

# EXPAT NEW EUROPE STOCKS

1 DECEMBER 2009

## 1. GENERAL INFORMATION

### Quotation and statistics

Current indicators and quotations	
Net asset value per share (BGN)	938.1492
Net asset value (BGN)	382 339.23
Number of outstanding shares	407.5463
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 947.5307
Between BGN 100,000.01 and 500,000	BGN 942.8399
Between BGN 500,000.01 and 2,000,000	BGN 940.0255
Above BGN 2,000,000	BGN 938.1492
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	BGN 928.7677
From 12 to 24 months	BGN 933.4585
Over 24 months	BGN 938.1492
Yield (%)	
Since the beginning of the public offering (not on an annual basis)	-4.29%
Since the beginning of the year	+15.99%
Average monthly return (after six months from the IPO)	+1.53%
Highest monthly profit	+10.05%
Highest monthly loss	-5.70%

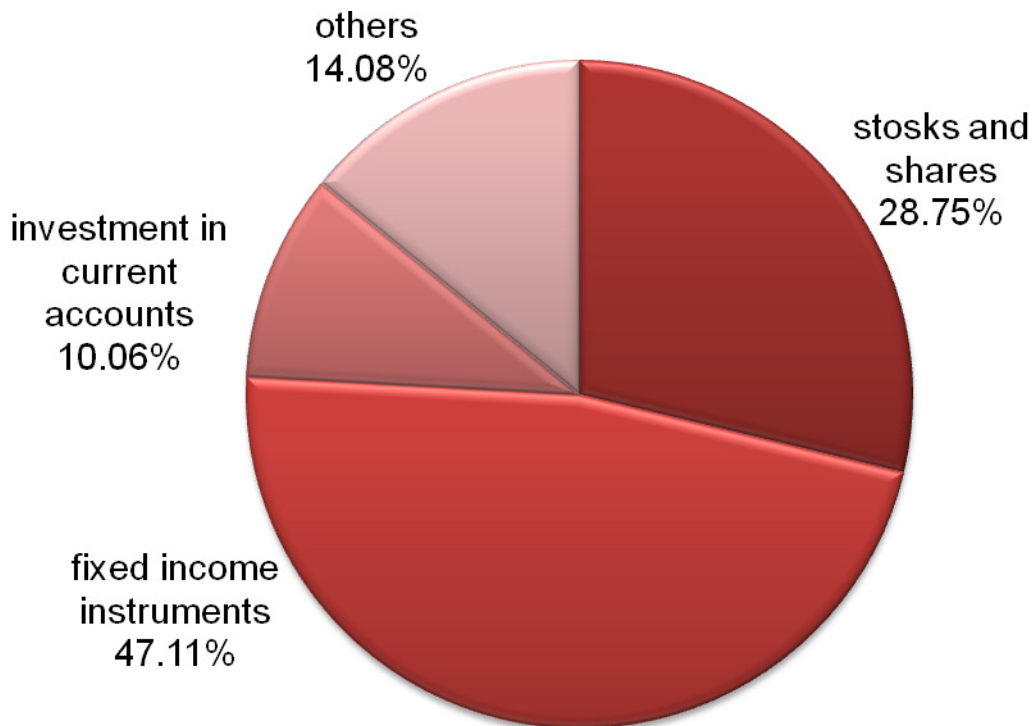
Source: Expat Asset Management

### 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 in times of market crisis 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



