

Approved by
“Magister-Fund Profitable”,
Closed-end Non-diversified
Corporate Investment Fund,
Open Joint Stock Company
General Shareholders meeting
Minutes №2 dated 27.07.2007

REGULATIONS
“Magister-Fund Profitable”
Closed-end Non-diversified Corporate Investment Fund,
Open Joint Stock Company

1. Information on the Fund

1.1. Full name: **“Magister-Fund Profitable”, Closed-end Non-diversified Corporate Investment Fund, Open Joint Stock Company (Fund).**

1.2. Term - 5 (five) years starting from the date of the Fund's state registration as a legal entity;

1.3. The date and number of Certificate on state registration: 02 of July 2007, Series A01 № 257168, registration № – 1 070 102 0000 028843;

1.4. Code ЄДРПОУ: 35266247;

1.5. Location: 5, Chervonoarmiyska Str., Kyiv, Ukraine, 01004;

1.6. Initial statutory fund - UAH 555 000,00 (fifty five thousand 00);

1.7. The date and number of first issuance Certificate: 06.08.2007. № 754;

1.8. The volume of issue, quantity and share's face-value: UAH 555 000,00, 555 simple nominal shares, 1000,00;

1.9. The form of share issue: book-entry;

1.10. Information on the Fund's founders:

- “Magister” Asset Management Company”, Limited Liability Company, Registration Code ЄДРПОУ: 34730685, 5, Chervonoarmiyska Str., Kyiv, Ukraine, 01004;

- Volodymir Shymansky Passport Series CH № 327374, issued by Kharkiv Regional Administration of Municipal Government of Ministry of Internal Affairs of Ukraine in Kiev, 05.11. 1996, address: 6, 11/81 A. Akhmatova Str., Kyiv, Ukraine.

IN 1951208555.

1.11. Type of the Fund: Closed-end.

1.12. Type of the Fund: Non-diversified.

2. Information on the Asset Management Company

2.1. Full name of Asset Management Company: **“Magister” Asset Management Company”, Limited Liability Company (Company).**

2.2. Company's Registration Code: 34730685.

2.3. Location, telephone, fax:

5, Chervonoarmiyska Str., Kyiv, Ukraine, 01004.

Tel./Fax 494-24-22, 494-24-23.

2.4. Series, number and date of the License to engage in the professional activities on asset management: AB № 189947, Commission for Securities and Stock Market's decision № 53, dated 19.01.2007.

2.5. The Director – Sergiy Sichkar. E-mail – sichkar@am-magister.com.

3. Change of Asset Management Company.

The asset management company is changed in case of:

3.1. Approval by the Fund's general shareholders meeting (“General meeting”) of the decision on the early termination of contract with the asset management Company (“Contract on asset management”);

3.2. Decision of the Company to terminate activity on collective investment institutions asset management;

3.3. Termination or cancellation by the State Securities and Stock Market Commission (“the Commission”) of the Company's license on professional stock market activity: collective investment institutions asset management;

3.4. Company's liquidation.

3.5. In case the Company is changed, all operations required for termination of the Contract on asset management and fulfillment of obligations stipulated by the Contract on asset management should be implemented. When the Company is changed, all measures stipulated by current legislature and the Contract on asset management aimed at protecting the Fund's shareholders' (“Shareholder”) rights should be taken. In case the regulative acts of the Commission on the procedure on change of the Company on asset management come into force after the Regulations are approved, the change is implemented in keeping with the requirements of the given regulatory acts.

4. Change of the Fund's Custodian.

The Fund's custodian (“the Custodian”) is changed in the case of:

4.1. Approval by the General meeting of the decision on the early termination of contract with the Custodian servicing the Fund's assets;

4.2. Decision of the Custodian to terminate the securities custodian depository activity;

4.3. Termination or cancellation by the State Commission on Securities and Stock Market (“the Commission”) of the Custodian's license on professional stock market activity: securities custodian depository activity;

4.4. Custodian's liquidation.

In case of the Custodian's change, all operations required for termination of the Contracts between the Fund and the Custodian and fulfillment of obligations stipulated by these Contracts should be implemented. When the Custodian is changed, all measures stipulated by current legislature and the above Contracts aimed at protecting the shareholders' rights and timely transfer of assets to new custodian should be taken. In case the regulative acts of the Commission on the procedure of Custodian's change come into force after the Regulations are approved, the change is implemented in keeping with the requirements of the given regulatory acts.

5. The Procedure on Determination of the Net Asset Value of the Fund and the Fund's Shares Placement (Redemption) Price.

5.1. The Fund's net asset value is determined according to the procedure stipulated by the “Regulations on determination of collective investment institutions net asset value” (unit and corporate investment funds) approved by the Decision of the State Securities and Stock Market Commission as of 2 July 2002, No. 201 (“Regulations”). In case the changes are made to this Regulation or in case the regulative acts on changes in the procedure of collective investment

institutions net assets value determination are approved, the net value of the Fund's assets is determined according to the requirements of legislature in force and corresponding regulative documents.

