

# EXPAT NEW EUROPE STOCKS

3 MAY 2010

## 1. COMMENT ABOUT OUR RESULTS

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We are relatively dissatisfied with the recent performance of this fund. On a trailing 12-month basis, the return of the fund reached a maximum of **+31.3%** on 19 March 2010, and changed to **+13.20%** on 30 April 2010. However, this fall does not come from bad performance in 2010, but from the very good performance in March and April 2009. Thus, the base for calculation has changed.

## 2. GENERAL INFORMATION AND QUOTATIONS

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### Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	966.3499
Net asset value (BGN)	437 144.34
Number of outstanding shares	452.3665
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 976.0134
Between BGN 100,000.01 and 500,000	BGN 971.1816
Between BGN 500,000.01 and 2,000,000	BGN 968.2826
Above BGN 2,000,000	BGN 966.3499
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	BGN 956.6864
From 12 to 24 months	BGN 961.5182
Over 24 months	BGN 966.3499
Yield (%)	
For the last 12 months	+13.20%
Since the beginning of the public offering (on an annual basis)	-1.81%
Since the beginning of the year	+0.69%
Average monthly return (after six months from the IPO)	+1.24%
Highest monthly profit	+10.05%
Highest monthly loss	-5.70%

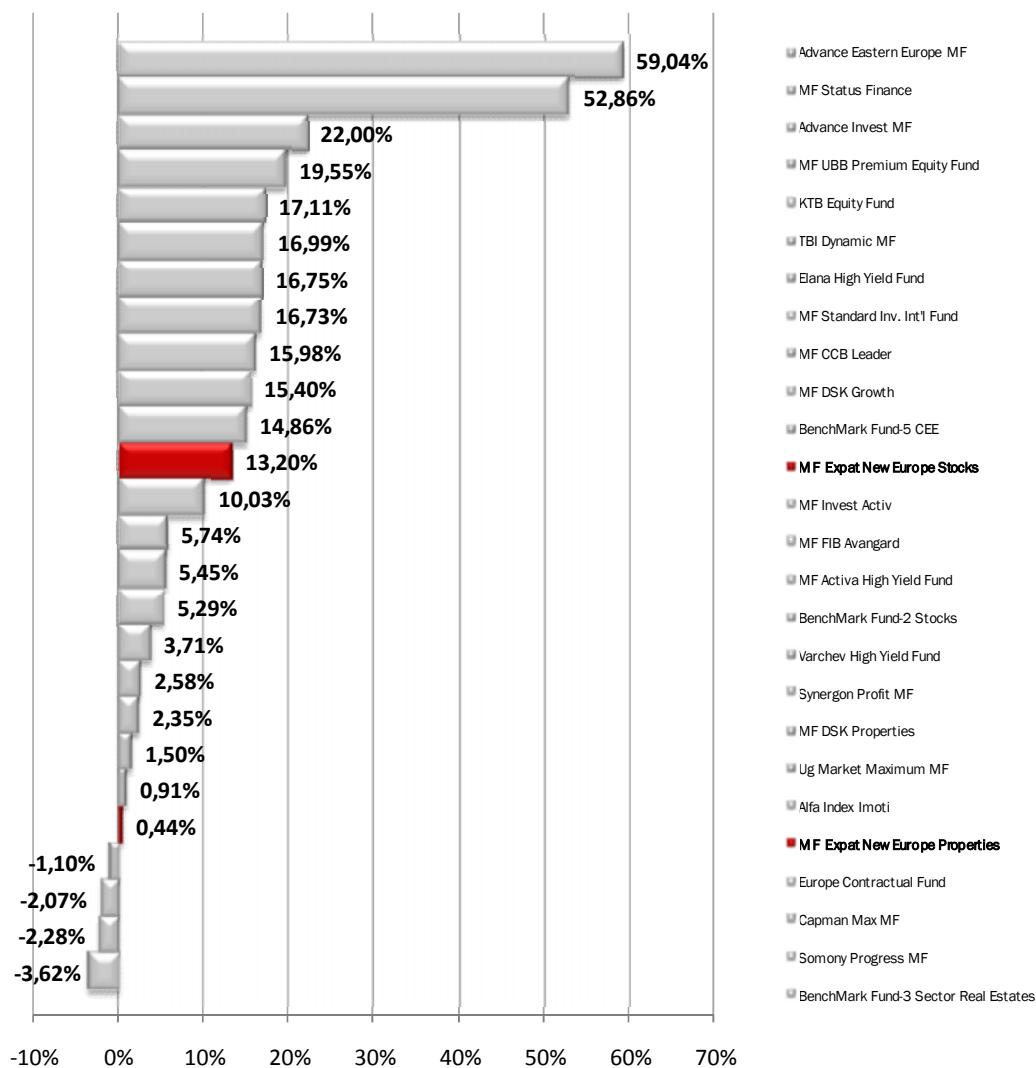
