

A grayscale world map serves as the background. Overlaid on the map is a network of white lines connecting various circular nodes, some of which are highlighted with a glowing effect. The nodes are distributed across the continents, suggesting a global network or connectivity.

expatcapital

CONTROL YOUR MONEY. **PRESERVE** YOUR WEALTH. **BUILD** YOUR FUTURE.
A REMARKABLY DIFFERENT WEALTH MANAGEMENT EXPERIENCE.



BULGARIAN CAPITAL MARKET DAY □ LONDON □ 18 MAY 2017

A stylized world map in light gray, overlaid with a network of white lines and circular nodes, suggesting global connectivity and investment. The map is centered on the Atlantic Ocean, with Europe and Africa visible.

EXPAT BULGARIA SOFIX UCITS ETF

The new way to invest in Bulgaria

NICOLA YANKOV
MANAGING PARTNER AT EXPAT CAPITAL

ABOUT EXPAT CAPITAL

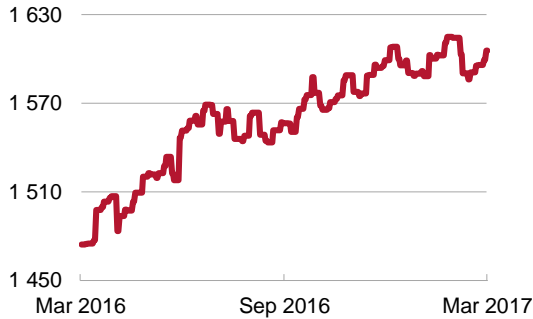
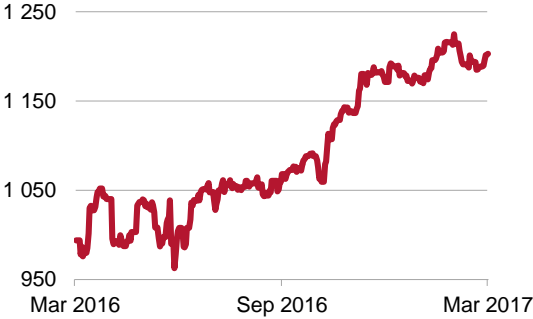
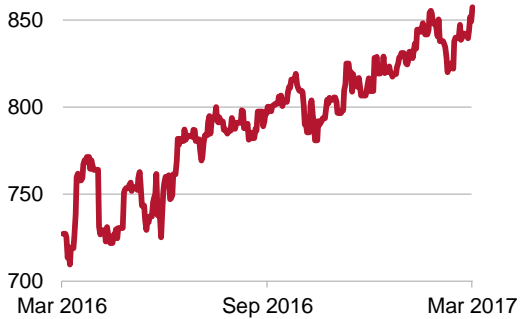
WHO WE ARE

- The largest independent wealth management company in Bulgaria
- Established in 2006
- Clients from 26 countries, investments in all asset classes in over 50 markets worldwide
- A team of professionals with education and experience from 10 countries
- Hundreds of individual investment accounts, 3 mutual funds with a global focus, one listed REIT, and the Bulgarian index ETF

WHY US

- Global reach and personalized investment strategies
- The highest level of confidentiality
- One of the best investment teams in Eastern Europe
- Intimate knowledge of the CEE region, incl. Russia, Turkey, and Greece
- Long-term partnerships with leading international financial institutions
 - 6 international custodian banks
 - 20 leading global banks and brokers

9 YEARS OF MUTUAL FUNDS MANAGEMENT EXPERIENCE

	Expat Bonds	Expat Global Equities	Expat Emerging Markets Stocks
Risk profile	Low-risk	High-risk	High-risk
Yield Q1 2016 – Q1 2017	+7.90%	+19.08%	+15.11%
Graph past 12 months As of 31 March 2017			

EXPAT BULGARIA SOFIX UCITS ETF

INTRODUCTION

- The ETF which tracks the main Bulgarian equity index SOFIX
 - Direct physical replication
 - Passive, no stock picking, no market timing
- Fully compliant with the UCITS directive of the EU
- Open-ended

