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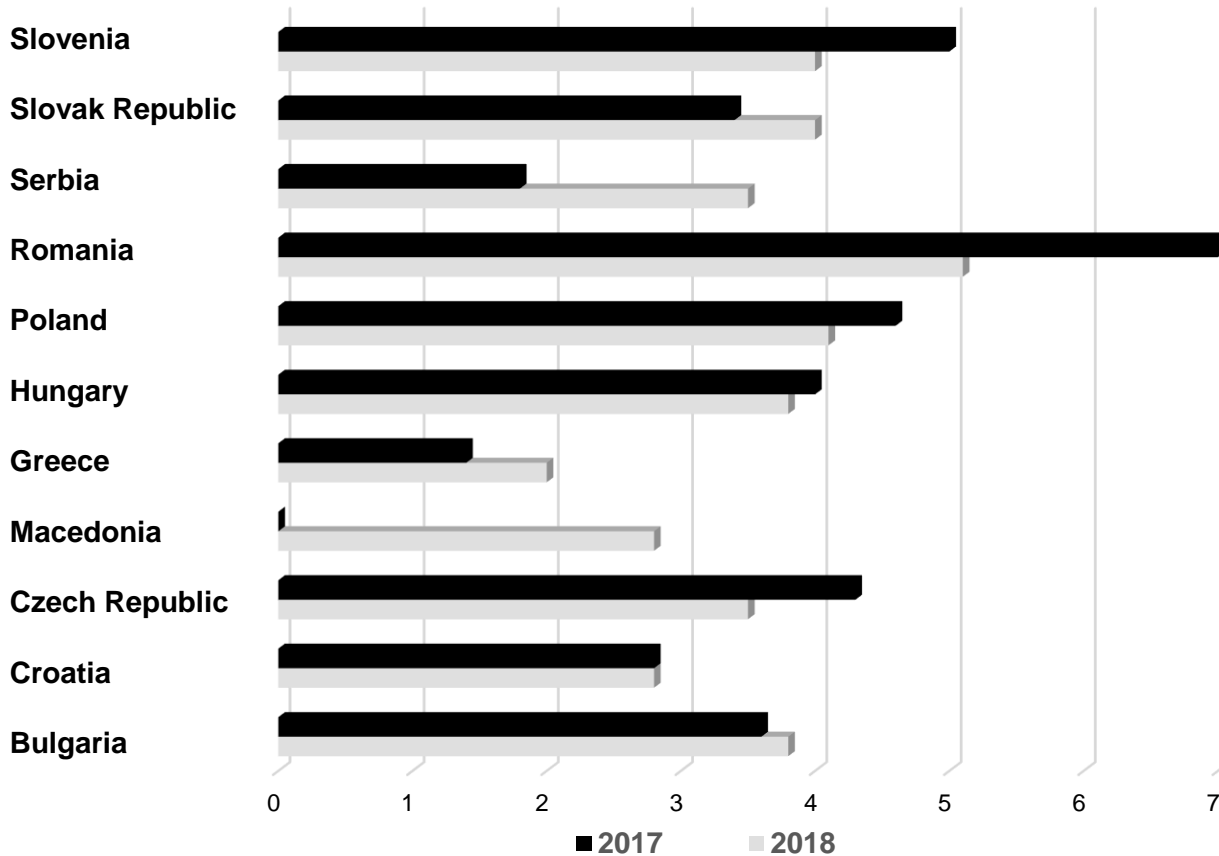


CEE EQUITIES IN THE GLOBAL PORTFOLIO – THE OPPORTUNITY TO INVEST THROUGH ETFs

Dilyana Todorova, Expat Asset Management
4 May 2018, Ohrid, Republic of Macedonia

MACROECONOMIC DATA (1)

**Real GDP Growth YoY % Change
2017 to 2018 Est.**



	2017	2018 Est.
Slovenia	5.0	4.0
Slovak Republic	3.4	4.0
Serbia	1.8	3.5
Romania	7.0	5.1
Poland	4.6	4.1
Hungary	4.0	3.8
Greece	1.4	2.0
Macedonia	0.0	2.8
Czech Republic	4.3	3.5
Croatia	2.8	2.8
Bulgaria	3.6	3.8