Source: Expat Asset Management

### COMMENT

The mutual fund **Expat New Europe Stocks** is suitable for investors who would like to have exposure to the Bulgarian and East European stock 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 and diversification in times of market crisis such as during the last two years. Despite the crisis, all our funds have kept 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

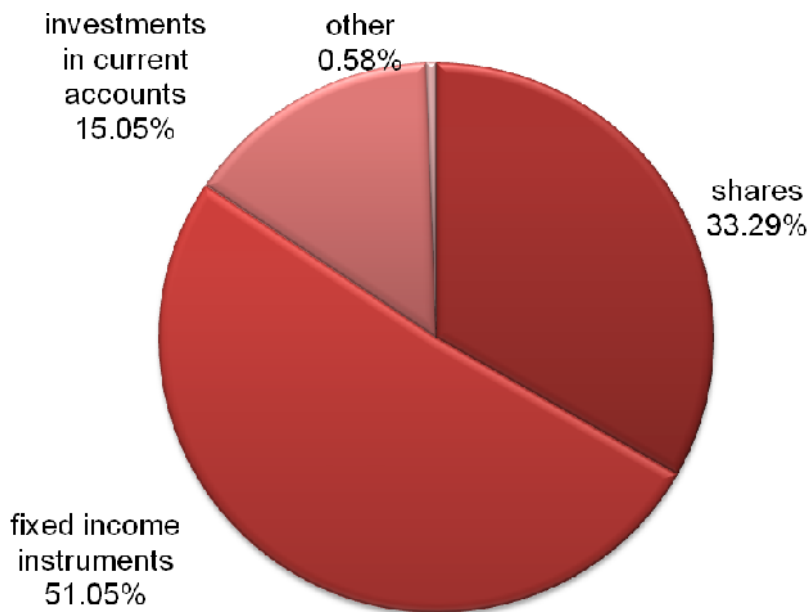
*Note: There are about 100 funds in Bulgaria. In this chart we have selected some of the biggest and most popular funds. We have not selected only funds which could be considered favourable for our comparison.*

**COMMENT**

Our mutual fund **Expat New Europe Stocks** has achieved an average return in the market during the last 12 months: **+13.20%**. The fund has comparatively low risk and volatility of prices (movements up and down) for the following reason: a large part of the funds are in instruments other than stocks (bank deposits, instruments with higher-yield and repurchase agreements, etc.) – especially during periods when we expect the markets to move downwards. Such a strategy provides better protection at market crashes and lower than the maximum possible profits at market rises. We expect the share of highly undervalued, in our opinion, stocks to increase in the future.