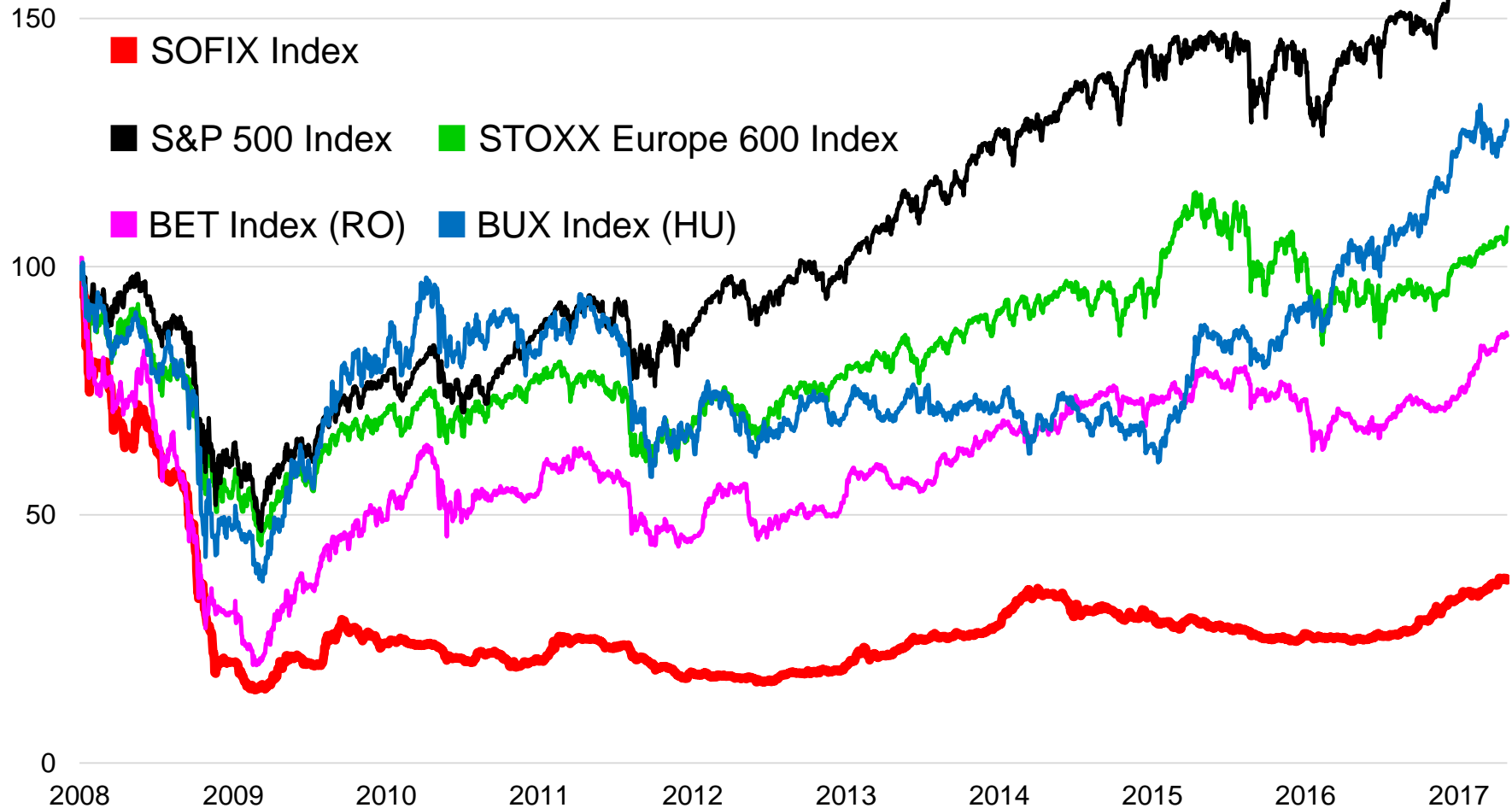
Name	Expat Bulgaria SOFIX UCITS ETF
ISIN	BG9000011163
Ticker	BGX (BGX BU in Bloomberg Terminal)
Market	Bulgarian Stock Exchange – Sofia

THE SOFIX INDEX

- The main Bulgarian equity index consisting of the 15 most liquid shares traded on the BSE – Sofia
- Market cap: over EUR 2bn
- Historical performance of the SOFIX index:



SOFIX VS. OTHER INDICES SINCE 2008



MILESTONES FOR OUR ETF

Aug 2016	Licensed by the Bulgarian Financial Supervision Commission
Sept 2016	Listed on the BSE – Sofia, ticker BGX
Nov – Dec 2016	Attracted investments from 5 large Bulgarian pension funds
Feb 2017	Approval from the Financial Conduct Authority (FCA) to be marketed to investors in the UK
Present	Procedure for listing on the London Stock Exchange in progress NAV – over EUR 15 mln.

ADVANTAGES

- An easy way to invest in the Bulgarian stock market
 - Portfolio published daily on the Expat website
- Diversification
 - Exposure to the 15 largest stocks on BSE – Sofia
 - Lower volatility
- Superior liquidity
 - 3 market-makers guarantee the liquidity of the shares
 - The primary market is open to larger qualified investors
- Compliant with the UCITS directive of the EU

ADVANTAGES

- Easy to follow
 - No need to devote time and resources to analyze, pick and follow individual stocks
 - A convenient and efficient macro play
- Tax efficiency
 - 0% tax on capital gains
 - 0% corporate tax for the ETF
 - 0% tax on dividends received by the ETF
 - 0% tax on financial transactions
- Low transaction costs

ETF HISTORICAL NAV PER SHARE



PRIMARY MARKET

- Only for institutional and qualified investors
- Min. lot size: 100,000 shares
- Order cut-off time: 3:00 pm (UTC+2)
- Price = NAV per share at the end of the day
- Share issue/redemption charge: to be agreed upon with the asset manager
- Advantages
 - No bid/ask spread and brokerage commissions
 - Immediate execution of the full order, no size limit
 - The market price will not move, regardless of the volume

SECONDARY MARKET

- Open to institutional and retail investors
- 3 market-makers
- Suitable for both short-term and long-term investment strategies
 - Money can be made from the broad and long-term market movements