Source: ©IMF, 2018

MACROECONOMIC DATA (2)

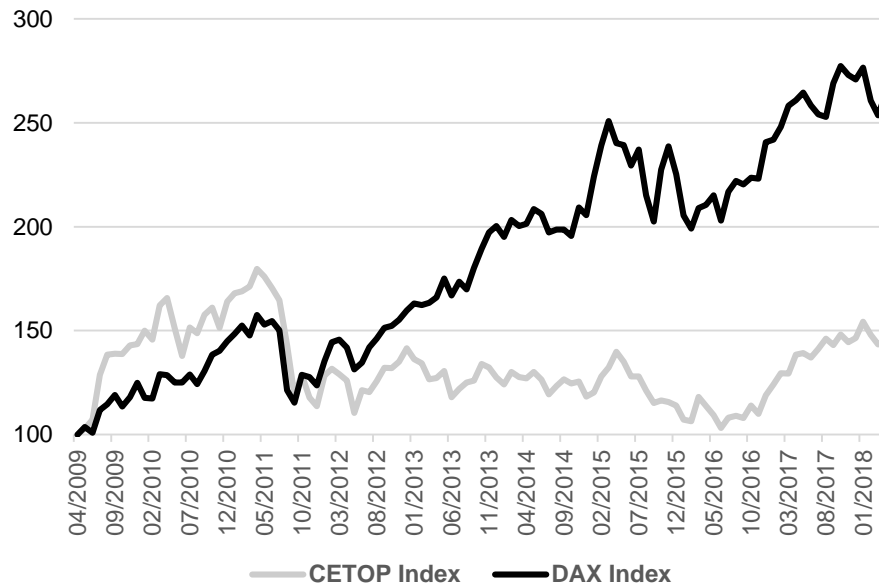
Main Index per Country	P/E (x)	P/B (x)	Net Aggregate Dividend Yield
WIG 20 – Poland	12.06	1.30	1.97
PX – Czech Republic	13.26	1.41	5.32
SAX – Slovak Republic	19.04	1.16	3.13
BUX – Hungary	10.97	1.42	2.25
SBITOP – Slovenia	11.78	0.96	4.74
CROBEX – Croatia	17.07	0.99	2.55
BELEX 15 – Serbia	13.00	0.81	-
MBI 10 – Macedonia	10.51	0.89	4.28
BET – Romania	11.06	1.03	6.60
SOFIX – Bulgaria	14.18	0.68	2.07
Athex Comp. – Greece	26.68	0.72	2.01

Source: Bloomberg as of May 2018

- Undiscovered region
- High growth potential
- Low valuations

INDEX COMPARISON

**CETOP Index to the DAX Index
Normalized to 100**



CETOP Index Composition

Bloomberg Ticker	Company Name	Weight
RBAG CK Equity	Erste Group Bank AG	10.58%
OTP HB Equity	OTP Bank Nyrt	9.69%
PKO PW Equity	Powszechna Kasa Oszczednosci Bank Polski	8.12%
MOL HB Equity	MOL Hungarian Oil & Gas PLC	7.44%
PZU PW Equity	Powszechny Zaklad Ubezpieczen SA	7.19%
PKN PW Equity	Polski Koncern Naftowy ORLEN SA	6.68%
CEZ CK Equity	CEZ AS	5.98%
PEO PW Equity	Bank Polska Kasa Opieki SA	5.91%
KOMB CK Equity	Komercni banka as	4.69%
KGH PW Equity	KGHM Polska Miedz SA	4.28%
TLV RE Equity	Banca Transilvania SA	4.17%
PGN PW Equity	Polskie Gornictwo Naftowe i Gazownictwo	3.61%
RICHT HB Equity	Richter Gedeon Nyrt	2.98%
CDR PW Equity	CD Projekt SA	2.66%
KRKG SV Equity	Krka dd Novo mesto	2.40%
FP RE Equity	Fondul Proprietatea SA/Fund	2.09%
MONET CK Equity	Moneta Money Bank AS	1.89%
VIG CK Equity	Vienna Insurance	1.81%
SNG RE Equity	ROMGAZ SA	1.62%
BRD RE Equity	BRD-Groupe Societe Generale SA	1.58%
SNP RE Equity	OMV Petrom SA	1.34%
TELEC CK Equity	O2 Czech Republic AS	1.16%
MTELEKOM HB Equity	Magyar Telekom Telecommunications PLC	1.07%
HTRA ZA Equity	Hrvatski Telekom dd	1.06%

