

EXPAT NEW EUROPE PROPERTIES

1 APRIL 2010

1. COMMENT ABOUT OUR RESULTS

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 3.11% in March alone.

2. GENERAL INFORMATION AND QUOTATIONS

Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	956.5270
Net asset value (BGN)	428 058.84
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 966.0923
Between BGN 100,000.01 and 500,000	BGN 961.3096
Between BGN 500,000.01 and 2,000,000	BGN 958.4401
Above BGN 2,000,000	BGN 956.5270
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	BGN 946.9617
From 12 to 24 months	BGN 951.7444
Over 24 months	BGN 956.5270
Yield (%)	
For the last 12 months	-0.12%
Since the beginning of the public offering (on an annual basis)	-2.45%
Since the beginning of the year	-3.25%
Average monthly return (after six months from the IPO)	-0.11%
Highest monthly profit	+1.92%
Highest monthly loss	-1.86%

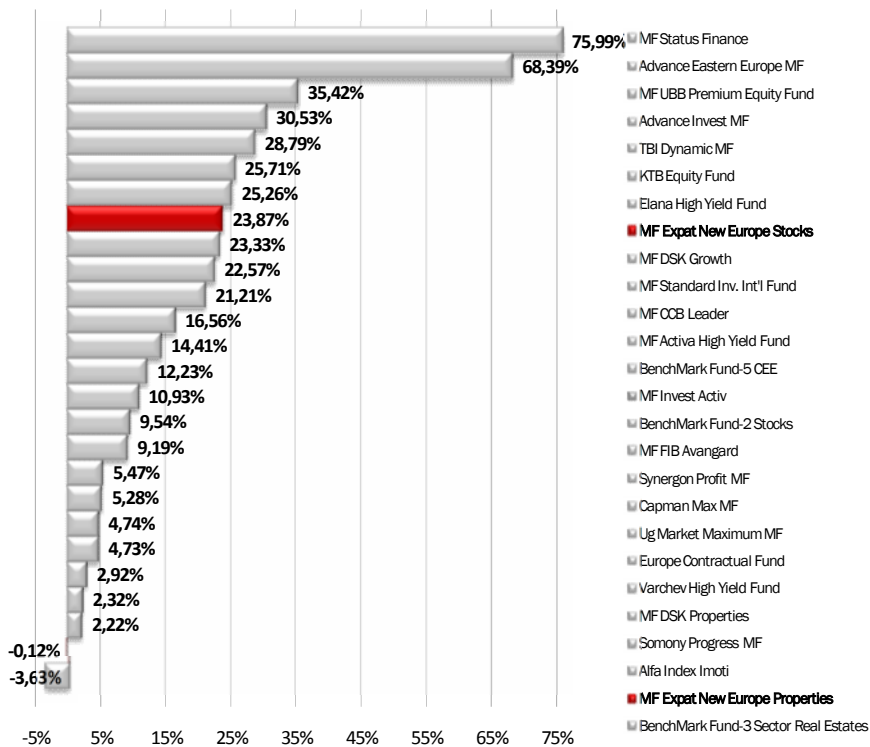
Source: Expat Asset Management

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

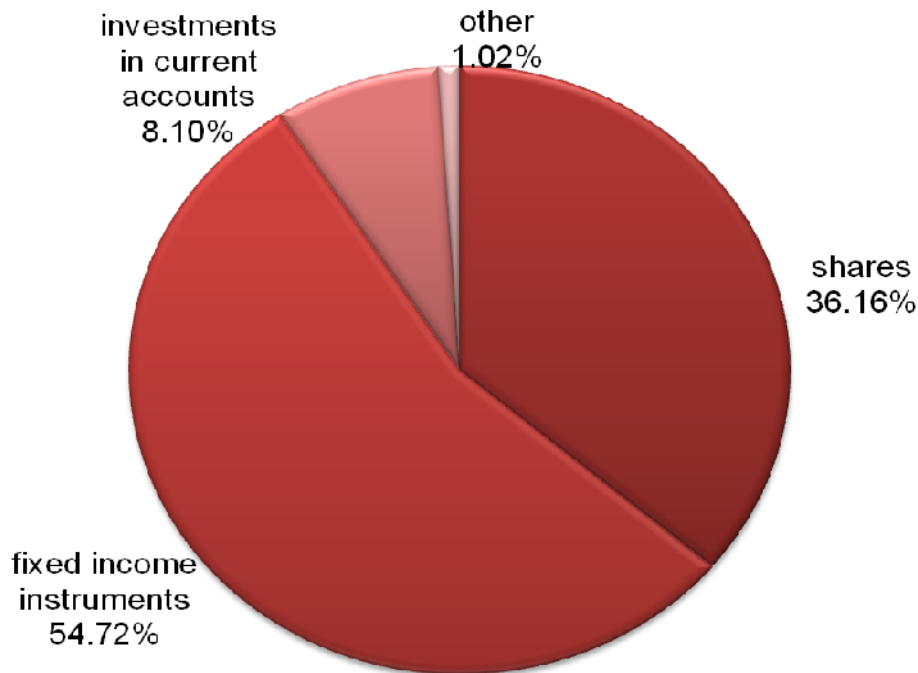
Note: There are about 100 funds in Bulgaria. In this chart we have selected some of the biggest and most popular funds. We have not selected only funds which could be considered favourable for our comparison.

