

EXPAT BONDS

1 OCTOBER 2010

1. COMMENT ABOUT OUR RESULTS

We are currently satisfied with the results of the fund so far. For a little more than 10 months – from 19 November 2009 to 30 September 2010 we have achieved a 7.69% 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. We continue to target about 12% annual return.

2. GENERAL INFORMATION

Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	1 076.8996
Net asset value (BGN)	220 834.63
Number of outstanding shares	205.0652
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 1 077.9765
Between BGN 100,000.01 and 500,000	BGN 1 077.4380
Above BGN 500,000	BGN 1 076.8996
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months and up to BGN 100,000	BGN 1 074.7458
Up to 12 months and between BGN 100,000.01 and 500,000	BGN 1 075.2843
Up to 12 months and above BGN 500,000.01	BGN 1 075.8227
Over 12 months and up to BGN 100,000	BGN 1 075.8227
Over 12 months and above BGN 100,000.01	BGN 1 076.8996
Yield (%)	
Since the beginning of the public offering	+7.69%

Source: Expat Asset Management

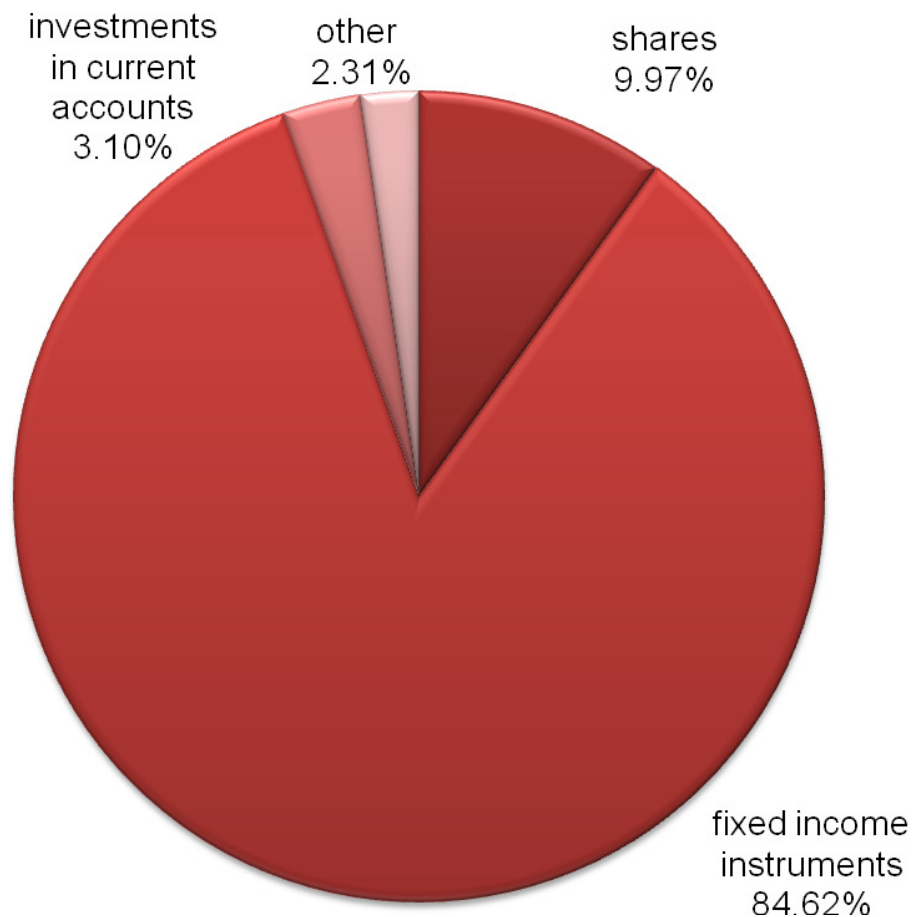
COMMENTS

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 9.5%), bonds, and 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 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. 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 minimum amounts in corporate bonds as we do not think they offer attractive yields at the moment. We keep a large amount of assets in deposits with banks at high interest rates (most of them around 7% p.a.), which we are ready to invest in investment grade bonds at the right moment.

4. CONTACTS

EXPAT CAPITAL

96A Georgi S. Rakovski Str.
1000 Sofia, Bulgaria
Tel.: +359 2 980 1881
Fax: +359 2 980 7472
E-mail: office@expat.bg
www.expat.bg

5. RISK DISCLOSURE

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