

EXPAT NEW EUROPE PROPERTIES

1 DECEMBER 2009

1. GENERAL INFORMATION

Quotation and statistics

Current indicators and quotations	
Net asset value per share (BGN)	978.9776
Net asset value (BGN)	460 199.76
Outstanding shares	470.0820
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 988.7674
Between BGN 100,000.01 and 500,000	BGN 983.8725
Between BGN 500,000.01 and 2,000,000	BGN 980.9356
Above BGN 2,000,000	BGN 978.9776
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	BGN 969.1878
From 12 to 24 months	BGN 974.0827
Over 24 months	BGN 978.9776
Yield (%)	
Since the beginning of the public offering (not on an annual basis)	-1.45%
Since the beginning of the year	+0.64%
Average monthly return (after six months from the IPO)	+0.05%
Highest monthly profit	+1.92%
Highest monthly loss	-1.48%

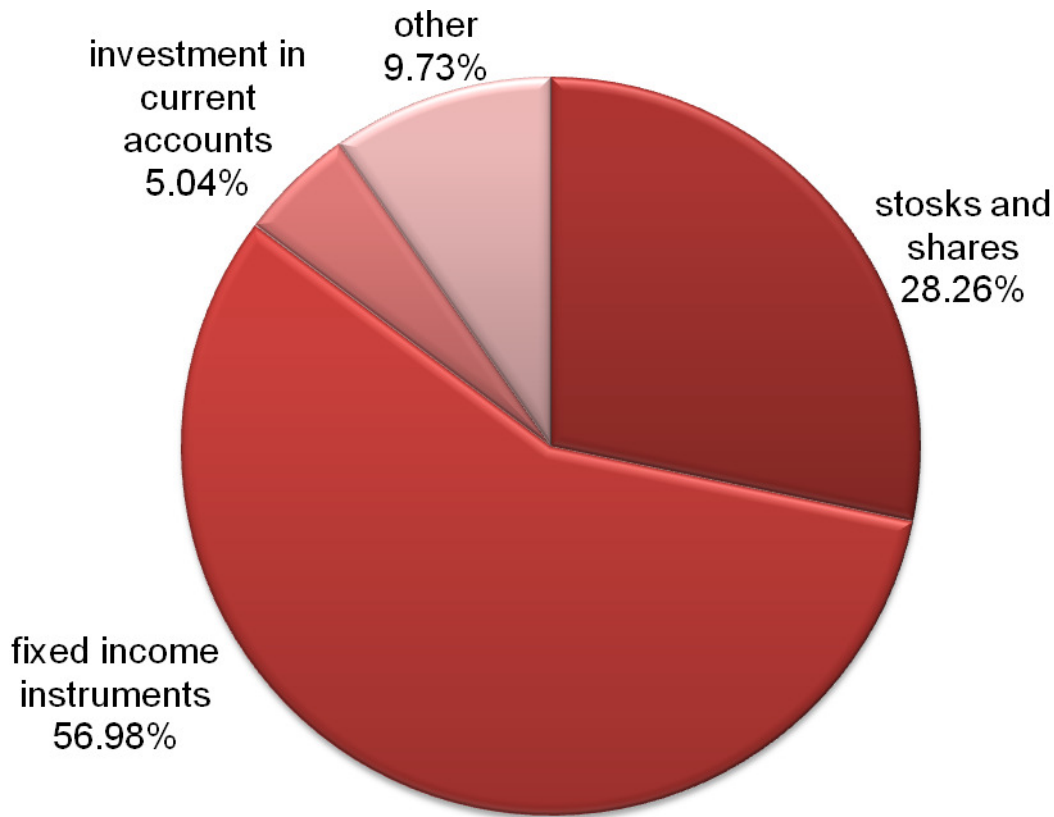
Source: Expat Asset Management

COMMENT

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 crises such as during the last two years. Despite the crisis, our funds keep their quotations very close to their starting levels, which we consider 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 decide to do so.

