

Information for all holders of Belgrade Pioneer Funds

Please find below information from the fund company Belgrade Pioneer Fund Limited, affecting the following fund:

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BELGRADE PIONEER FUND LIMITED

11 New Street, St. Peter Port, Guernsey, GY1 2PF

29 JUN 2012

Dear Shareholder,

In accordance with Belgrade Pioneer Fund Limited's (the "Company") Information Memorandum dated 22 October 2007, there is a facility to extend the life of the Company by up to a further two years beyond its original termination date of 15 November 2012.

The planning process has been frustratingly slow in respect of the Company's prime asset – the adjoining development sites in Dedinje - for which full and final planning permissions were received only as recently as May 2012: way beyond the originally envisaged time scale. Feasibility studies submitted by the Company's investment adviser suggest that maximising the return to Shareholders may be best achieved by developing out the site, for which comprehensive plans are already in place.

Moreover, while the programme of sales from the Company's portfolio of low cost residential assets has already met with some success, this too is behind schedule when compared with the originally anticipated timetable due to the impact of the global economic downturn, to which both the Balkan region and Serbia have not been immune.

With these factors in mind, the Company's Property Advisor, Perella Investments Limited has recommended that an extension to the life of the Company be made, in order to achieve the best returns from the Company's assets. This is a recommendation with which the Manager, Argyll Investment Services Limited, is in complete agreement.

Your Board of Directors endorsed this decision on 26 June 2012 and as a consequence the Company's termination date has been extended from 20 November 2012 to 20 November 2014.

Should the opportunity arise to achieve full value for its assets, more quickly than expected, the Company will be in a position to make partial returns of your investment. It is very much our intention to realise the Company's potential as soon as possible, whilst continuing to protect the interests of the shareholders.

By Order of the Board of Directors of Belgrade Pioneer Fund Limited

27 June 2012