

# EXPAT NEW EUROPE PROPERTIES

3 MAY 2010

## 1. COMMENT ABOUT OUR RESULTS

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We are not satisfied with the recent performance of the fund. Our strategy has focused on capital preservation as most instruments related to real estate have fallen down in value. BGREIT, our most relevant benchmark, lost another 1.92% in April alone.

## 2. GENERAL INFORMATION AND QUOTATIONS

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### Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	958.8691
Net asset value (BGN)	429 106.98
Outstanding shares	447.5136
Beginning of the public offering	16.06.2008
Issue price (according to the amount) – if you invest now in the fund	
Up to BGN 100,000	BGN 968.4578
Between BGN 100,000.01 and 500,000	BGN 963.6634
Between BGN 500,000.01 and 2,000,000	BGN 960.7868
Above BGN 2,000,000	BGN 958.8691
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	BGN 949.2804
From 12 to 24 months	BGN 954.0748
Over 24 months	BGN 958.8691
Yield (%)	
For the last 12 months	+0.44%
Since the beginning of the public offering (on an annual basis)	-2.22%
Since the beginning of the year	-3.01%
Average monthly return (after six months from the IPO)	-0.09%
Highest monthly profit	+1.92%
Highest monthly loss	-1.86%

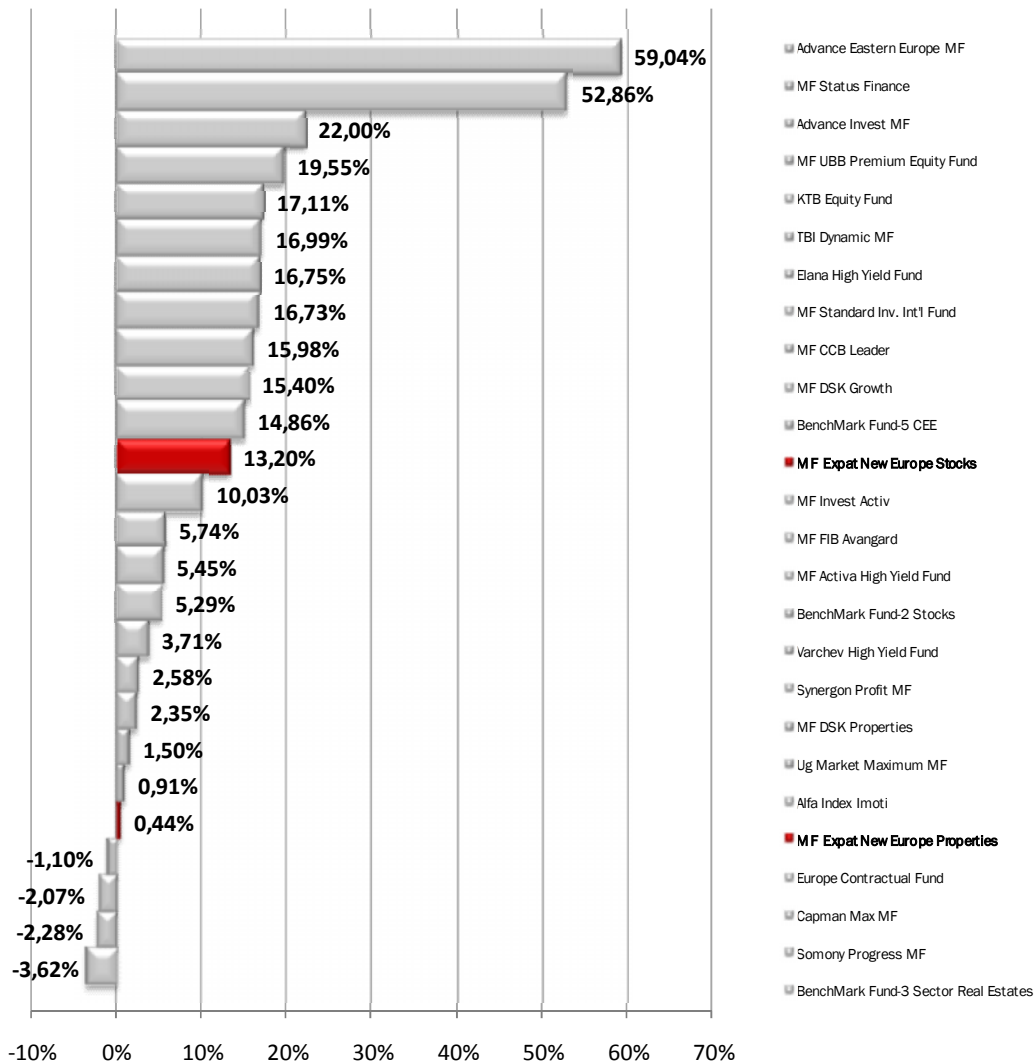
Source: Expat Asset Management

**COMMENT – COMBINING POSSIBLE HIGH RETURNS WITH GOOD LIQUIDITY**

The mutual fund **Expat New Europe Properties** is suitable for investors who would like to have exposure to the Bulgarian and East European real estate markets through collective investment schemes. In “good