

EXPAT NEW EUROPE PROPERTIES

1 OCTOBER 2010

1. COMMENTS ABOUT OUR RESULTS

We are currently satisfied with the recent performance of the fund. In the last 12 months, the fund is ranked third among funds investing in real estate in Bulgaria. We have focused on capital preservation, as most instruments related to real estate have fallen down in value. Our most relevant benchmark, BGREIT, increased by 2.80% in July.

2. GENERAL INFORMATION AND QUOTATIONS

Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	967.5749
Net asset value (BGN)	427 010.37
Outstanding shares	441.3202
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 977.2506
Between BGN 100,000.01 and 500,000	BGN 972.4128
Between BGN 500,000.01 and 2,000,000	BGN 969.5100
Above BGN 2,000,000	BGN 967.5749
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	BGN 957.8992
From 12 to 24 months	BGN 962.7370
Over 24 months	BGN 967.5749
Yield (%)	
For the last 12 months	-1.82%
Since the beginning of the public offering (on an annual basis)	-1.43%
Since the beginning of the year	-2.13%
Average monthly return (after six months from the IPO)	-0.04%
Highest monthly profit	+1.92%
Highest monthly loss	-1.86%

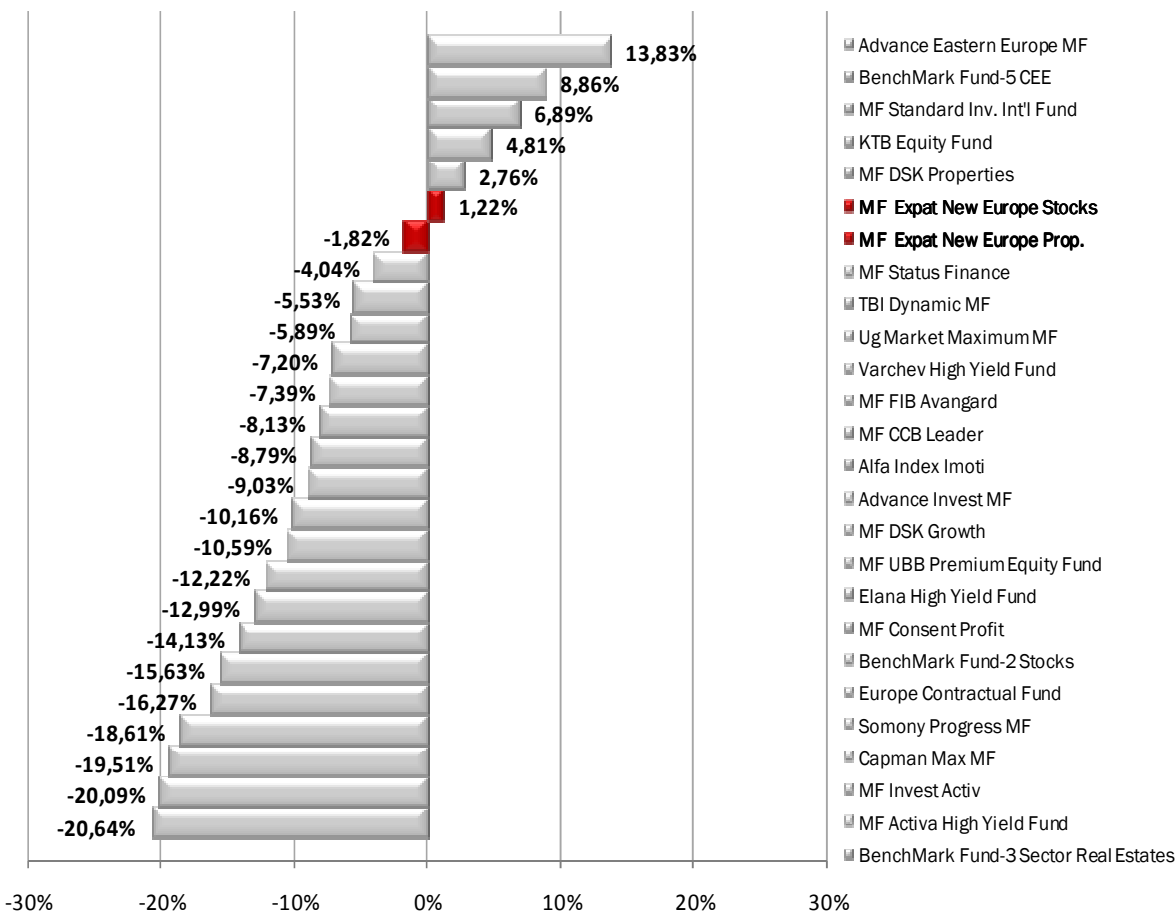
Source: Expat Asset Management

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 stock markets through collective investment strategies. In “good years”, profits could be significant. Our team decrease the risk through skillful management and diversification in times of market downturns, such as the one of the last two years. Despite the crisis, all our funds have kept their quotations very close to their starting levels of 2008, and this we consider a success. We advise our clients to invest in more than one of our funds in order to diversify risk. A big advantage of mutual funds is that the clients can deposit and take out money every day.

