

EXPAT BONDS

1 JULY 2010

1. COMMENT ABOUT OUR RESULTS

We are satisfied with the results of the fund so far. For the first >7 months – from 19 November 2009 to 30 June 2010 we have achieved +8.49% yield (absolute, not annualised). The reason is our ability to find good bank deposits, to identify bonds with an acceptable risk-return profile, as well as to perform profitable short-term and low-risk operations with other instruments which are acceptable for the profile of our fund. We continue to target some 12% annual return for this money market fund.

2. GENERAL INFORMATION

Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	1 084.8741
Net asset value (BGN)	307 390.82
Number of outstanding shares	283.3424
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	1 085.9590
Between BGN 100,000.01 and 500,000	1 085.4165
Above BGN 500,000	1 084.8741
Yield (%)	
Since the beginning of the public offering	+8.49%

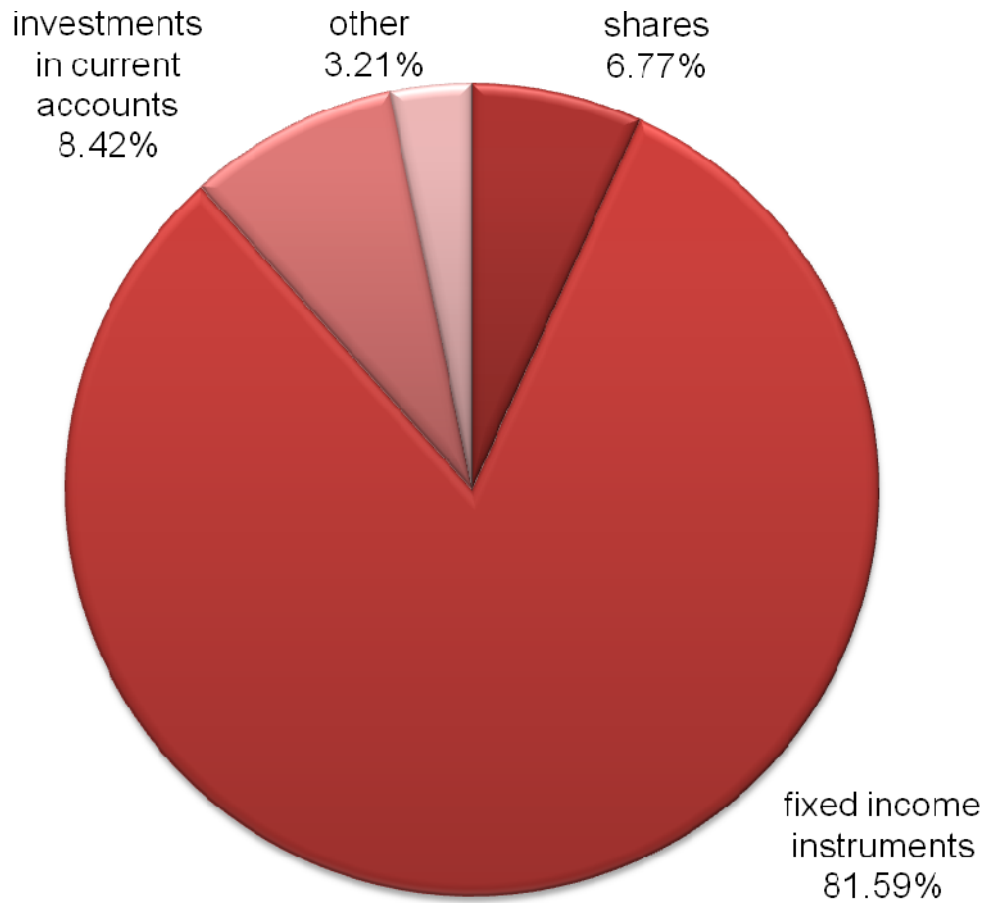
Source: Expat Asset Management

COMMENT

The mutual fund **Expat Bonds** is suitable for investors whose main priority is to preserve their savings and not to lose the principal. The fund will not invest in any risky instruments and operations where the possibility of financial losses exists. The fund invests in low-risk and high-yield bank deposits (with preferential terms – we are around up to 9.5% currently), bonds, high-yield repurchase agreements. The return that we expect to reach is above 10% annually, possibly over 12%. 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 every day if 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 sure when they will have revenues and expenses.

3. CURRENT PORTFOLIO STRUCTURE

Portfolio structure according to the fund's assets



Source: Expat Asset Management

COMMENT

Our current strategy for the mutual fund **Expat Bonds** is to invest minimum amounts in corporate bonds as we do not think that they offer attractive enough yields at the moment. We keep large amount of assets in deposits with banks at high interest rates (most of them around 8% p.a.), which we are ready to invest in investment grade bonds in the right moment.

4. CONTACTS

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5. RISK DISCLOSURE

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