years”, profits could be significant. Our team is doing everything necessary to decrease the risk through skilful management in times of market crisis such as during the last two years. Despite the crisis, our funds keep their quotations very close to their starting levels of 2008, which we consider a success. We advise our clients to combine the investments in this fund with investments in other funds of ours, in order to additionally decrease the risk. A big advantage of mutual funds such as this one is that the clients can draw out or deposit their money every day, as well as liquidate the entire investment, if they consider it necessary.

**3. COMPARATIVE PERFORMANCE OF THE FUND**

**Performance of selected funds for the last 12 months, %**



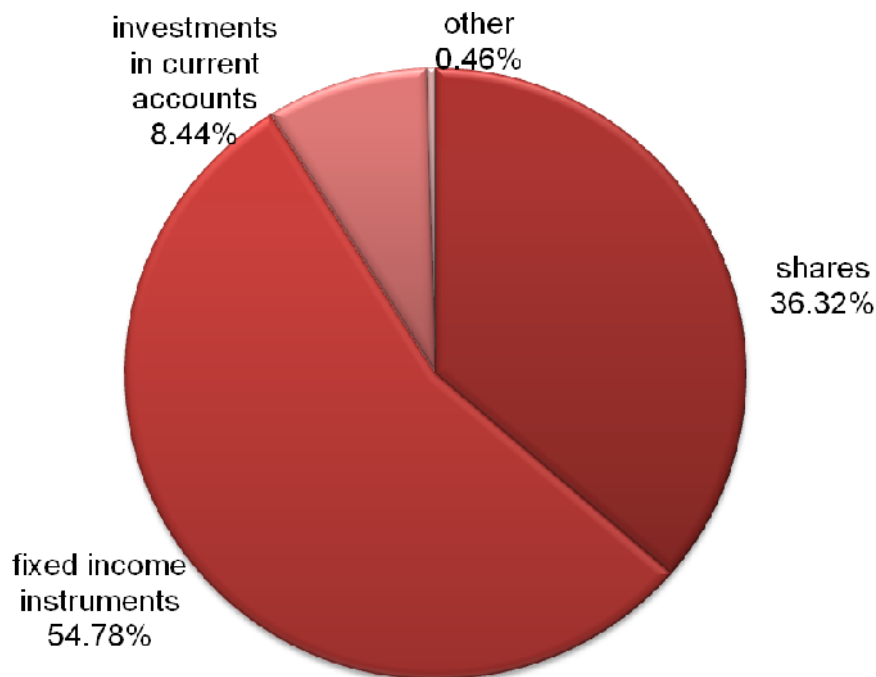
Source: Expat Asset Management, Bulgarian Association of Asset Management Companies  
 Note: There are about 100 funds in Bulgaria. In this chart we have selected some of the biggest and most popular funds. We have not selected only funds which could be considered favourable for our comparison.

**COMMENT**

The return of the mutual fund **Expat New Europe Properties** for the last 12 months is **+0.44%**, because the whole asset category – real estate – is having a tough year. In addition, the upper charts show that this fund has very low volatility (movements up and down), and even in its lowest point it had fallen by about 7% from its maximum, which makes it a good defensive instrument. Our expectations about the future profitability are higher, as the fund has invested in shares of REITs which we consider undervalued.

