

# EXPAT NEW EUROPE STOCKS

1 APRIL 2010

## 1. COMMENT ABOUT OUR RESULTS

---

We are relatively 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 **+23.87%** on 31 March 2010, up from +18% as of 31 December 2009. Several other funds have also improved their trailing 12-month performance – whether due to good results in the first months in 2010, or worse first months in 2009, or both.

## 2. GENERAL INFORMATION AND QUOTATIONS

---

### Quotations and statistics

Current indicators and quotations	
Net asset value per share (BGN)	960.9230
Net asset value (BGN)	428 404.76
Number of outstanding shares	445.8263
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	970.5322
Between BGN 100,000.01 and 500,000	965.7276
Between BGN 500,000.01 and 2,000,000	962.8448
Above BGN 2,000,000	960.9230
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	951.3138
From 12 to 24 months	956.1184
Over 24 months	960.9230
Yield (%)	
For the last 12 months	+23.87%
Since the beginning of the public offering (on an annual basis)	-2.20%
Since the beginning of the year	0.12%
Average monthly return (after six months from the IPO)	+1.29%
Highest monthly profit	+10.05%
Highest monthly loss	-5.70%

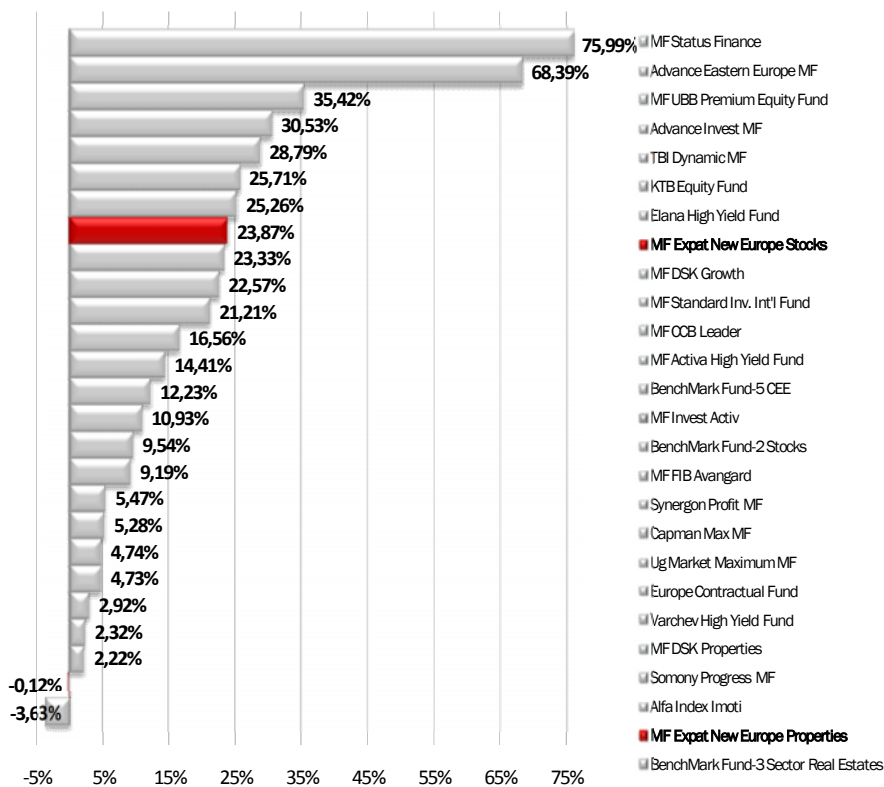
Source: Expat Asset Management

## 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

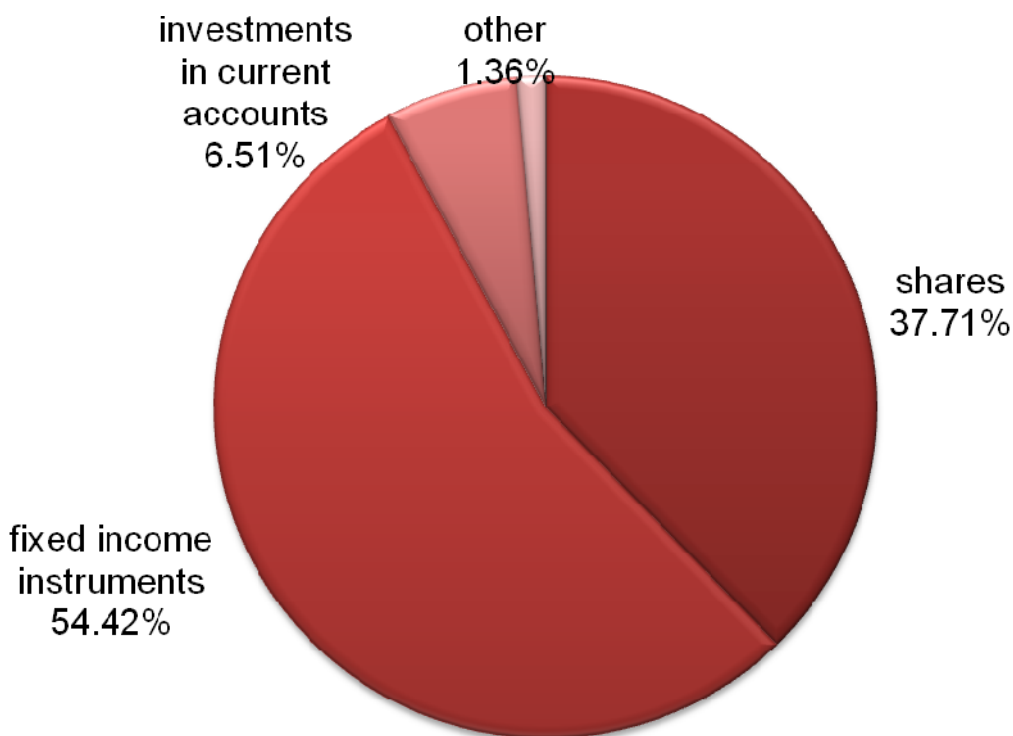
Note: There are about 100 funds in Bulgaria. In this chart we have selected some of the biggest and most popular funds. We have not selected only funds which could be considered favourable for our comparison.

**COMMENT**

Our mutual fund **Expat New Europe Stocks** has achieved a relatively good return in the market during the last 12 months: **+23.87%**. 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**



