

EXPAT BONDS

1 FEBRUARY 2011

1. COMMENT ABOUT OUR RESULTS

We are currently satisfied with the results of the fund so far. For a little more than 14 months – from 19 November 2009 to 31 January 2011 we have achieved an 11.96% yield (absolute, not annualised). This is because of our ability to find high-yielding bank deposits, identify bonds with an acceptable risk-return profile, and perform profitable short-term and low-risk operations with instruments suitable for the profile of our fund. Expat Bonds rated first among funds investing on the money market and seventh among all the funds in Bulgaria, which we consider a considerable success.

2. GENERAL INFORMATION

Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	1 119.5682
Net asset value (BGN)	3 960 884.74
Number of outstanding shares	3 537.8682
Beginning of the public offering	19.11.2009
Issue price (according to the amount) – if you invest now in the fund	
Up to BGN 100,000	BGN 1 120.6878
Between BGN 100,000.01 and 500,000	BGN 1 120.1280
Above BGN 500,000	BGN 1 119.5682
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months and up to BGN 100,000	1 117.3291
Up to 12 months and between BGN 100,000.01 and 500,000	1 117.8888
Up to 12 months and above BGN 500,000.01	1 118.4486
Over 12 months and up to BGN 100,000	1 118.4486
Over 12 months and above BGN 100,000.01	1 119.5682
Yield (%)	
For the last 12 months	+8.98%
Since the beginning of the public offering (on an annual basis)	+9.85%
Since the beginning of the year	+0.95%
Average monthly return (after six months from the IPO)	+0.79%
Highest monthly profit	+3.32%
Highest monthly loss	-1.01%

