

NAV as of 30.04.2013

LU 0066480616 (A)	99.42
LU 02081833011 (B)	19.17

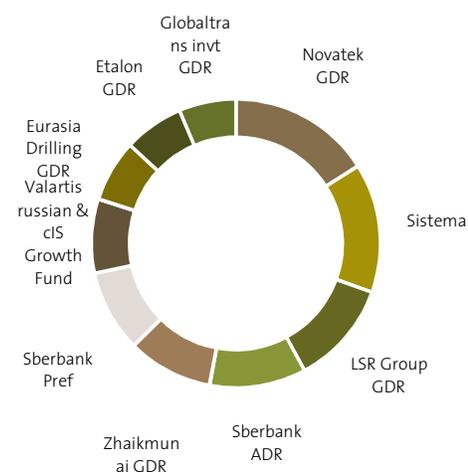
VOLUME as of 30.04.2013

In Mio. USD	49.2
-------------	------

PORTFOLIO DATA as of 30.04.2013

Number of positions	44
Top ten holdings in %	51.43%

TOP HOLDINGS as of 30.04.2013



FUND MANAGER REPORT

The Valartis Russian Market Fund outperformed the RTS Index by 1.59% and outperformed the MSCI Russia Index by 1.88% in April, but the return was still a negative 1.51%, with virtually every sector selling off during the month. The Fund's 30% underweight exposure to the energy sector helped it to avoid much of the markets negative returns, but positive attributions were earned from stock selection within the sector with Eurasia Drilling, Zhaikmunai and TMK contributing most returns. The underweight in energy made capital available for domestic sectors like financials, telecoms, information technology, healthcare and consumer sectors. The Fund was also over-weight in transport and infrastructure companies like Mostotrest, Aeroflot and Globaltrans. We find higher, less volatile and more sustainable long term growth in domestic sectors. Pharmstandard, a leading pharmaceutical, and Mail.ru, a large Russian internet company, were the best performing stocks in the Fund both with a 4.8% return last month.

Market sentiment in Russia was quite sour in April, despite a usual uplift surrounding the Russia Forum, the largest conference of the year, taking place. Several negative corporate governance events took place just before the conference, providing fodder for journalists and Russian perma-bears. The conference served to amplify the negative sentiment. Rosneft's decision to not buyout minority investors after the acquisition of TNKBP from BP and AAR left minorities of TNKBP to fend for themselves. Then Rosneft decided to take cash out of the TNKBP through loans to itself, rather than dividends to all shareholders equally. This clear governance violation has generated almost as much negative sentiment as all of the previous media coverage surrounding the BP / AAR court battles. Then Surgutneftegaz was forced to contribute its own bad news due to a regulatory requirement for Russian companies to provide IFRS accounts, which required further detailed disclosures on treasury shares and cash. The good news is that Surgut has over \$30 billion in cash on various accounts, earning market rates of interest. The bad news is that 40% of the company's shares which were previously held as quasi treasury stock have disappeared! While this sounds bad, it was largely expected by the market, which has had pretty low expectations from this company since it stopped providing IFRS accounts back in 2001. While the above two issues concerned natural resource companies where fighting between oligarchs, politicians and international companies is par for the course, the most disturbing event involved a creative technology startup worth billions of dollars where something was created from pure human creativity rather than being simply pumped out of the ground. During the conference, the home and office of the CEO of V Kontakte, a Facebook clone, was raided, in what appeared to be a pressure tactic by people wanting to take control of the company. The 28 year old founder of the company subsequently left Russia. As long term investors in Russia, we hope some of the feedback from investors and conference participants will make its way to those in a position to effect change.

RETURN/RISK as of 30.04.2013

Return	April	YTD*	-1 year*	-3 years	since launch
RMF - Share A	-1.51%	-7.77%	-7.29%	-18.01%	935.62%
Benchmark**	-3.39%	-7.65%	-11.40%	-18.05%	-562.79%

Annual Performance	YTD*	2012*	2011*	2010	2009
RMF - Share A	-7.77%	21.30%	-33.45%	24.93%	149.72%
Benchmark**	-7.65%	11.10%	-24.90%	17.58%	104.32%

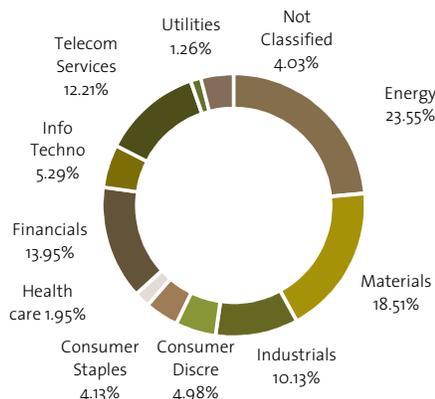
Risk**	YTD*	2012*	2011*	2010	2009
RMF - Share A	13.07%	24.35%	25.58%	20.40%	37.31%
Benchmark**	15.54%	31.13%	28.79%	24.70%	45.89%

** MSCI Russia 10-40 Index/ROS Index * MSCI Russia 10-40 Index since January 2011. ** Basis: continuous daily returns (annualized).