5.2. The Fund's net asset value does not include the value of securities, the issuance registration of which has been cancelled in accordance with the procedure established by legislature.

5.3. In calculating net asset value of the Fund, the market value of Fund's securities. Market value of the Fund's securities traded in more than one organized market is valued by the lowest of the last quotations, determined in each market for the previous month, taking into account the criteria set by the Regulations.

5.4. Securities the circulation of which has been terminated are included in the Fund's net asset value calculation at the rate of 75% of their book value.

5.5. The Fund's net asset value is calculated in the end of each working day.

5.6. Unless Commission has approved the Fund as such that had achieved its activity norms specified by current legislation for corporate investment funds, Investment Certificates are placed at their nominal value.

5.7. After Commission has approved the Fund as such that had achieved its activity norms specified by current legislation for corporate investment funds, Investment Certificates are placed at calculated value but it shall be not less than nominal value.

5.8. Calculated value of Fund's shares is determined by means of dividing of total net asset value of the Fund to the quantity of Fund's shares in circulation for the date of calculation.

5.9. The value of Fund's shares that are purchased by the investor (except 5.6 of these Regulations) after achieving Fund's activity norms is determined from the calculated value for the day of submitting the application on acquisition of Fund's shares.

6. The Procedure of Determination of Company's Fee and Covering the Expenses Incurred by the Fund.

6.1 Company's fee is 2 (two) percent of annual average net asset value of the Fund under management during fiscal year. The volume of Company's fee is approved by Supervisory Board of the Fund.

6.2 Company's fee is paid with cash assets. All payments on Company's fee are paid in national currency of Ukraine.

6.3 Company's fee is determined depending on the net asset value of the Fund. Company's fee is calculated monthly and is paid until 10 day of the month before calculation (except 6.5 of this Agreement).

6.4 Determination of the net asset value for calculation of the Company's fee is made on the basis of information on average monthly net asset value of the Fund as of the end of the last working day of the corresponding month.

6.5 Besides, according to the results of fiscal year and in accordance with these Regulations and current legislation the Company can get **bonus**. The volume of bonus can't be more than **15%** from the profit, which the Fund had received according to the results of fiscal year over the profit, calculated in the investment declaration for appropriate fiscal year. Planned profit is established by National Bank of Ukraine according to the level of medium interest rate for the year.

6.6 Other fees and expenses paid from Fund's assets:

6.6.1 Fee to the Fund's custodian;

6.6.2 Fee to the Fund's auditor;

6.6.3 Fee to the Fund's property valuator;

6.6.4 Fee to securities trader;

6.6.5 Transaction costs:

- Fee to the Fund's registrar;
- Payment for bank servicing;
- Notary services;
- Depositary services;
- Payment for publications of the required information on the Fund's activities;
- Informational services (payment for acquiring information regarding the issuers in the securities of which the Fund has allocated or plans to allocate its assets; payment for other information required for collective investment);
- Rent payment;
- Remuneration of labor to the members of Fund's Supervisory Board;
- Advertising services;
- Expenses for servicing the Fund's participants.

6.7. Expenses specified in this item may not exceed **5 (five) percent** of annual average Fund's net asset value during the fiscal year.

6.8. The Company at its own account pays for other expenses and expenses exceeding the amount specified by legislation.

The procedure of Fund's profit distribution

The amount of Fund's profit received from collective investments activity with the exception of Company's fee and expenses which are paid at the expense of Fund's assets is distributed between Fund's participants by means of dividends.

The dividends are paid out during 3 months after making appropriate decision by Common Shareholders meeting.

Procedure and terms of the shares redemption.

8.1. Shares redemption is carried out after Fund's termination at calculated price which is determined from Fund's net asset value.

8.2. Calculated Fund's shares value is determined from the dividing of total net asset value to the quantity of Fund's shares under circulation for the date of carrying out of calculation.

8.3. The value of Fund's shares which redeemed at Fund liquidation is determined from calculated value of shares on the date of the decision to terminate Fund's activity, corrected by the estimate of expenditures of the Commission of Fund termination.

8.4. Fund's shares redemption is carried out by the way of cash assets. After this the property right for these shares terminates. Besides, upon investor's written consent the redemption can be carried out by means of other assets of the Fund.

7. Investment Directions

Investment directions are indicated in the Investment declaration of the Fund which is an integral part of this Regulation and is in the Annex 1 of this Regulation.

8. Minimum value of contracts (agreements) involving the Fund's assets subject to approval by the Fund's Supervisory Board.

The contracts on the Fund's assets exceeding 500,000 UAH (five hundred thousand) at the date of signing the contract (or the equivalent in foreign currency) are subject to approval by the Fund's Supervisory Board.