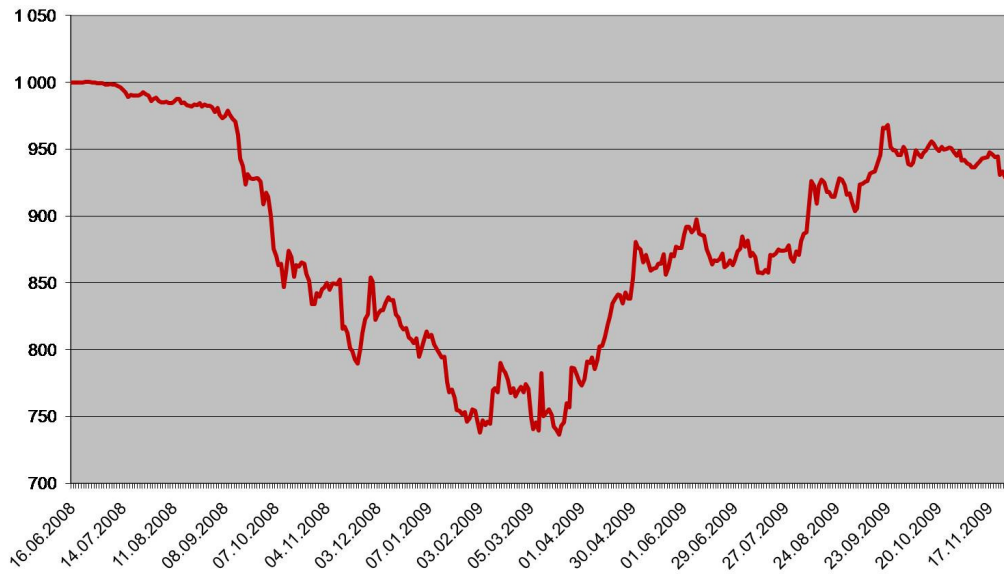
Source: Expat Asset Management

#### COMMENT

As we wrote a month ago, our current strategy for the mutual fund **Expat New Europe Stocks** is to invest minimum amounts in stocks, because we are not optimistic about the short-term direction of the markets. The month of November was not good for the capital market in Bulgaria, as well as for many mutual funds. SOFIX dropped by 1.3%. We managed to divest some of our assets in Bulgaria and Russia at acceptable price levels. At the moment we have significant amounts of cash (deposited with banks at high interest rates), which we are ready to invest in shares which we consider strongly undervalued. Our new research analyst, Ms. Denica Krasteva, is currently analyzing a dozen companies which we monitor closely. We expect to identify our next "targets". 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

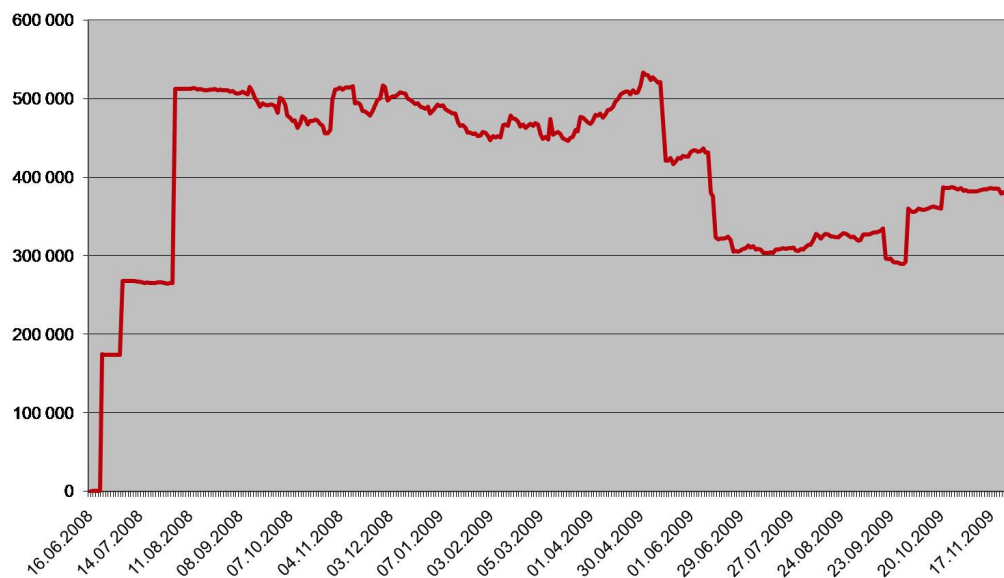
#### Net asset value per share (BGN per share)



