

EXPAT NEW EUROPE STOCKS

1 JULY 2010

1. COMMENT ABOUT OUR RESULTS

We are satisfied 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 **+11.13%** on 30 June 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. Despite, our fund ranked among the first five mutual funds in Bulgaria.

2. GENERAL INFORMATION AND QUOTATIONS

Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	970.7491
Net asset value (BGN)	428 698.64
Number of outstanding shares	441.6163
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 980.4566
Between BGN 100,000.01 and 500,000	BGN 975.6028
Between BGN 500,000.01 and 2,000,000	BGN 972.6906
Above BGN 2,000,000	BGN 970.7491
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	BGN 961.0416
From 12 to 24 months	BGN 965.8954
Over 24 months	BGN 970.7491
Yield (%)	
For the last 12 months	+11.13%
Since the beginning of the public offering (on an annual basis)	-1.45%
Since the beginning of the year	+1.15%
Average monthly return (after six months from the IPO)	+1.16%
Highest monthly profit	+10.05%
Highest monthly loss	-5.70%

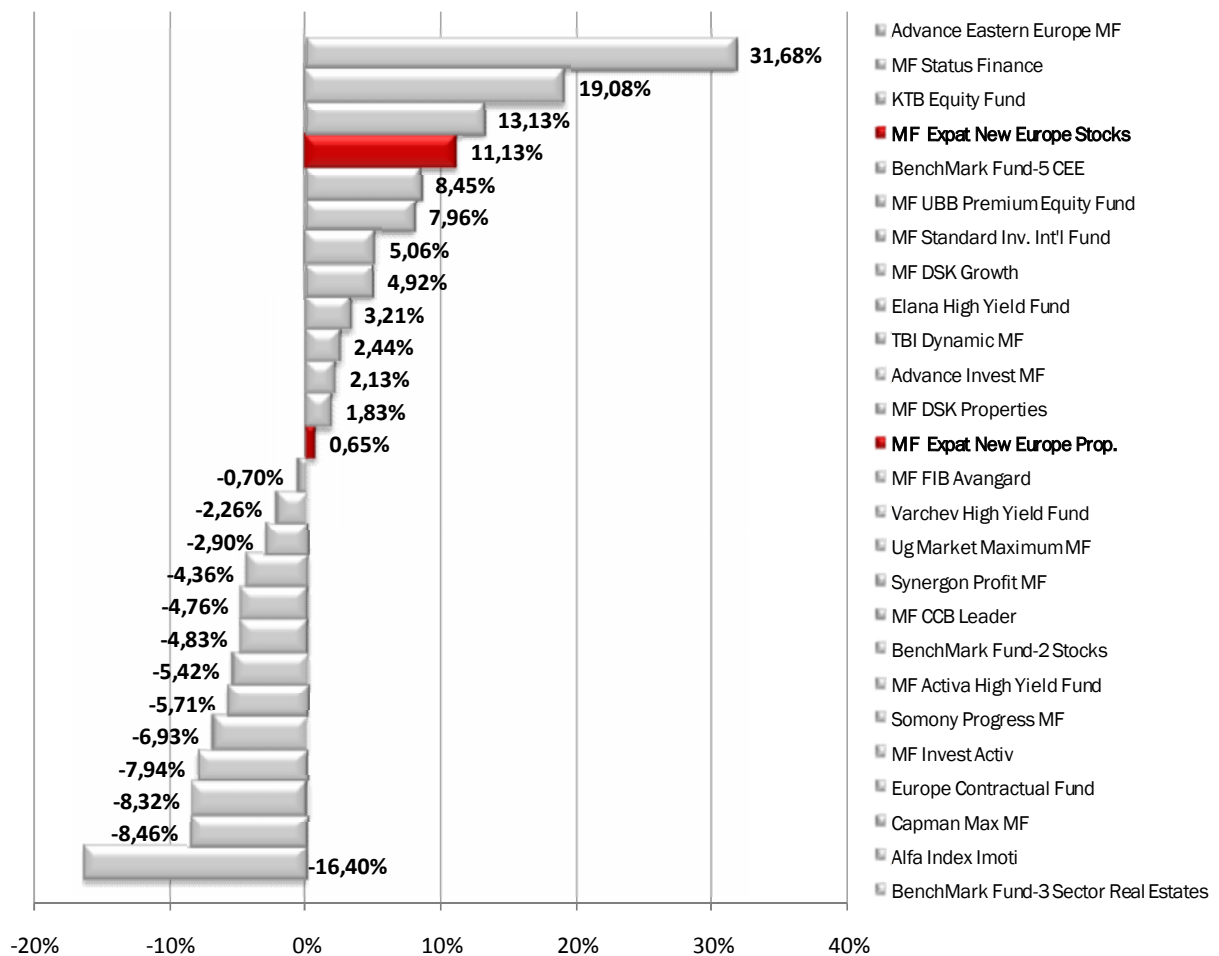
Source: Expat Asset Management

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

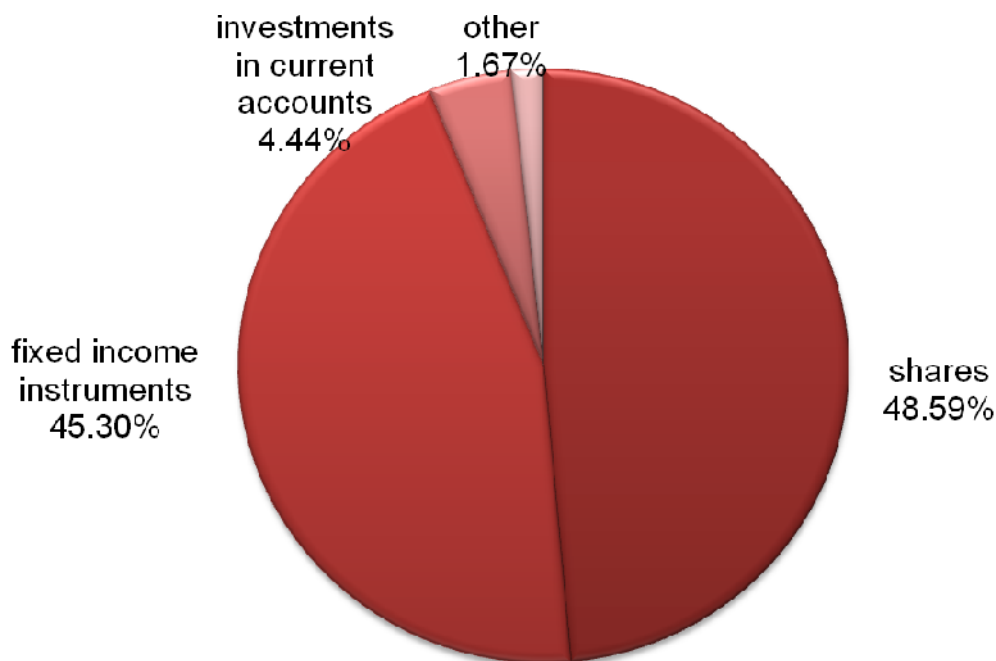
Note: There are about 100 funds in Bulgaria. In this chart we have selected some of the biggest and most popular funds. We have not selected only funds which could be considered favourable for our comparison.

COMMENT

Our mutual fund **Expat New Europe Stocks** has achieved one of the high returns in the market during the last 12 months: **+11.13%**. 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