3. COMPARATIVE PERFORMANCE OF THE FUND

Performance of selected funds for the last 12 months, %



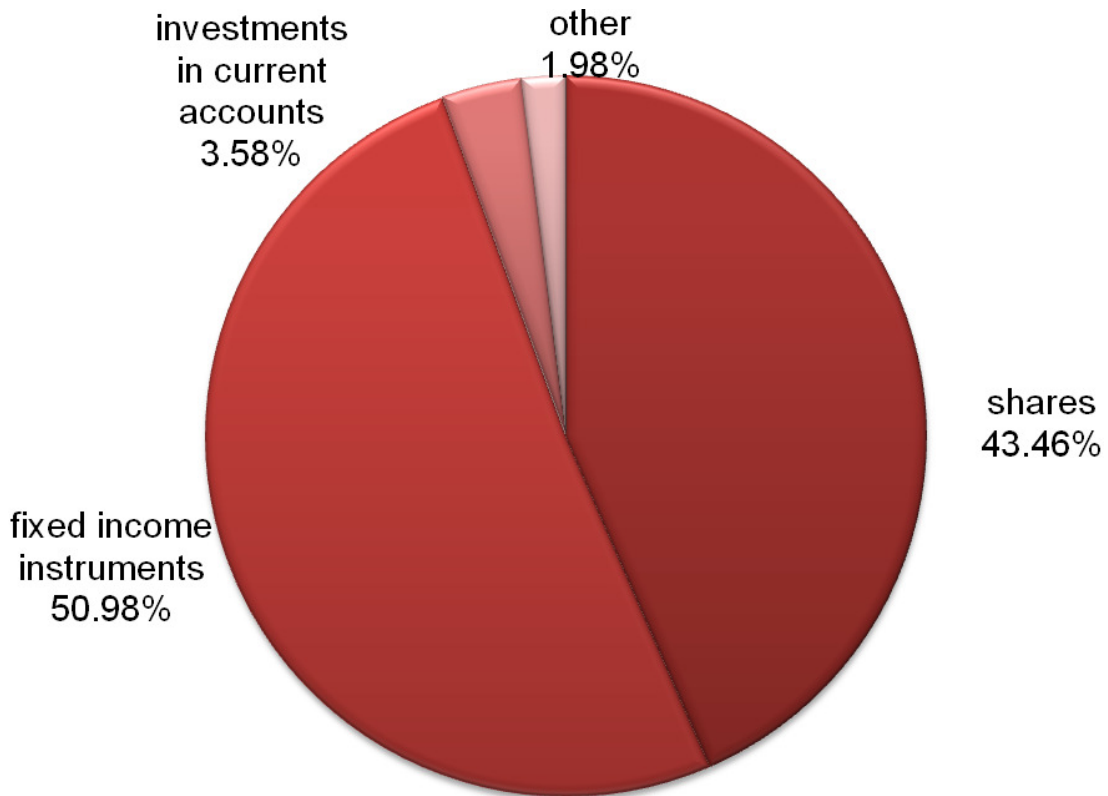
Source: Expat Asset Management, Bulgarian Association of Asset Management Companies
 Note: There are about 100 funds in Bulgaria. In this chart we have selected some of the biggest and most popular funds. We have not selected only funds which could be considered favourable for our comparison.