Source: Expat Asset Management

### 4. NET ASSET VALUE OF THE FUND

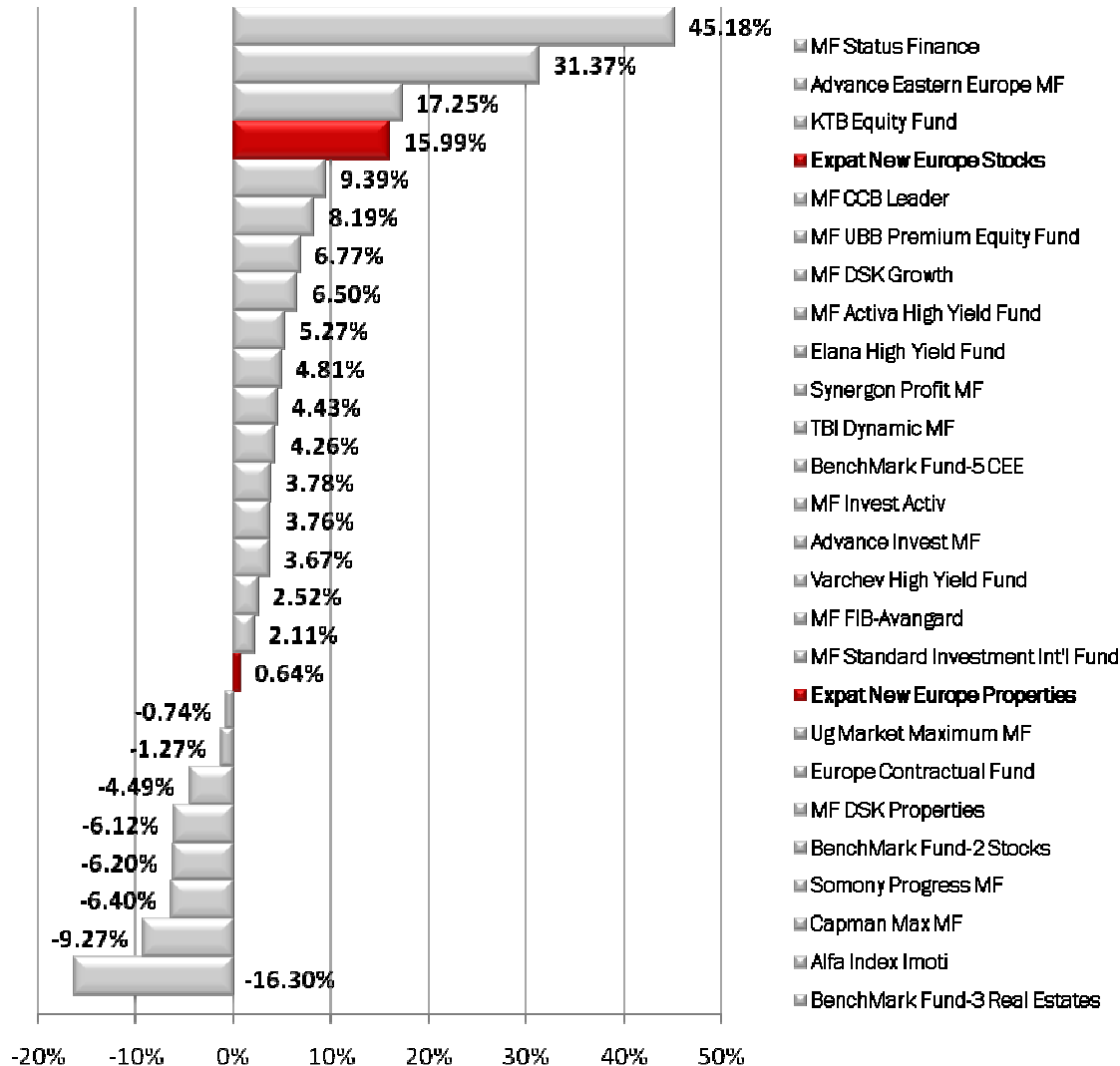
#### Net asset value (BGN) – all the assets of the fund



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

Our mutual fund **Expats New Europe Stocks** has achieved one of the highest returns in the market during 2009: +15.99% for 2009 year-to-date. However, the fund has comparatively low risk and volatility of prices (movements up and down) for two reasons: 1) Part of the stocks are in other countries, for example Russia; 2) 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 down, as it has been during the autumn of 2009. Such a strategy provides better protection at market crashes and lower than the maximum possible profit at market rises. We expect the share of highly undervalued, according to our opinion, stocks to increase in the future.

## 6. CONTACTS

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### **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)

## 7. RISK DISCLOSURE

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