

KEY INFORMATION DOCUMENT



Purpose: This document provides key information about this investment product. This is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

Exchange traded fund "Expat Bulgaria SOFIX UCITS ETF"

Fund Manager: Management company "Expat Asset Management" EAD, Management company: 175431340

ISIN: BG9000011163, EIK 177067176

Managing company website: www.expat.bg, phone number: +359 2 980 1881

The Commission for Financial Supervision of the Republic of Bulgaria is the regulatory authority of the Fund and the Management company "Expat Asset Management" EAD is a wholly-owned subsidiary of Expat Capital S.A., operating under the Commission for Financial Supervision decision on the Issuance of License No. 64-Management company dated 29.10.2019.

The Fund is incorporated in the Republic of Bulgaria. Its shares are admitted for public offering on the territory of the Republic of Bulgaria, UK, Germany and Slovenia.

The competent authority in relation to the key information document is the Commission, website: www.fsc.bg

Date of issue of the key information document: 01.03.2024, effective from 01.03.2024

WHAT IS THIS PRODUCT?

Type: Collective investment scheme established under UCITS Act and complying with Directive 2009/65/EC in relation to the distribution of financial products to retail commercial investors (UCITS fund).

Term: The fund is established for an unlimited period of time. The Management Company may terminate and/or convert the Fund through a liquidation procedure, merger with or acquisition of another fund in the best interests of investors, in accordance with the law and subject to the approval of the Commission.

Objectives: The objective of the Expat Bulgaria SOFIX UCITS ETF is to track the performance of the SOFIX Index (the "Index"), which consists of the 15 most liquid companies traded on the Bulgarian Stock Exchange - Sofia. The Index is based on the market capitalization of the included issues of common stock, adjusted by the free-float ratio of each. The index is rebalanced quarterly. For more information: www.bse-sofia.bg

The Fund seeks to achieve a return on your investment through a combination of income and capital growth (total return) that reflects the performance of the Fund's Reference Index (the "Index"). The product's return is directly dependent on the performance of the assets held by the Fund, with the main factors affecting the performance being the investment strategy, the risk profile of the Fund, the recommended holding period, the cost to the investor of making the investment etc. The recommended holding period is a function of the Fund's risk profile, investment policy and expected return. The recommended holding period is calculated in accordance with the Fund's investment strategy and the time frame in which the Fund's investment objective is expected to be achieved. This Fund may not be suitable for investors who plan to withdraw their funds prior to the recommended holding period. Each investment should be considered against your specific investment objectives and risk appetite (see section "How long should I hold the investment, and can I withdraw my money early?").

"The Expat Bulgaria SOFIX UCITS ETF is a passively managed fund and adheres to the full physical replication method of an index. The fund invests only in shares of the SOFIX index. The factors that influence the performance of the Fund are the liquidity of the stocks, the performance of the Index constituents, the performance of the market, the costs of the Fund, etc. The expected tracking error on an annualized basis under moderate market conditions is up to 10%.

Intended Retail Investor: This product is also suitable for retail investors who have basic and/or no knowledge and no or limited experience of investing in funds, who seek to increase the value of their investment within the recommended holding period, and who are willing to take an average level of risk for their initial capital.

Redemption and Dealing: Orders to purchase or redeem Units in the Primary Market are accepted each business day between 9:00 a.m. and 5:00 p.m. EDT. More information is contained in the Fund's Prospectus on the MA's website at www.expat.bg. Investors may buy and sell units of the Fund on the exchanges on which they are listed.

Distribution Policy: The Fund does not distribute dividends. Income from such is reinvested in accordance with the investment mandate, thereby increasing net asset value and preserving the best interests of investors and the integrity of the strategy.

More information: More information about this product - all licensed documents, annual and semi-annual audited accounts, NAV and NAV per unit and other practical information, in electronic or hard copy, can be obtained free of charge on site any working day from 9am to 6pm at the Management company address at "96A Georgi Sava Rakovski", 1000 Sofia, and on the website cited at the end of this section. For investors on the territory of the passported countries, the translated documents can be found free of charge at the addresses of the corresponding information agents. More information is contained in the Fund's Prospectus on the Managing Agent's website www.expat.bg

Depositary: Eurobank Bulgaria S.A., license No. B-05/1991, updated by order No. RD 22-2252/16.11.2009 of the Governor of BNB, modified by order No. RD 22-2201/12.10.2012.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

RISK INDICATOR						
1	2	3	4	5	6	7
Lower risk				Higher risk		
				<p>The risk indicator assumes that you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.</p>		

We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential loss from future performance at medium level, and adverse market conditions may affect our ability to pay you.

Additional material risks not included in the summary risk indicator: The risk of lower market liquidity could increase the volatility of product performance.

This product does not include any protection from future market movements, and you may lose some or all of your investment.

If we are unable to repay you, you may lose your entire investment.

In addition to the risks included in the summary risk indicator, other risks may affect the performance of the Fund. More information about risks can be found in the Fund's Prospect

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of market movements or because we are not able to pay you.

PERFORMANCE SCENARIOS

The figures shown include all costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. These figures do not take into account your personal tax status, which may affect your return.

Returns on this product are dependent on future market performance. Future market dynamics are uncertain and cannot be accurately predicted.

The scenarios presented – unfavourable, moderate and favourable - illustrate the worst, average and best performance of the SOFIX index over the last 10 years.