COMMENTS

The return of the mutual fund **Expat New Europe Properties** for the last 12 months is **-1.82%**, because the whole asset category – real estate – had a tough year. In addition, the upper charts show that this fund has very low volatility. Even in its lowest point it had fallen by about 9% from its maximum, which makes it a good conservative 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



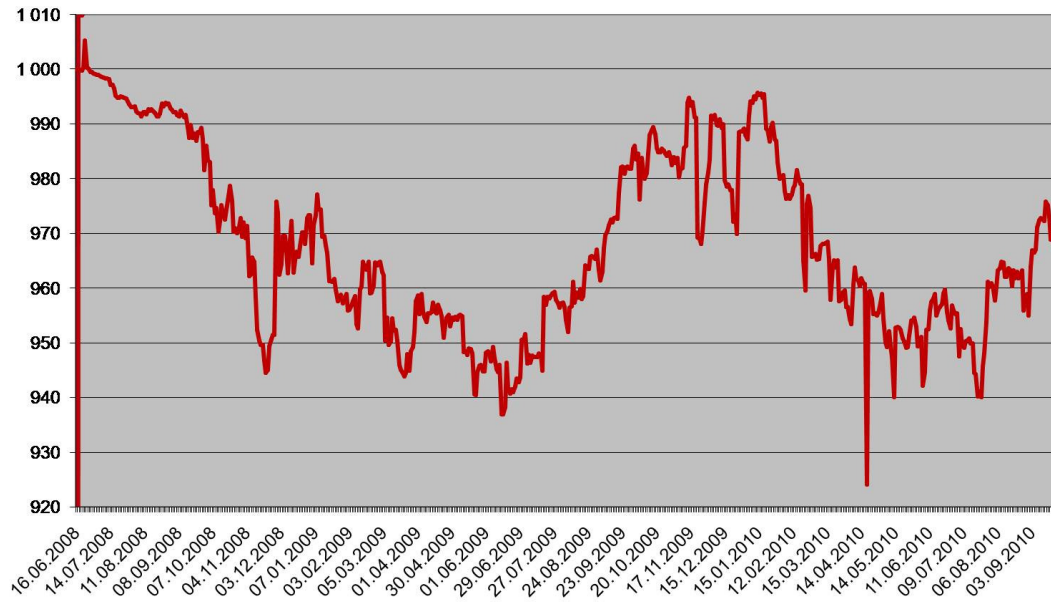
Source: Expat Asset Management

COMMENTS

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. September was better than August for the real estate market as BGREIT was up 2.80%. Our fund ended the month with a positive result. In September we closed our exposure in a Bulgarian company. We also made a successful arbitrage with the shares of one Bulgarian company. This month we increased our exposure in a Bulgarian company that we consider strongly undervalued. 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 companies that could be interesting to our funds.

5. NET ASSET VALUE PER SHARE

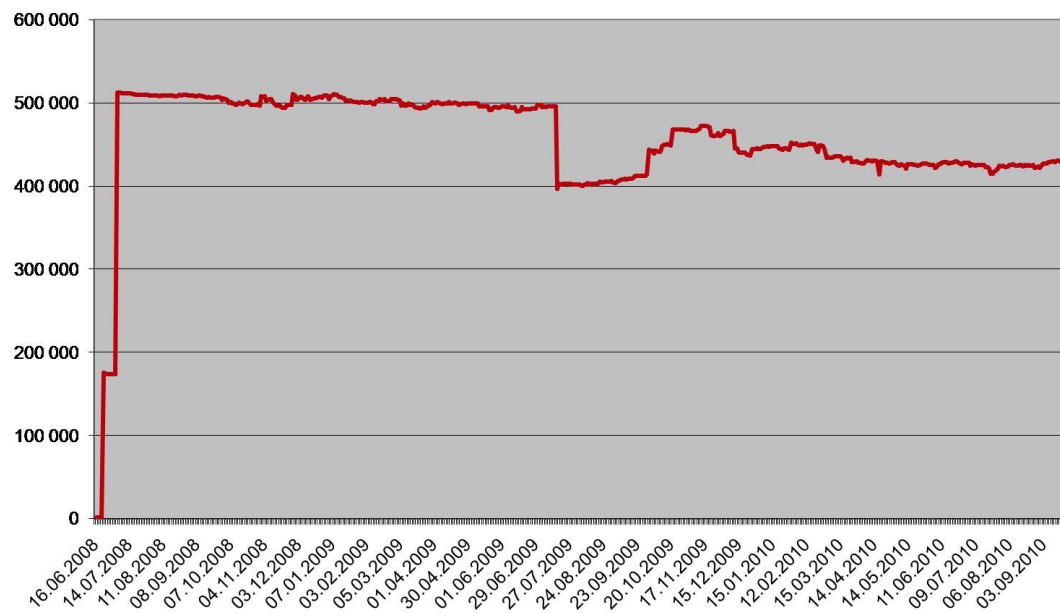
Net asset value per share (BGN per share)



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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