2. CURRENT PORTFOLIO STRUCTURE

Portfolio structure according to fund assets



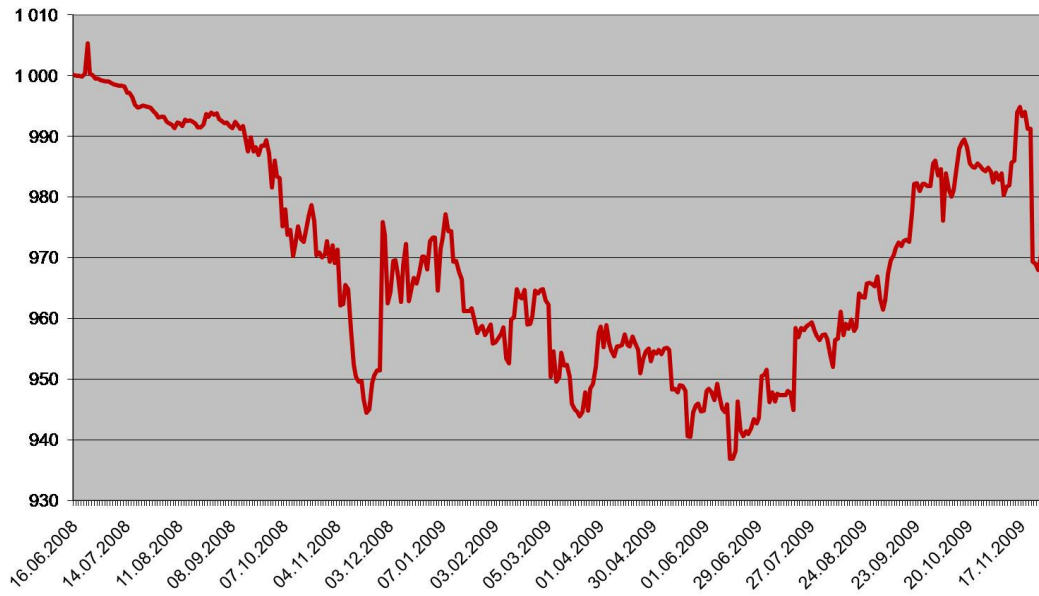
Source: Expat Asset Management

COMMENT

Our current strategy for the mutual fund **Expat New Europe Properties** is not to invest maximum amounts in stocks and other funds, because we are not optimistic about the short-term direction of the financial and real estate markets. However, in November we slightly increased the weight of shares of REITs by about 3 percentage points, and we hope the new picks might be successful mid-term. We have fulfilled our intention to reduce the amounts in current accounts and to increase the weight of high-yielding term bank deposits, fixed income instruments, and higher-yielding instruments with repurchase agreements. The fund has also invested in our new REIT (Real Estate Investment Trust), **Expat Development Fund**. It will be open to the investment public in 2010. Our expected return there is 15% per year.

3. NET ASSET VALUE PER SHARE

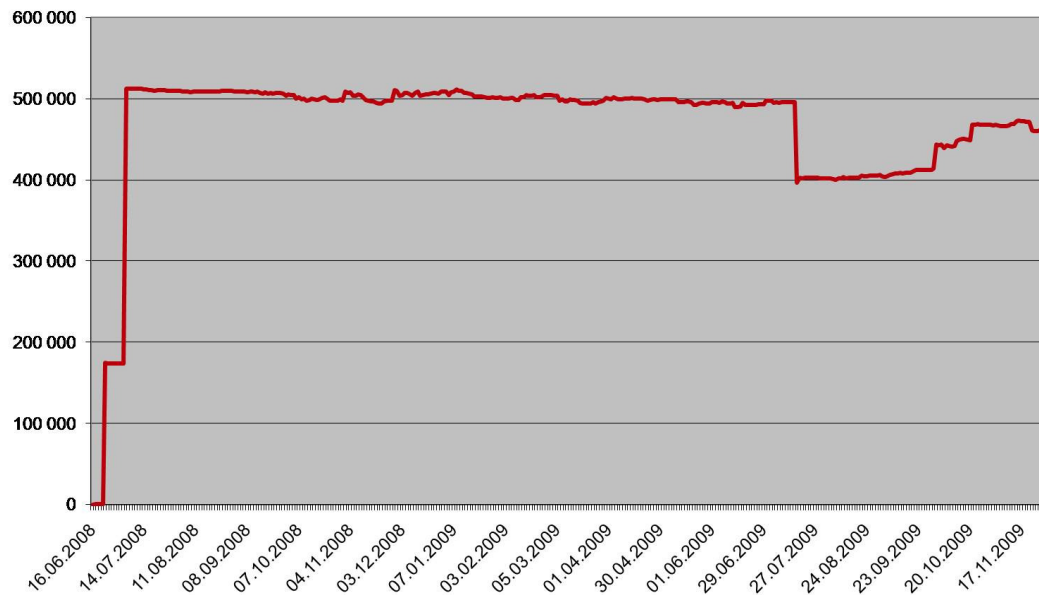
Net asset value per share (BGN per share)