Recommended holding period: 5 years			
Example investment: 10,000 BGN		If you exit the investment after:	
Scenarios:		1 year	5 years (Recommended holding period)
Minimum			There is no minimum guaranteed return. You could lose some or all of your investment.
Stress Scenario	What you might get back after costs	2,340 BGN.	2,380 BGN.
	Average annual return	-76.6%	-25.0%
Unfavourable scenario (*)	What you might get back after costs	6,370 BGN.	9,110 BGN.
	Average annual return	-36.3%	-8.9%
Moderate scenario (**)	What you might get back after costs	8,940 BGN.	9,570 BGN.
	Average annual return	-10.6%	-4.3%
Favourable scenario (***)	What you might get back after costs	14,800 BGN.	10,030 BGN.
	Average annual return	48.0%	0.3%

The stress scenario shows what you might get back in extreme market circumstances.

* This type of scenario occurred for an investment in the SOFIX index between 03/2015 - 03/2020.

** This type of scenario occurred for an investment in the SOFIX index between 08/2014 – 18/2019.

*** This type of scenario occurred for an investment in the SOFIX index between 12/2018 – 12/2023.

WHAT HAPPENS IF “EXPAT ASSET MANAGEMENT” EAD IS UNABLE TO PAY OUT?

The assets and liabilities of the Fund are segregated from the assets and liabilities of the “Expat Asset Management” EAD and those of the Depositary, i.e. they are kept off-balance sheet. The Fund would not be liable if the Management Company or any of its authorised service providers goes bankrupt or defaults. In an event of this material nature, there are statutory procedures in place for the Commission to implement to preserve the best interests of investors.

WHAT ARE THE COSTS?

The tables below summarise the amounts taken from your investment to cover different types of costs. There is no reason for third parties to charge any other type of costs beyond those quoted below. The costs an investor incurs depend on their invested capital, holding period, consideration of the product's recommended investment horizon. The figures quoted below are based on separate examples of capital invested and time period. Our assumptions are that the first year you will receive your invested funds back (i.e. 0% return), for the remaining holding periods the results are assumed to be as in the moderate scenario.

COSTS OVER TIME

Investment of 10,000 BGN

Scenarios	If you get out of the investment after:	
	1 year	5 years
Total Costs	BGN 840	BGN 2,400
Annual Cost Impact**	8.4%	4.8%

*The recommended holding period

**Applying a moderate scenario. This shows how costs reduce your annual return. If you withdraw your investment at the end of the recommended holding period, the average annual return is expected to be 0.5% before expenses are reflected and -4.3% after expenses.

COMPOSITION OF COSTS

Composition of costs for an investment of BGN 10 000		If you exit after 1 year
One off costs		
Entry costs	Up to 2% is the maximum amount that can be deducted from your subscription capital, reflected in the price of the Fund and payable separately. The charge is included in the issue price of the Fund's Units.	Up to BGN 200
Exit costs	Up to 2% is the maximum amount that can be deducted from your investment before it is paid out. Reflected in the price of the Fund and payable separately. The fee is reduced in the redemption price of the Fund.	Up to BGN 200
Ongoing costs taken each year		
Management fees or other administrative or operating costs	Up to 4.0% of the value of the investment payable to the AM and explained in the Fund's Prospectus on the AM's website www.expat.bg Ongoing fees include AM, Depositary, Audit, Central Securities Depository, FSC Supervision fees, etc. This is an estimate based on actual expenses during the period 01.01.2023 - 31.12.2023. Figures may vary from year to year.	Up to BGN 400
Transaction costs	Up to 0.4% of the value of the investment payable in connection with the trading of the Fund. This is an estimate of our costs of buying and selling the underlying product instrument. The actual cost will vary depending on how much we buy and sell.	Up to BGN 40
Incidental costs taken under specific conditions		
Performance fee	There is no performance fee for this product.	Up to BGN 0

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: 5 years, subject to our assessment of the Fund's risk and return characteristics, investment objectives and policies, and costs. This product is designed for medium-term investing; you should be prepared to remain invested for at least 5 years. You can exit your investment at any time or hold it for longer. Early redemption of the investment may result in less favorable results than the recommended holding period. There are no applicable fees or penalties for redeeming the investment prior to the recommended holding period or any other date.

Purchase or Redemption Orders: Orders to purchase or redeem Units are accepted each business day between 9:00 a.m. and 5:00 p.m., Bulgarian time, and are executed at the price for the day on which the order is placed, if the order is placed by 3:00 p.m. In the order, the client shall explicitly indicate whether he would like to buy or sell the units for cash and/or for a basket of securities at the relevant depository institution, as well as the settlement instructions for the relevant depository institution. Investors may buy and sell units of the Fund on the exchanges on which it is listed.

HOW CAN I COMPLAIN?

If you have any complaints about the product or the Management Company, you can:

- You can call us: +359 2 980 1881
- Mail Expat Asset Management – Client Relations Department - Georgi S. Rakovski str. 96A, 1000, Sofia
- E-mail to office@expat.bg

In the case of a complaint, you must clearly state your contact details (name, address, telephone number or email address) and give a brief explanation of your complaint. More information can be found on our website www.expat.bg .

If you have a complaint about the person who advised you about this product or who sold it to you, they will give you information about where to make a complaint.

OTHER RELEVANT INFORMATION

You can find the prospectus, rules, key investor information, financial statements and additional information documents relating to the Fund on our website at www.expat.bg .

Performance Scenarios: You can find past performance scenarios, updated on a monthly basis, at www.expat.bg .