Total 100.00%

Source: Bloomberg, 2018

CEE MARKETS MAIN INDEXES CHARACTERISTICS

No.	Country	Index	Market Cap of the Index, EUR BN	Average Daily Volume, EUR M	GDP, EUR BN, 2017
1	Poland	WIG20	92.27	155.8	465.7
2	Czech Republic	PX	50.45	22.5	191.6
3	Slovakia	SAX	2.66	0.023	85.0
4	Hungary	BUX	25.07	38.3	123.5
5	Slovenia	SBI TOP	5.09	0.9	43.3
6	Croatia	CROBEX	7.74	0.6	48.7
7	Serbia	BELEX15	2.13	0.2	36.8
8	Macedonia	MBI10	1.70	0.1	10.1
9	Romania	BET	17.10	7.7	187.4
10	Bulgaria	SOFIX	1.83	0.6	50.4
11	Greece	ATHEX Composite	50.69	61.2	177.7
TOTAL			256.73	287.9	1,420.2

Source: Bloomberg, April 2018

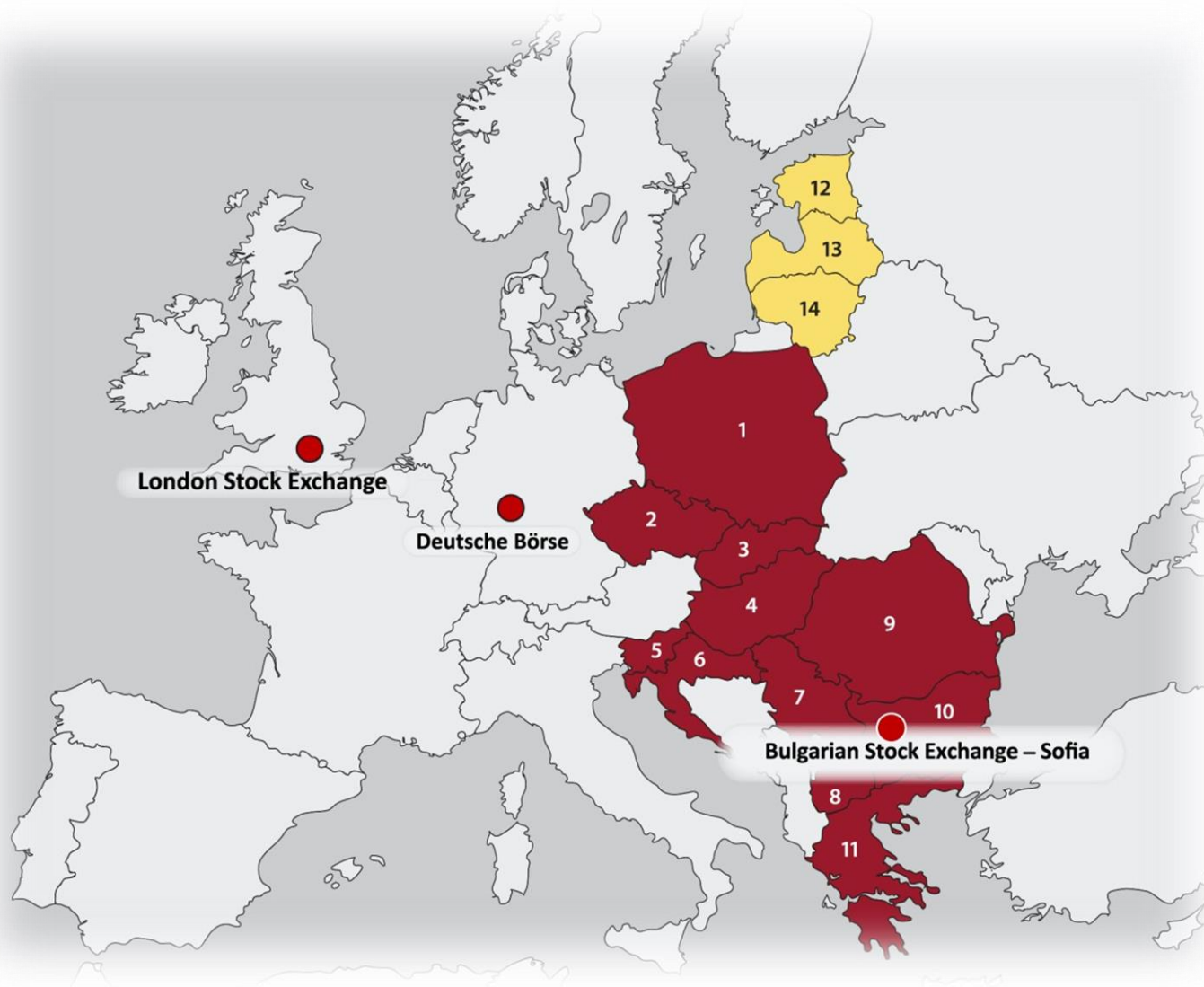
INVESTING IN CEE EQUITIES

- Stock picking is time consuming
- Major cross-border settlement difficulties
- High transaction costs
- Limited knowledge about the region
- ETFs are the best way to invest in CEE equities

HOW DO ETFs 'WORK'?

- Passive vs active asset management
- Invest in the index basket
- No stock picking
- Primary and secondary market
- Several stock exchanges – Sofia, Frankfurt. London and Singapore expected

EXPAT – THE ETF OPERATOR IN CEE