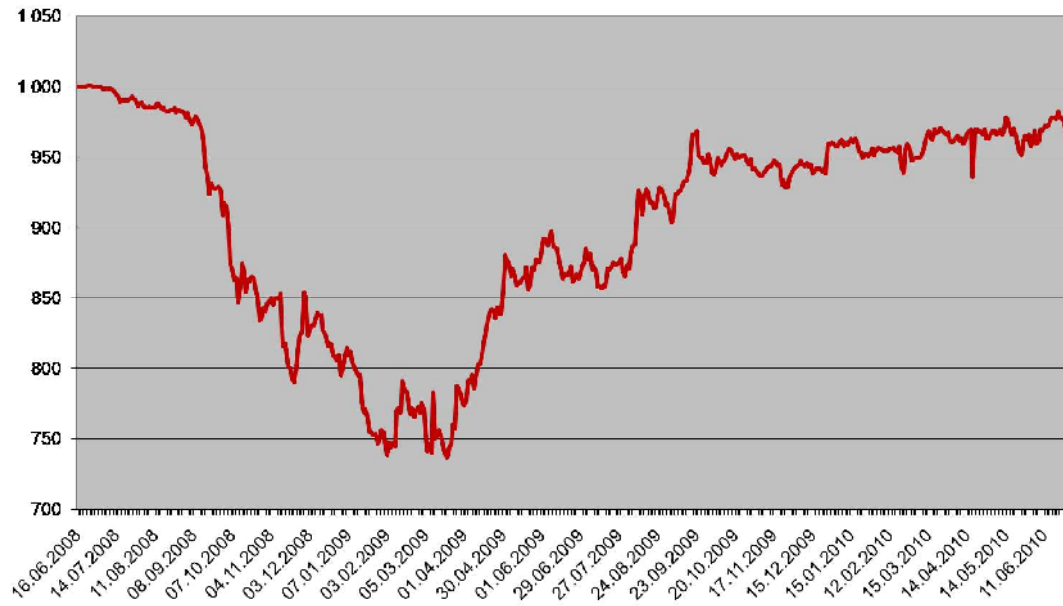
Source: Expat Asset Management

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 June was better than May for the capital market in Bulgaria. Although, the indexes finished in the red territory: SOFIX finished at -2.27% and BG40 – at -2.09%. However, our fund finished with a positive result. Last month we sold all our shares in two Bulgarian companies at very attractive level. We also made a successful arbitrage with the stocks of 4 Bulgarian companies. We increased our exposure in one Bulgarian company and bought one new Hungarian company, which we consider undervalued. In June we bought shares of 4 Bulgarian mutual funds, which will diversify our portfolio and will raise additionally the yield of the fund. Our deposits are with preferential interest rates (most of them are about 8% p.a.), which we are ready to redirect to shares which we might consider strongly undervalued. Currently, we continue to identify companies, which might me interesting for our funds and we wait for the right moment to invest in the companies that we have already identified.

5. NET ASSET VALUE PER SHARE

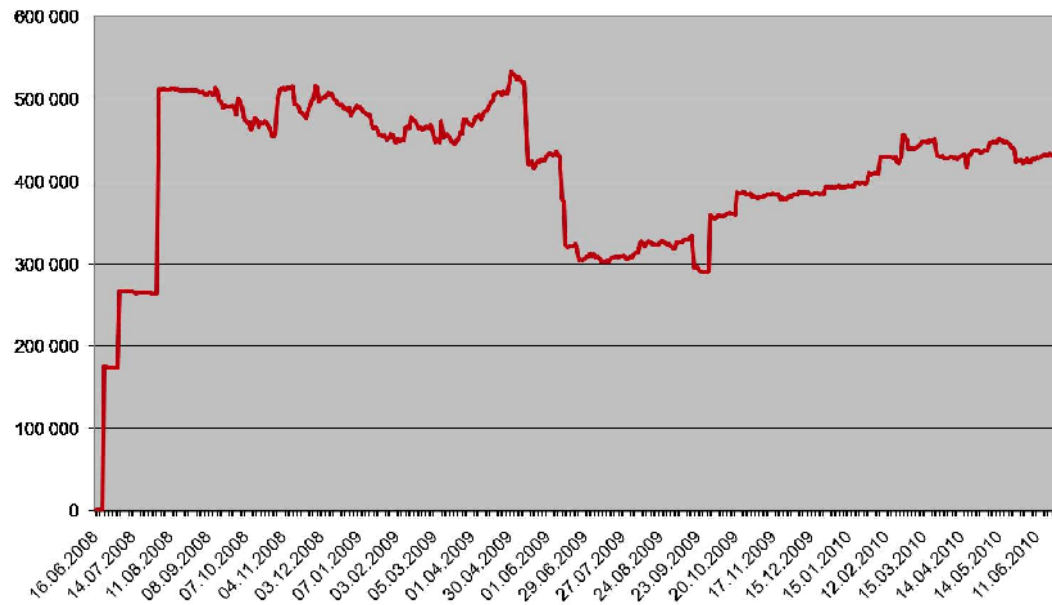
Net asset value per share (BGN per share)



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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