ETF CHARGES

- Management fee – 1% of the NAV annually
- Operating expenses – we expect these fixed costs to fall below 0.3% of NAV as the fund assets grow
 - Licensing, listing, electronic registering of the shares, trademark fees, audit, reporting, required publications
- Total expected expenses in the medium-term – 1.3%, which is within the standard ranges for emerging markets ETFs

NEXT STOP:



LONDON STOCK EXCHANGE

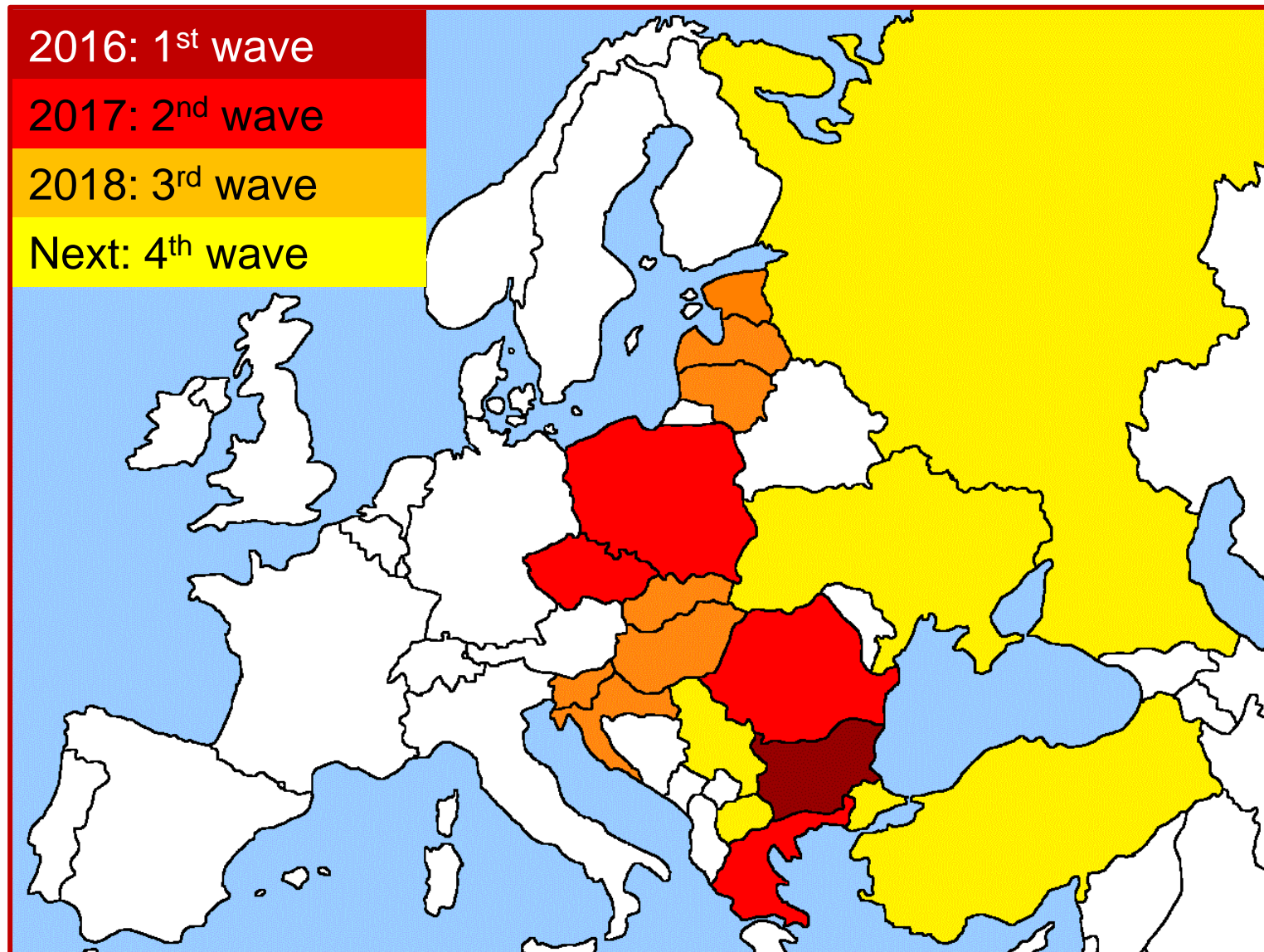
EXPAT – THE ETF POWERHOUSE IN THE CEE REGION

EXPAT – THE ETF POWERHOUSE IN CEE

Expat Asset Management intends to become the leader in the ETF management industry in the CEE region within 1 year

2016: 1 st wave	The first Bulgarian ETF Listing on the London Stock Exchange – in progress
2017: 2 nd wave	4 ETFs covering Greece, Romania, the Czech Republic, and Poland – licensing procedure in progress
2018: 3 rd wave	ETFs covering Hungary, Slovakia, Slovenia, Croatia, possibly the Baltics
Next: 4 th wave	Other ETFs in CEE and elsewhere

EXPAT – THE ETF POWERHOUSE IN CEE



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