COMMENT

The return of the mutual fund **Expat New Europe Properties** for the last 12 months is -0.12%, 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



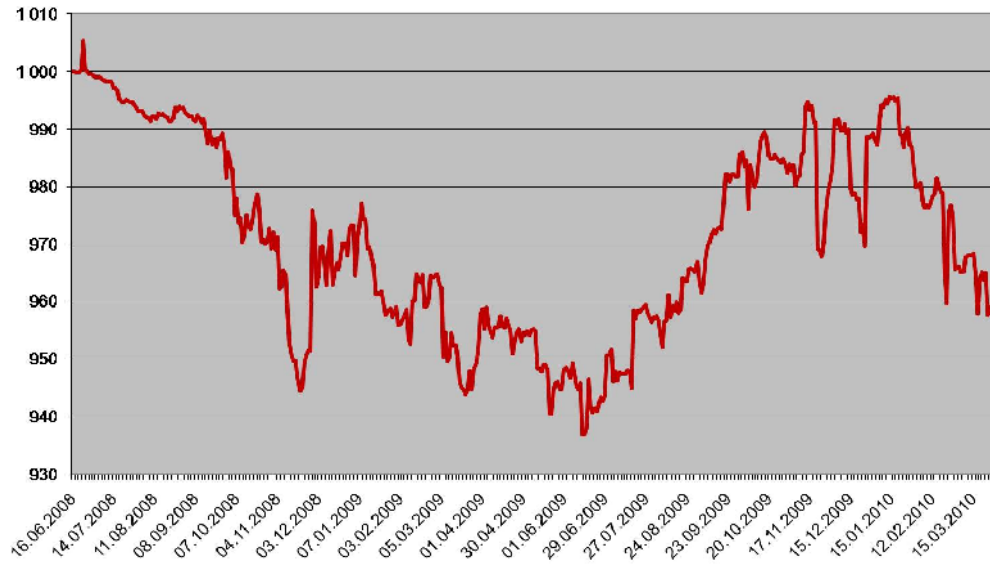
Source: Expat Asset Management

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 March was a little bit better than February for the real estate market – BGREIT is down 3.11%. However, our fund performed better than the real estate market. In March, we sold our whole position in an Austrian company at high levels and that additionally raised the yield of the fund. We also sold part of the stocks of two Bulgarian companies at a very attractive level. We increased the investments in high-yielding term bank deposits on the account of the investments in current accounts. The deposits are with preferential interest rates and we are ready to redirect them to stocks that we consider undervalued. Currently, we continue to identify interesting companies in which we could eventually invest.

5. NET ASSET VALUE PER SHARE

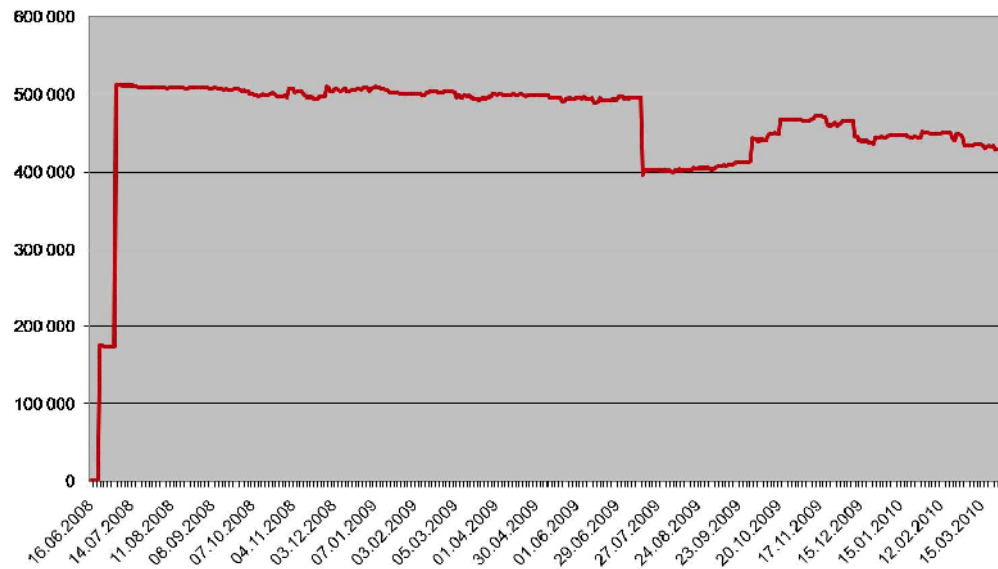
Net asset value per share (BGN per share)



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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