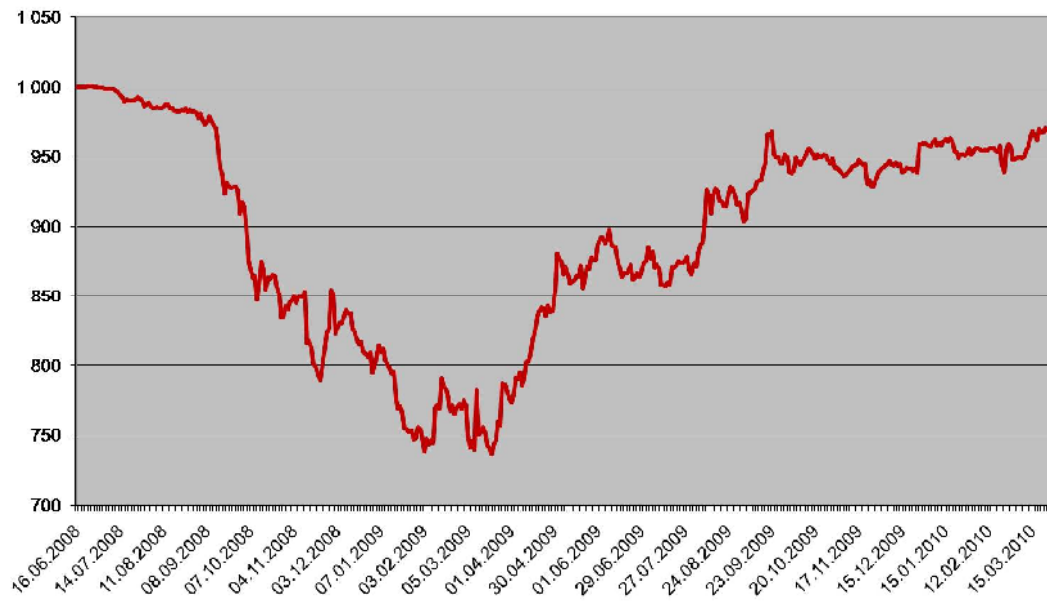
Source: Expat Asset Management

**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 March was better than February for the capital market in Bulgaria, although the indexes finished in the red territory: SOFIX finished at -0.55% and BG40 – at -0.44%. However, our fund performed better than the market. We have also increased the amount invested in one company, as our view is that the stock has potential for growth. We also managed to successfully buy and sell several stakes in Bulgarian companies, which additionally raised the yield of the fund. We also sold part of our stocks in two other Bulgarian companies at very attractive levels. We increased the investments in high-yielding term bank deposits at the expense of the investments in current accounts. 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 continue to identify companies which we could find interesting to eventually invest in.

## 5. NET ASSET VALUE PER SHARE

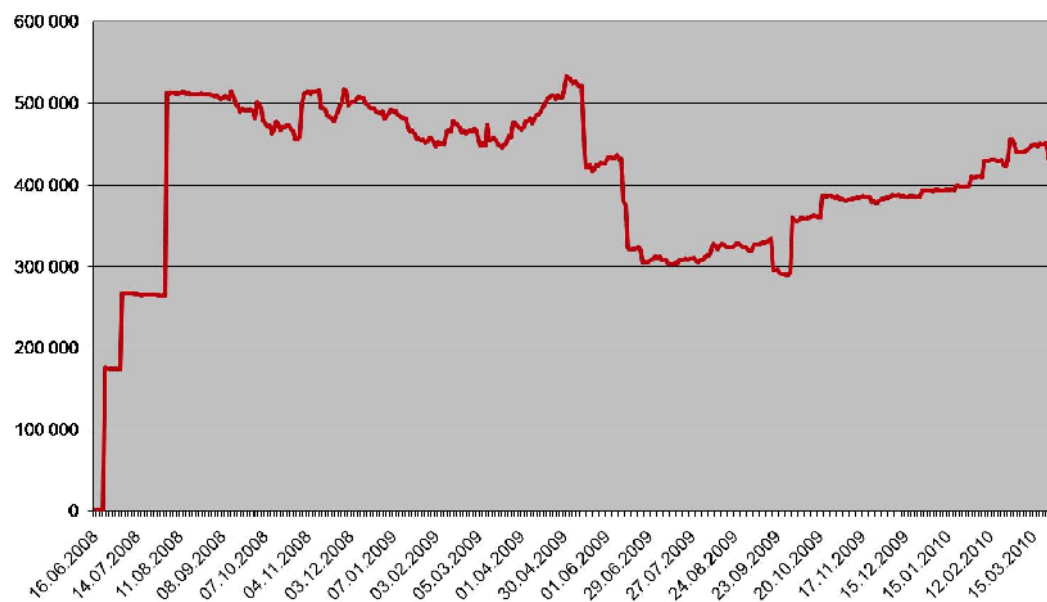
### Net asset value per share (BGN per share)



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

---

### **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](mailto:office@expat.bg)  
[www.expat.bg](http://www.expat.bg)

## 8. RISK DISCLOSURE

---

*The content of this document has been prepared by Expat Capital on the basis of information and sources believed to be reliable. All reasonable care has been taken to ensure that the contents of this document are accurate but Expat Capital shall not in any way be responsible for these contents.*

*This document is not an advertisement. Under no circumstances should any part of this document be construed as an offering or solicitation for a trade or investment in any class of investments.*

*Past performance is no guarantee of future performance, and the value of investments can go down as well as up, leading to a significant loss of funds as a result.*

*Expat Capital is an international fund management company which provides advisory and investment management services to a number of regulated collective investment schemes. Expat Asset Management is 100% owned by Expat Capital and manages its mutual funds. It is authorized and regulated by the Bulgarian Financial Supervision Commission.*