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Expat Asset Management intends to become the leader in the ETF management industry in the CEE region. We have launched 11 ETFs:

Country	Expat fund	Index	Ticker
1 Poland	EXPAT POLAND WIG20 UCITS ETF	WIG20 on Warsaw Stock Exchange	PLX
2 Czech Republic	EXPAT CZECH PX UCITS ETF	PX on Prague Stock Exchange	CZX
3 Slovakia	EXPAT SLOVAKIA SAX UCITS ETF	SAX on Bratislava Stock Exchange	SK9A
4 Hungary	EXPAT HUNGARY BUX UCITS ETF	BUX on Budapest Stock Exchange	HUBE
5 Slovenia	EXPAT SLOVENIA SBI TOP UCITS ETF	SBI TOP on Ljubljana Stock Exchange	SLQX
6 Croatia	EXPAT CROATIA CROBEX UCITS ETF	CROBEX on Zagreb Stock Exchange	ECDC
7 Serbia	EXPAT SERBIA BELEX15 UCITS ETF	BELEX15 on Belgrade Stock Exchange	ESNB
8 Macedonia	EXPAT MACEDONIA MBI10 UCITS ETF	MBI10 on Macedonian Stock Exchange	MKK1
9 Romania	EXPAT ROMANIA BET UCITS ETF	BET on Bucharest Stock Exchange	ROX
10 Bulgaria	EXPAT BULGARIA SOFIX UCITS ETF	SOFIX on Bulgarian Stock exchange – Sofia	BGX
11 Greece	EXPAT GREECE ASE UCITS ETF	ATHEX Composite on Athens Stock Exchange	GRX