**4. CURRENT PORTFOLIO STRUCTURE**

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



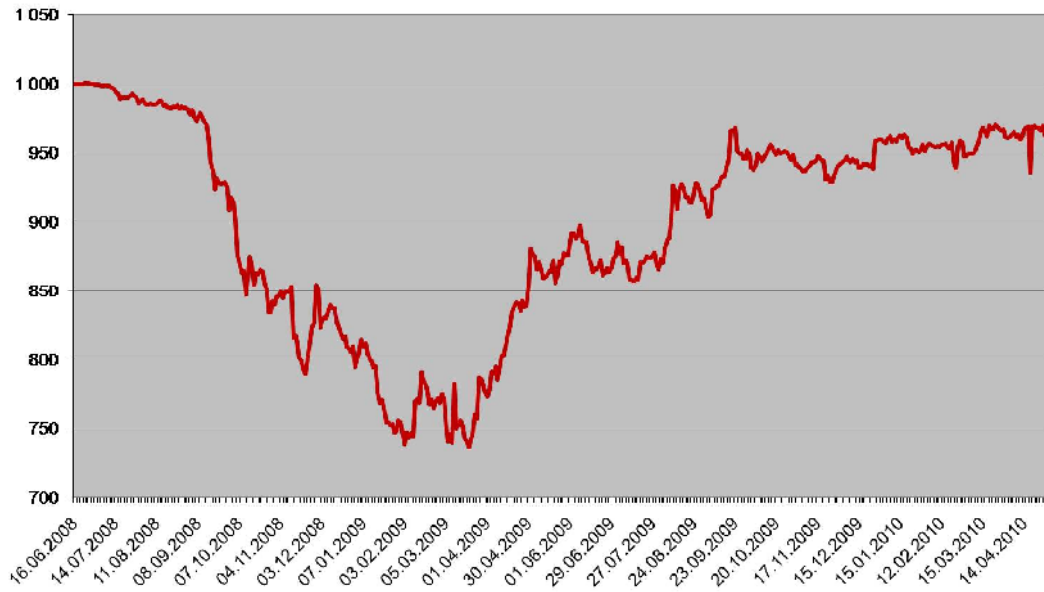
*Source: Expat Asset Management*

**COMMENT**

Our strategy for the mutual fund **Expat New Europe Stocks** is to increase the amounts invested in stocks, especially in East-European stocks. The month of April was worse than March for the capital market in Bulgaria, as the indexes finished in the red territory: SOFIX finished at -1.06% and BG40 – at -1.43%. However, our fund performed better than the market. Last month we sold part of our shares in three Bulgarian companies at very attractive levels. We also managed to successfully sell our stake in one Bulgarian company, which additionally raised the yield of the fund. We also liquidated one position in Bulgarian government securities. Our deposits are with preferential interest rates (most of them are about 8-9% p.a.), which we are ready to redirect to shares which we might consider strongly undervalued. Currently, we wait for the right moment to invest in the companies that we have identified.

## 5. NET ASSET VALUE PER SHARE

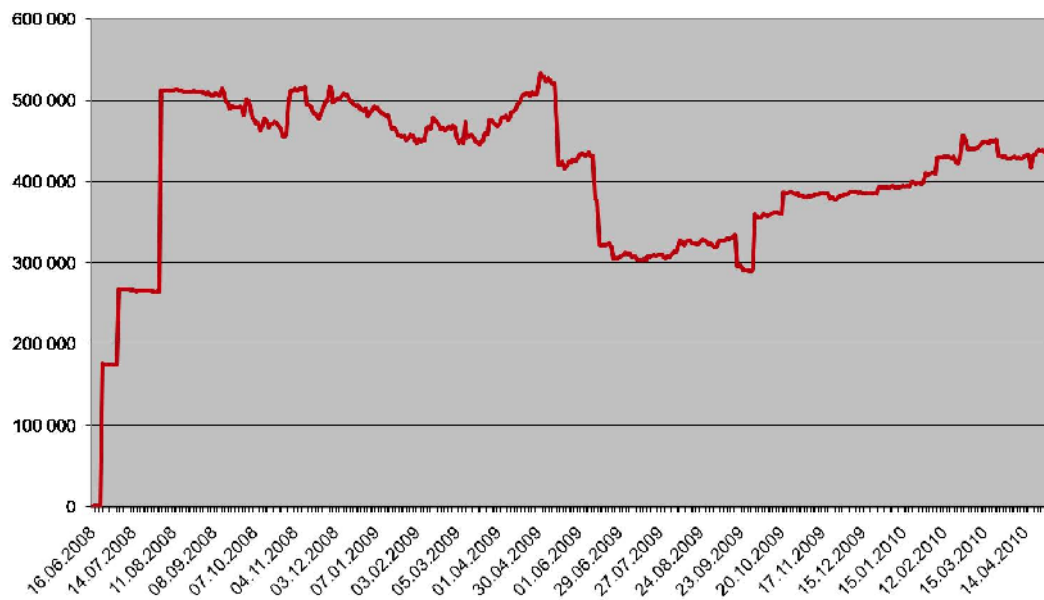
### Net asset value per share (BGN per share)



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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