VALARTIS RUSSIAN MARKET FUND A SHARE VS ROS INDEX AND MSCI RUSSIA 10/40 INDEX - USD



SECTOR ALLOCATION



CHARACTERISTICS

The Valartis Russian Market Fund is a daily open-ended investment fund incorporated in Luxembourg, with UCITS IV status.

SUITABILITY

The Valartis Russian Market Fund is suitable for investors seeking long-term growth in Russia large caps.

INVESTMENT OBJECTIVES

Investment Objectives

To achieve long term capital appreciation through investments in equity securities of companies operating in or having significant exposure to Russia and CIS with higher than average value.

Investment Rationale

- Russia is among the cheapest emerging market countries.
- Russia is the largest country in the world, is the largest oil producer and has the highest natural gas reserves.
- Despite fundamental strength, emerging markets were negatively affected by market turmoil in 2011 emanating from over-leveraged developed markets and now offer attractive entry point for investors.

Investment Universe

Large caps operating in or having significant exposure to Russia and CIS.

Investment Strategy

- Bottom up portfolio construction, geography, liquidity and corporate governance screening to identify investible universe (300)
- In-house fundamental analysis with DCF modeling and external research to select high conviction portfolio of 30 to 50 stocks.
- Discount factor used in DCF models incorporate corporate governance rating. Liquidity risk optimized against value to ensure a liquid portfolio.

INFORMATION

Inception date	10.06.1996
Valuation/Liquidity	Daily
Publication	Bloomberg, www.swissfunddata.ch , www.valartisfunds.ch
ISIN	LU0066480616(A), LU0208183011 (B), LU0376698907 (C), LU0376698907 (D)
Bloomberg Ticker	MCRUSFI LX (A), MCRUSFB LX (B)
Security Number	468902 (A), 2020747 (B)
Min Transaction	USD 250 000 (A), USD 10 000 (B), EUR 250 000(C), USD 1 000 000 (D)
Management Fee	1% p.a (A), 2.25% (B), 1% p.a (C), 1% p.a (D)
Performance Fee	15% p.a (A), 10% p.a (B), 15% p.a (C), 0% p.a (D)
Front Load	Up to 4% (applicable at management discretion)
Legal Structure	UCITS IV
Custodian Bank	KBL European Private Banker SA, Luxembourg
Investment Company	Valartis Bank AG
Fund Manager	Tim McCarthy, t.mccarthy@valartis.ch
Auditor	Ernst & Young, Luxembourg
Registration	Luxembourg
SSRI	Higher risk – typically higher income opportunity/risk of loss

1

2

3

4

5

6

7

The Synthetic Risk and Reward Indicator (SSRI) is based on the historic volatility of the UCITS. The volatility is calculated based on the weekly returns of the UCITS. If that is not possible, the volatility may be calculated based on the UCITS' monthly returns. Volatility calculation is based on the returns of the past 5 years. Historic dividend payments must be considered in the calculation. The risk-reward profile is based on the historic data and cannot serve as reliable forecast for the future risk-reward profile. A SSRI of 1 does not imply a risk free investment. Based on the historic price changes, the UCITS was awarded a SSRI of 7. This value may however change in time.

Important notice: This document serves as additional information for our investors and is based on the level of knowledge of the person appointed with the preparation at the close of printing. Our analyses and deductions are of a general nature and do not take into account individual requirements regarding yield, tax situation or risk profile. References to past performance of the individual funds do not necessarily guarantee positive developments in the future. Although we consider our sources of information (Bloomberg, Reuters resp. own calculations) to be reliable, we take no liability regarding completeness or correctness of the herein rendered information. This document is neither an offer, nor an invitation to tender for the purchase or sale of securities.

Valartis Bank SA
2-4 Place du Molard
CH – 1201 Geneva
Switzerland

Phone +41 22 716 10 00
E-Mail info@valartisfunds.ch
Web www.valartisfunds.ch