EXPAT'S ETFs CHARACTERISTICS

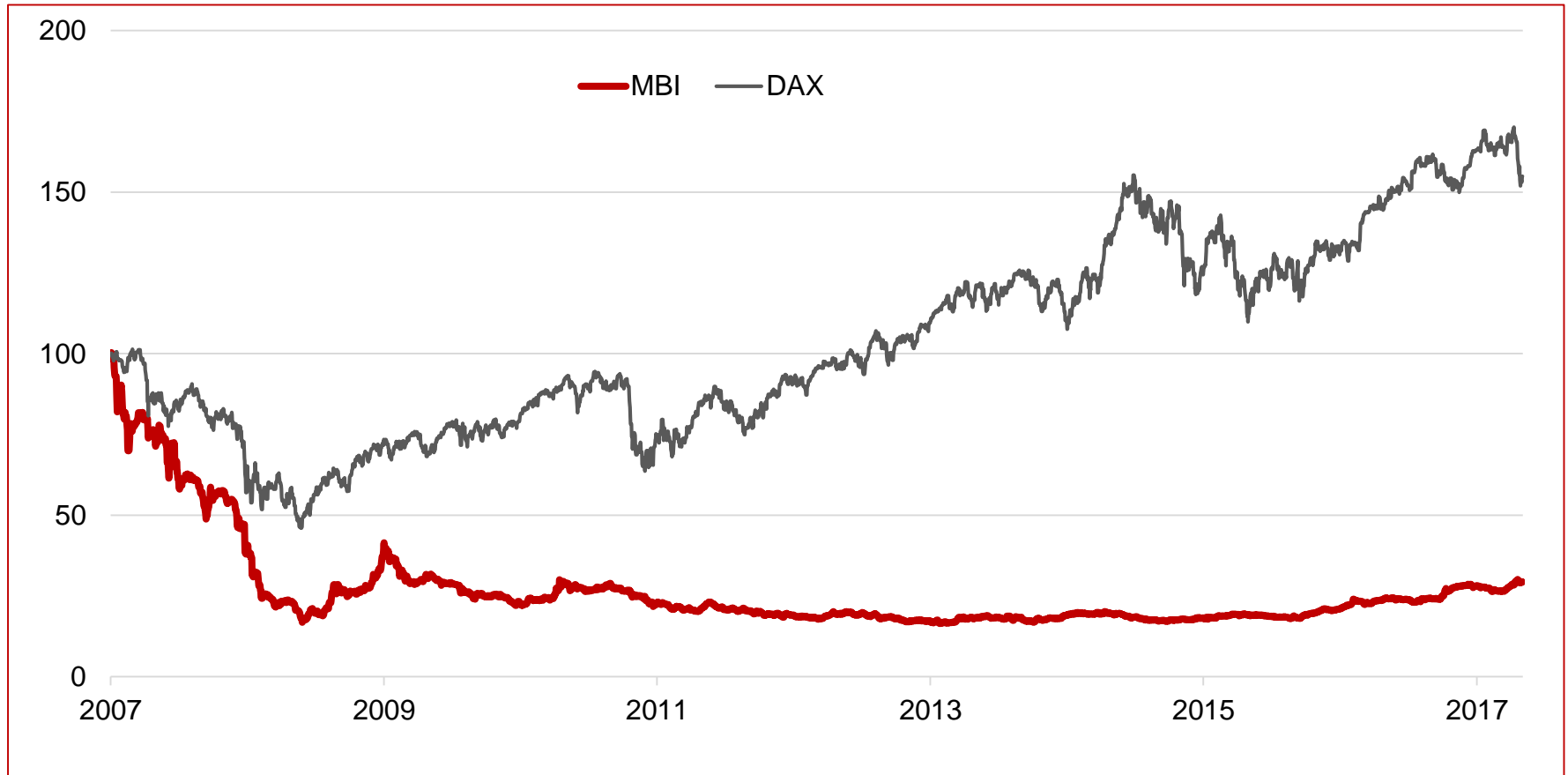
- UCITS-compliant, traded on the Frankfurt Stock Exchange (XETRA) and on BSE – Sofia
- Passive index tracking: no stock picking, no market timing
- Direct physical replication
- Open-ended, providing daily liquidity, iNAV every minute
- Reinvesting dividends; no distributions
- Expat's ETFs do not hedge their exposure to the local currencies against the EUR. The funds are quoted and traded in EUR

EXPAT'S ETFs – A UNIQUE MARKET PROPOSITION

- A unique market propositions in the CEE region to international investors
- Designed to be major highways for capital flows to and from the equity markets of the CEE countries
- Link the stock exchanges of the CEE countries with the financial centres of London and Frankfurt
- Easy and cost-effective for international investors to take and liquidate an exposure to the specific countries in the region
- Overcome deficiencies such as lack of liquidity, lack of access, cross-border settlement issues, high execution costs, large spreads, and other technical factors typical for many of the CEE markets