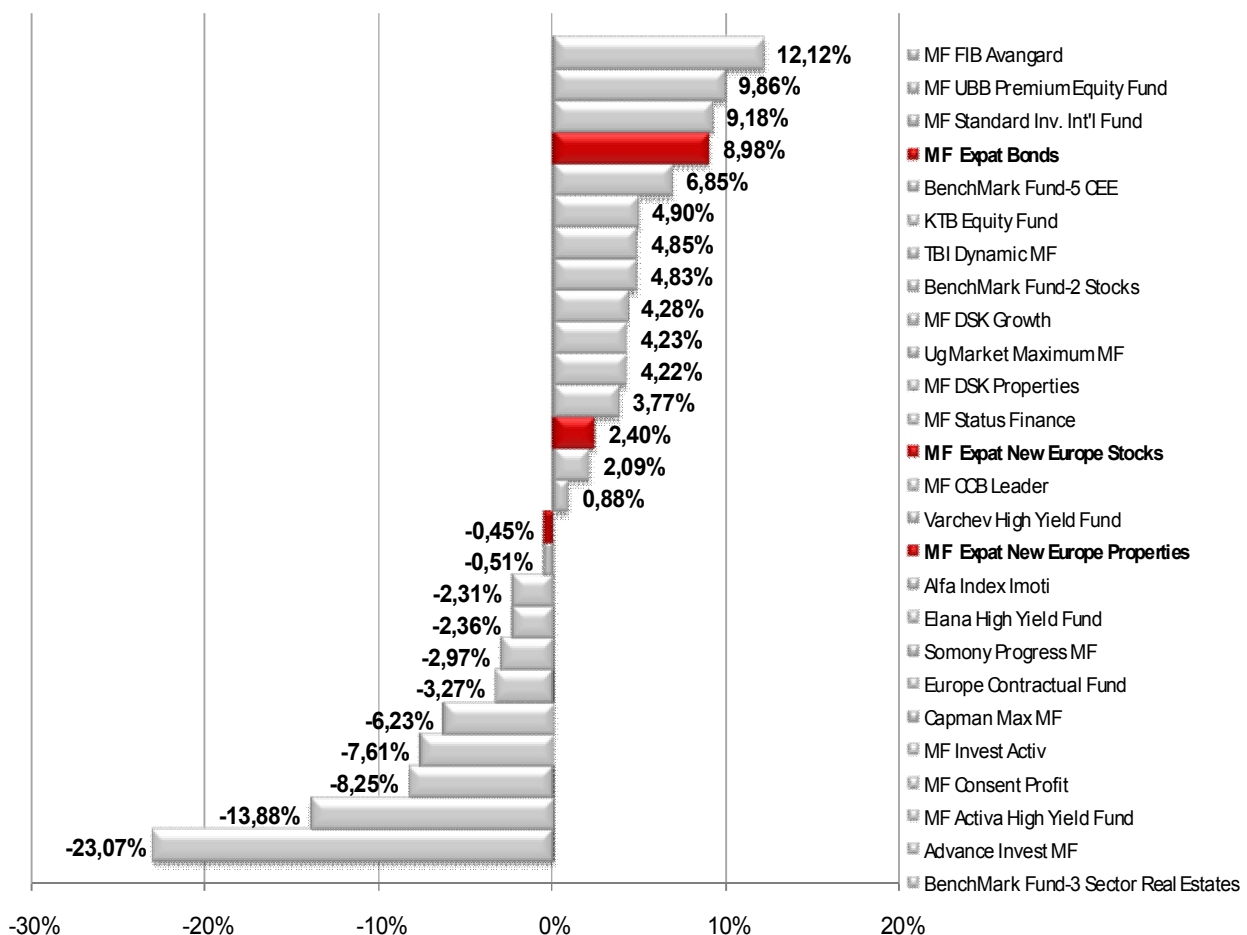
Source: Expat Asset Management

COMMENTS

The mutual fund **Expat Bonds** is suitable for investors whose main priority is to preserve their savings and not lose the principal. The fund will not invest in any risky instruments or operations if there is a possibility of financial losses. The fund invests in low-risk, high-yield bank deposits (with preferential terms –up to 7.5%), bonds, and high-yield repurchase agreements. Our goal is to have a higher yield than the bank interest rates. We have one major **advantage**: the investments in our funds are 100% **liquid**. The clients can invest and withdraw their funds whenever they decide to do so. With these characteristics, Expat Bonds could be used as a substitute for a current account and is suitable for active people who are not certain about the timing of their revenues and expenses.

3. COMPARATIVE PERFORMANCE OF THE FUND

Performance of selected funds for the last 12 months, %



Source: Expat Asset Management, Bulgarian Association of Asset Management Companies

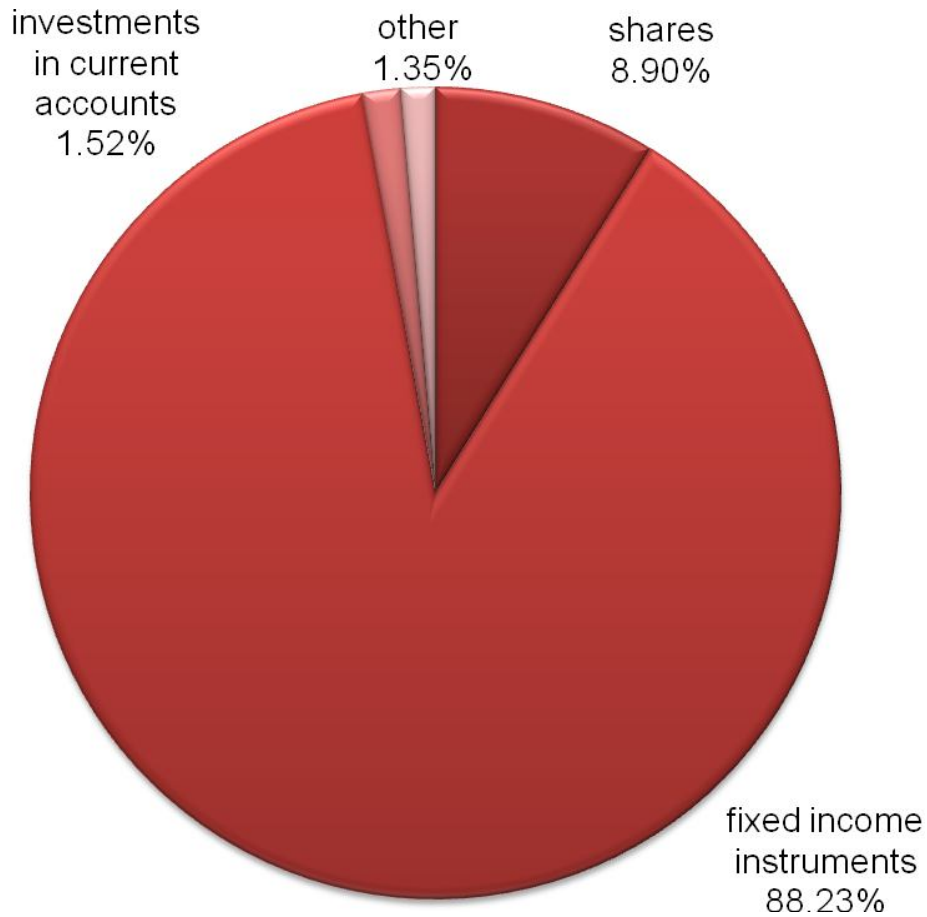
Note: There are about 100 funds in Bulgaria. In this chart we have selected some of the biggest and most popular funds. We have not selected only funds which could be considered favourable for our comparison.

COMMENTS

Our mutual fund **Expat Bonds** has achieved one of the largest return in the market during the last 12 months: **+8.98%**. The fund has low risk and volatility (price movements up and down) for the following reason: a large part of the funds are in bank deposits, bonds and repurchase agreements, etc. We expect the share of bonds to increase in the future.

