

EXPAT NEW EUROPE STOCKS

2 NOVEMBER 2009

1. GENERAL INFORMATION

Quotation and statistics

Current indicators and quotations	
Net asset value (BGN)	385,650.80
Number of outstanding shares	406.4928
Beginning of the public offering	16 June 2008
Issue price (according to the amount) – if you invest now in the fund	
Up to BGN 100,000	BGN 958.2146
Between BGN 100,000.01 and 500,000	BGN 953.4709
Between BGN 500,000.01 and 2,000,000	BGN 950.6248
Above BGN 2,000,000	BGN 948.7273
Redemption price (according to the period) – if you withdraw your investment from the fund	
Up to 12 months	BGN 939.2400
From 12 to 24 months	BGN 943.9837
Over 24 months	BGN 948.7273
Yield (%)	
Since the beginning of the public offering (not on an annual basis)	-3.76%
Since the beginning of the year	+17.30%
Average monthly return (after six months from the IPO)	+1.79%
Highest monthly profit	+10.05%
Highest monthly loss	-5.70%

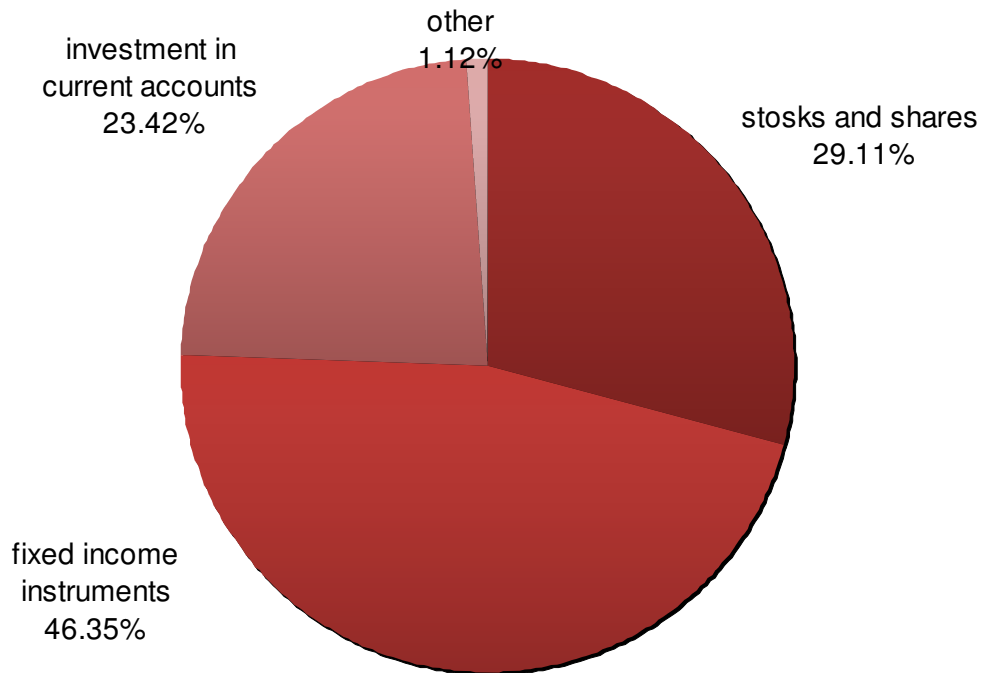
Source: Expat Asset Management

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



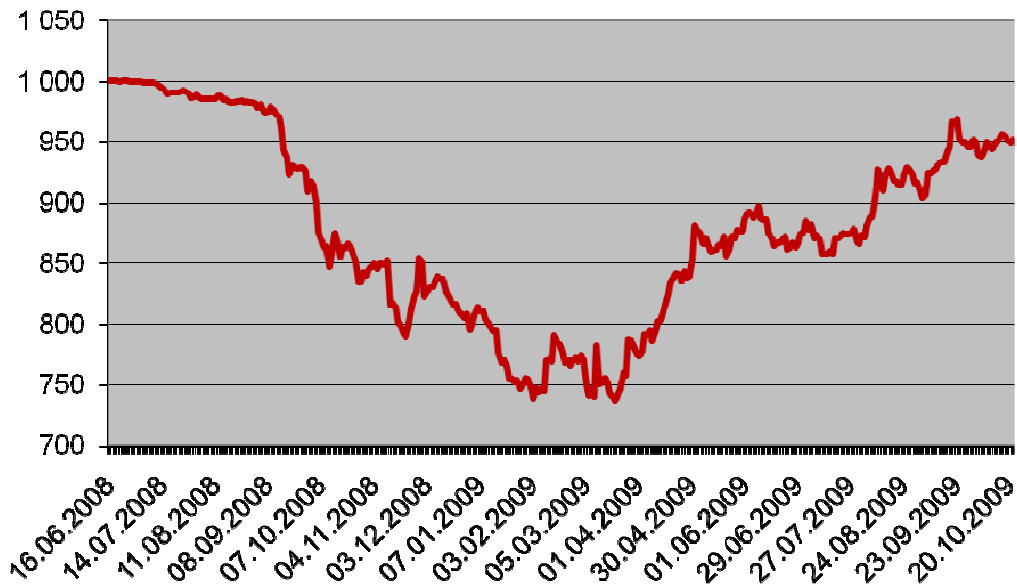
Source: Expat Asset Management

COMMENT

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. We intend to decrease the share of cash in current accounts and to increase bank deposits, fixed-income instruments and higher-yield instruments with repurchase agreements. In the mid-term, we plan to invest part of the funds in new highly undervalued, according to our opinion, stocks. We expect to end the year with higher results than the current year-to-date return.

