

Russian Federation First Mercantile Fund Limited
c/o Apex Fund Services Ltd.
Vallis Building, 4th Floor
58 Par-la-Ville Road
Hamilton HM11
Bermuda

December 23, 2019

To: All of the holders of Participating Shares

We write to advise that the Board of Directors (the “**Board**”) of the Russian Federation First Mercantile Fund Limited (the “**Fund**”) has resolved to restructure the Fund in a means which affects a number of the holders of the issued participating shares. The restructure is being implemented to simplify the structure of the Fund and to reduce its overhead costs.

A summary of these changes is as follows:

- a. **Minimum Holding of US\$20,000.** Given the costs associated with the performance of the compliance responsibilities of the Fund by its Administrator, the Board has determined that it is no longer economically viable for the Fund to continue to have holders of shares with an aggregate value of less than US\$20,000. Accordingly, all shareholders who have holdings which are valued at less than US\$20,000, or its equivalent in the currency of the Class held by the shareholder, will be compulsorily redeemed as of the January 07, 2020 Valuation Day. Should you be such a shareholder, this letter constitutes a notice of redemption of your Shares of the Fund as of the Dealing Day immediately following such date. You will be paid the full redemption price of your shares as of the January 17, 2020 Net Asset Value (“**NAV**”) in the usual way, following calculation of that NAV.

For any investor holding shares with a value of less than \$20,000, no action will be required. Your shares will be redeemed as of the January 17, 2020 Net Asset Value on the next following Business day and the redemption proceeds will be paid to the bank account, the details of which are held by the Administrator. If the Administrator determines that it requires updated “know your client” records for any investor, they will be in touch with that investor. Redemption proceeds cannot be paid to any shareholder unless these records are up to date, so we would encourage everyone to respond to the Administrator’s requests for information.

- b. **De-listing from the Bermuda Stock Exchange.** The Board has determined that the administrative and financial costs associated with the listing of certain classes of shares on the Bermuda Stock Exchange are not justified and has determined that all classes of shares which are listed, be de-listed as of December 31, 2019.

- c. **Streamlining of Share Classes.** The Board has determined that the only Class of Shares to be made available to investors shall be **US\$ Class C Shares**. Accordingly, other than as described below, all other classes of issued shares will be converted to Class C US\$ Shares as of January 20, 2020. Issued shares which are in Classes other than those denominated in US\$ will be converted to US\$ Class C Shares as of January 20, 2020.

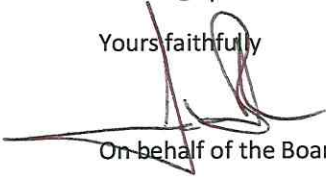
The High Water Mark of the Class C Shares is to be set at a price of US\$240.00. This is a price which is equivalent to the highest High Water Mark across all Classes **except for Class A EUR**, so some investors will benefit from not paying Performance Fees until their shares reach a higher NAV.

The outcome of the foregoing is that all investors will hold Class C Share denominated in US\$ with the same High Water Mark as of January 20, 2020. This will allow the Fund to make considerable savings in its administration costs. The Fund has a second Class of Shares, being the Class D Shares, which are held by "friends and family" of the principals of the Investment Manager. Class F Shares will remain in issuance but are not available for further subscription. Both Class D and Class F shares shall not be affected by the streamlining of Share Classes.

The changes described above will allow the Fund will make material savings in its operating overheads. The Board is considering further changes which may include changes in service providers, with a view to making additional savings. Once further consideration has been given to those further changes and any alternative service providers identified, the Fund's Prospectus will be updated to reflect all of the changes and this will be distributed to shareholders and those wishing to subscribe for shares.

Should you have any questions on the foregoing matters, please contact Ms. Sharon Said at sharon@apexfunds.com.mt.

Yours faithfully



On behalf of the Board of Directors