Source: Expat Asset Management

4. NET ASSET VALUE OF THE FUND

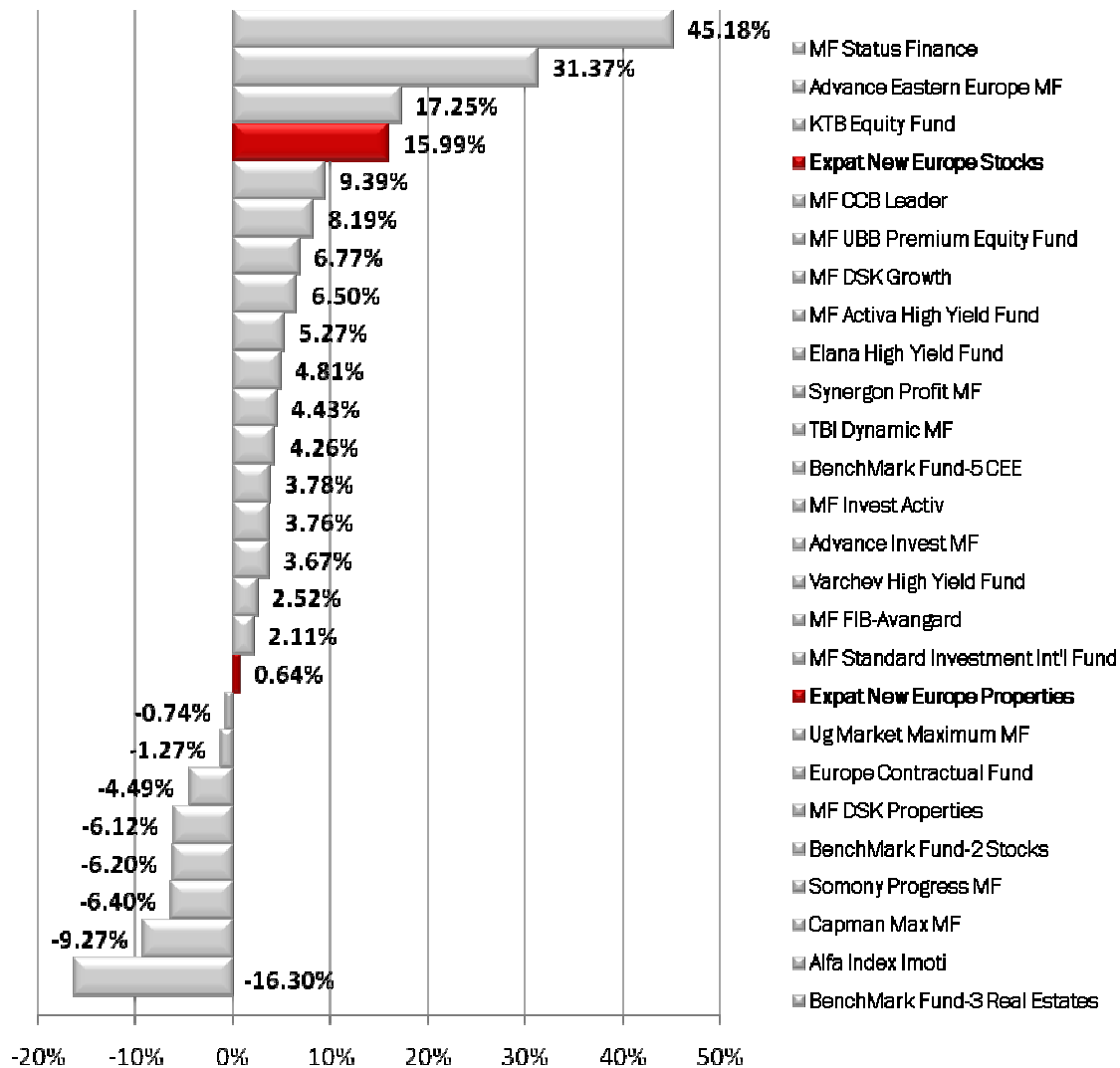
Net asset value (BGN) – all the assets of the fund



Source: Expat Asset Management

5. COMPARATIVE PERFORMANCE OF THE FUND

Performance of selected funds, January – November 2009, %



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

As it can be seen from the chart, the return of mutual fund **Expat New Europe Properties** for 2009, although “above zero”, is not very high, because the whole asset category – real estate – is having a tough year. Yet, our fund has a positive year in contrast to most of the instruments related to real estate. 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 6% 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.

6. 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

7. RISK DISCLOSURE

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