%
Performance Fee	No	No
Front-end Load	Up to 5%	Up to 5%
WPKN Code	264514	A1CZH1
ISIN Code EUR	IE0032812996	IE00B3Q7LD52
GBP	IE00B3RXYX32	IE00B646Q188
USD	IE00B62BG938	IE00B61WHY91
Bloomberg Code	MAGEURA	MAGEURE

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To receive a list of Charlemagne Capital's composite descriptions and/or a presentation that complies with GIPS standards, as well as any other information, please contact the Marketing & Sales Department

Address: Charlemagne Capital (UK) Limited  
39 St James's Street  
London SW1A 1JD

Tel: + 44 (0)20 7518 2100  
Fax: + 44 (0)20 7518 2199

Email: [marketing@charlemagnecapital.com](mailto:marketing@charlemagnecapital.com)  
Website: [www.charlemagnecapital.com](http://www.charlemagnecapital.com)

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