4. CURRENT PORTFOLIO STRUCTURE

Portfolio structure according to the fund's assets



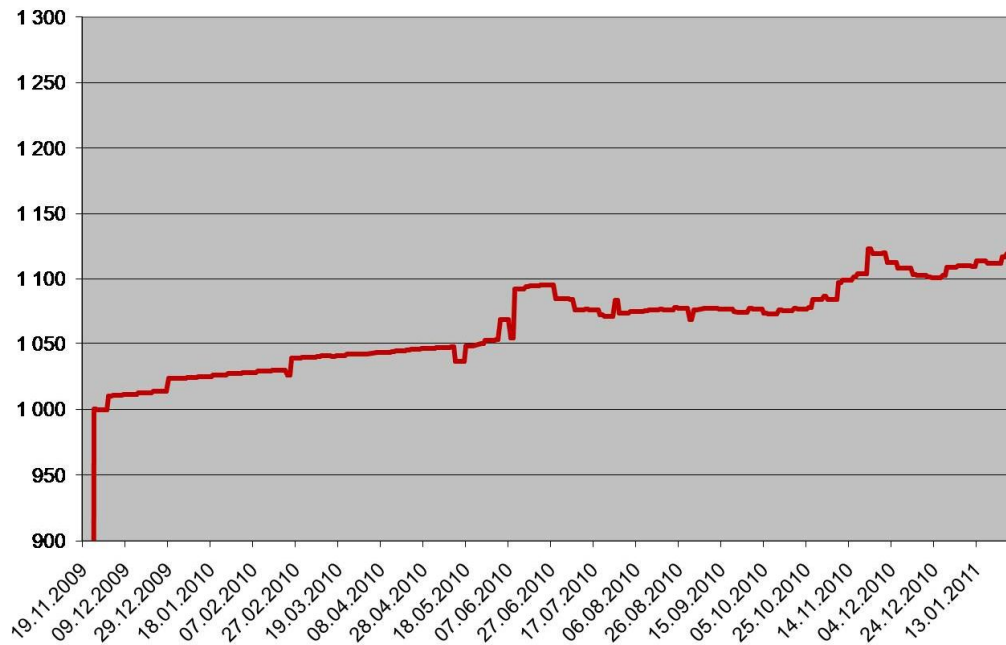
Source: Expat Asset Management

COMMENT

Our current strategy for **Expat Bonds** is to invest larger amounts in corporate bonds as we think that they offer attractive yields at the moment. In January we increased the exposition in one issue. We keep high the percentage of assets in deposits with banks at high interest rates (most of them around 7% p.a.), but we are ready to invest in investment grade bonds at the right moment.

5. NET ASSET VALUE PER SHARE

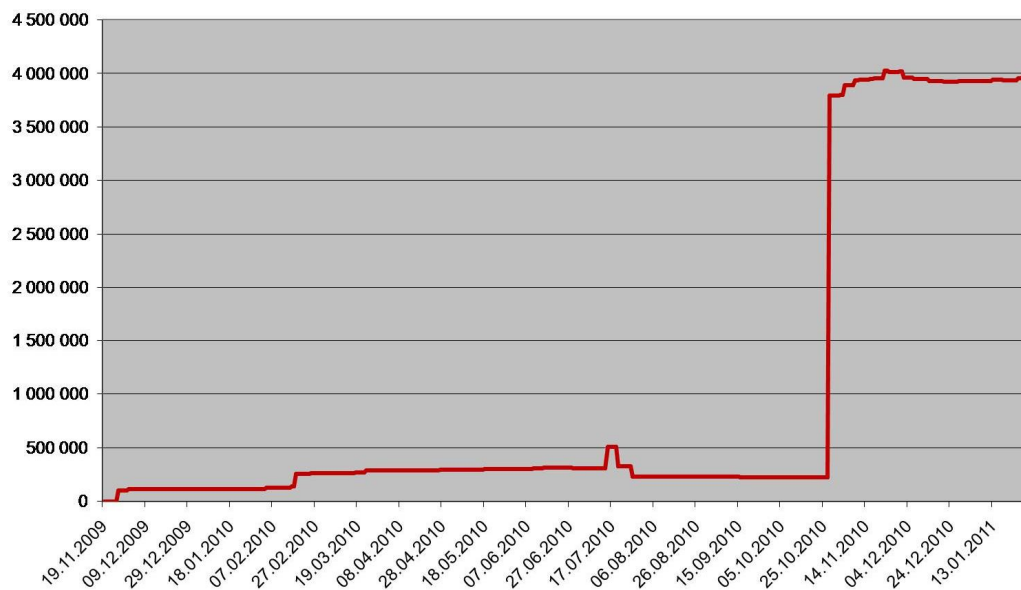
Net asset value per share (BGN per share)



Source: Expat Asset Management

6. NET ASSET VALUE OF THE FUND

Net asset value (BGN) – all the assets of the fund



Source: Expat Asset Management

7. CONTACTS

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