**4. CURRENT PORTFOLIO STRUCTURE**

**Portfolio structure according to the fund's assets**



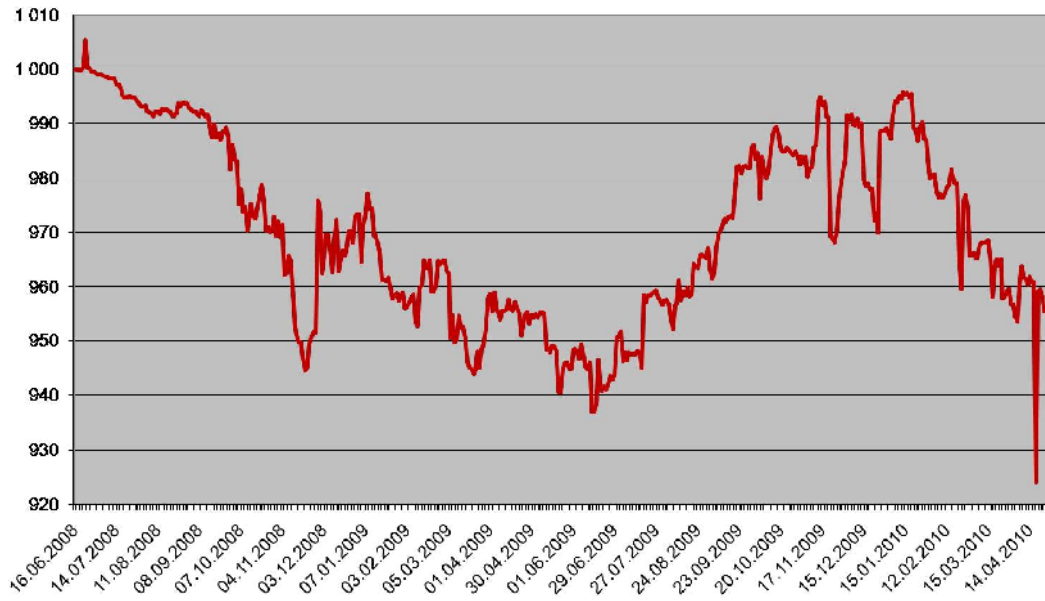
Source: Expat Asset Management

**COMMENT**

Our current strategy for the mutual fund **Expat New Europe Properties** is to increase slightly the amounts invested in stocks and in other funds. We have focused on some East-European stocks, as well as on some West-European real estate funds investing in Bulgarian real estates. The month of April was a little bit better than March for the real estate market – BGREIT is down 1.92%. However, our fund performed better than the real estate market. In April we also sold part of the stocks of two Bulgarian companies at a very attractive level. The deposits are with preferential interest rates and we are ready to redirect them to stocks that we consider undervalued. Currently, we wait for the right moment to invest in the interesting companies that we have identified.

## 5. NET ASSET VALUE PER SHARE

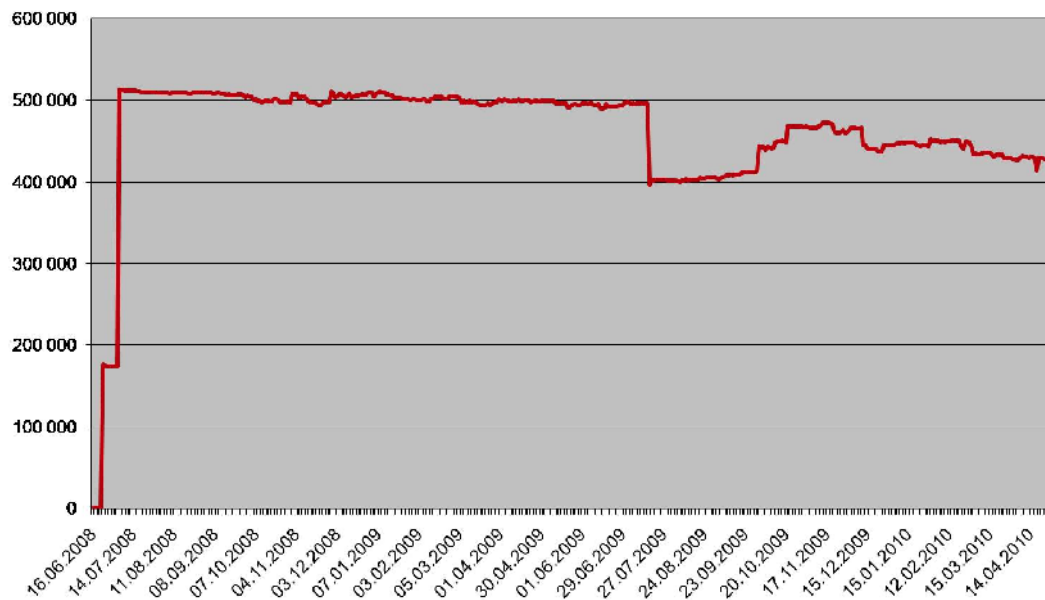
### Net asset value per share (BGN per share)



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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## 8. RISK DISCLOSURE

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