3. NET ASSET VALUE PER SHARE

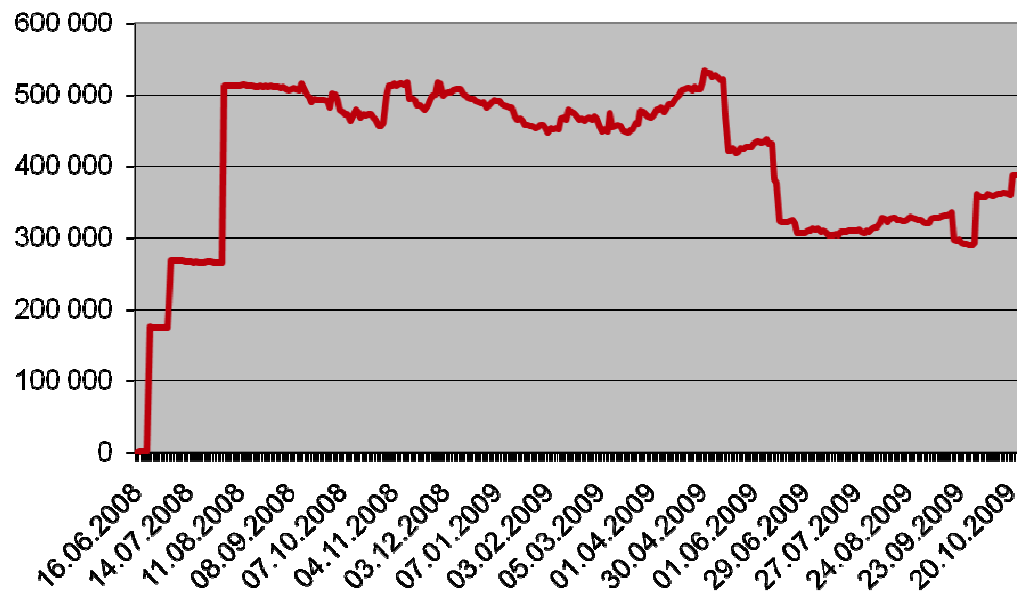
Net asset value per share (BGN per share)



Source: Expat Asset Management

4. NET ASSET VALUE OF THE FUND

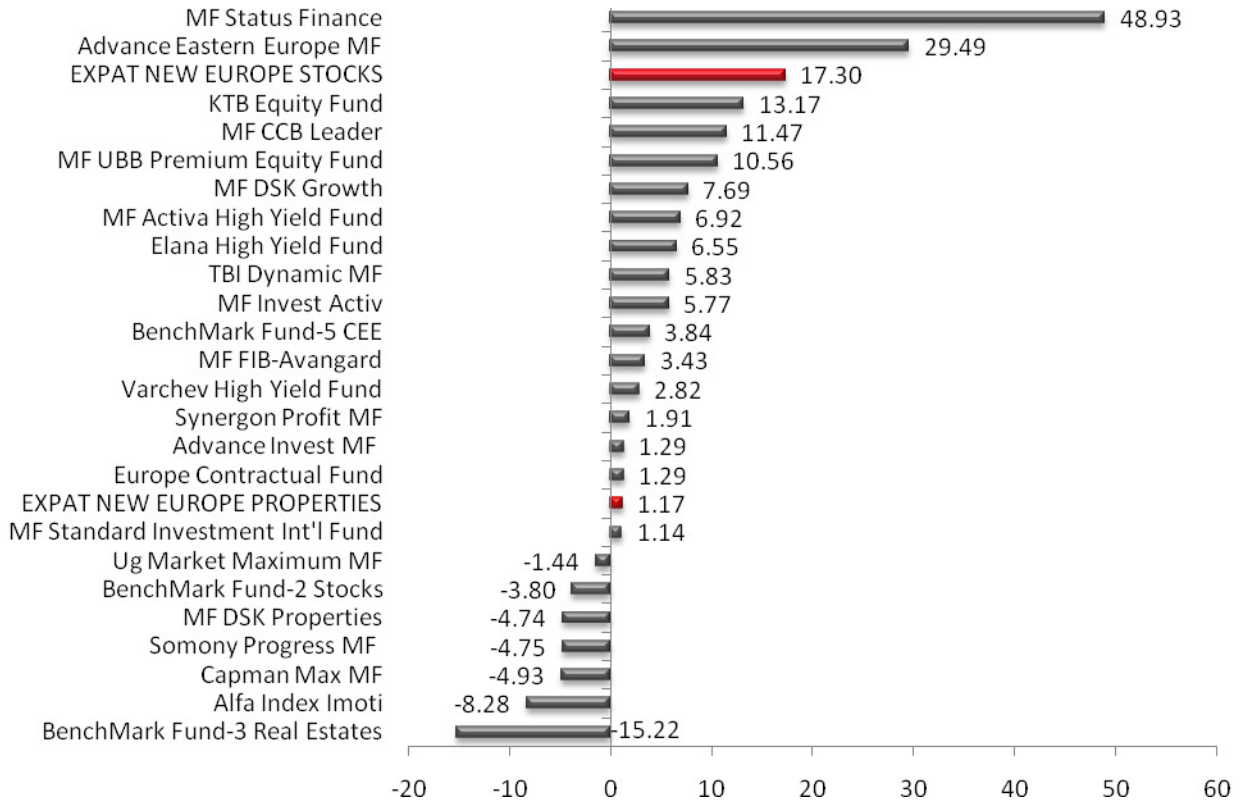
Net asset value (BGN) – all the assets of the fund



Source: Expat Asset Management

5. COMPARATIVE PERFORMANCE OF THE FUND

Performance of selected funds, January – October 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 **Expat New Europe Stocks** has achieved one of the highest returns in the market during 2009: +17.30% 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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7. RISK DISCLOSURE

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