EXPAT MACEDONIA MBI10 UCITS ETF

MBI10 Index to the DAX Index, Normalized to 100



Source: Bloomberg, 2018

EXPAT MACEDONIA MBI10 UCITS ETF

Portfolio Structure as of 30 Apr 2018

ISIN	Company Name	Number of shares in Expat Macedonia MBI10 UCITS ETF	Market Value in EUR	Weight in MBI10	Weight in the ETF
MKALKA101011	Alkaloid Skopje	142	18 353.52	22.36%	18.28%
MKSTBS101014	Stopanska banka AD Skopje	372	6 000.29	4.85%	5.98%
MKGRNT101015	Granit Skopje	530	6 580.47	10.31%	6.55%
MKKMBS101019	Komercijalna banka Skopje	285	19 696.19	22.44%	19.62%
MKMPTS101014	Makpetrol Skopje	30	13 915.57	13.14%	13.86%
MKSBTB101013	Stopanska banka Bitola	0	0.00	3.23%	0.00%
MKMTSK101019	Makedonski Telekom AD Skopje	1 598	7 276.24	5.88%	7.25%
MKMTUR101018	Makedonijaturist AD Skopje	0	0.00	5.94%	0.00%
MKTNBA101019	NLB banka AD Skopje	23	4 986.99	7.76%	4.97%
MKOHBA101012	Ohridska banka AD Skopje	52	4 978.35	4.09%	4.96%
	Cash, cash equivalents, and receivables		18 620.99	0.00%	18.55%
	Total assets		100 408.61	100.00%	100.00%
	Liabilities		267.91		
	Net asset value		100 140.70		

ABOUT EXPAT ASSET MANAGEMENT

- The only international ETF provider from the CEE region and one of the 29 ETF issuers on the Frankfurt Stock Exchange
- Managing 11 ETFs, hundreds of individual investment portfolios, and 3 mutual funds with global focus
- Global client base and global markets reach
- A team of professionals with diverse international education and experience

CONTACT

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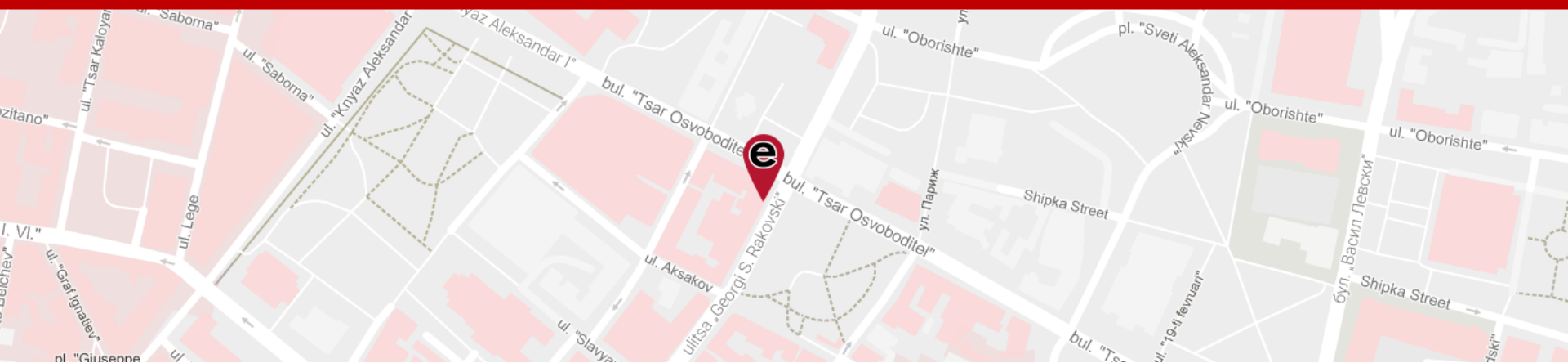
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