

FFBH Vostok

August 2012

Data as per 31 August 2012

NAV	
NAV	BGN 590, 368
NAV per share	BGN 0.7312

Return (%)	
Monthly (MoM)*	-0.43%
Annual (YoY)*	-1.33%
Year-to-date*	7.13%
Since Inception (annualized)*	-12.33%

Statistics (%)	
Standard Deviation*	21.91%
Monthly alpha – MSCI Russia *	1.99%
Beta (β) – MSCI Russia *	0.640
R ² – MSCI Russia *	60.94%
Sharpe Ratio (0%)*	n.m.

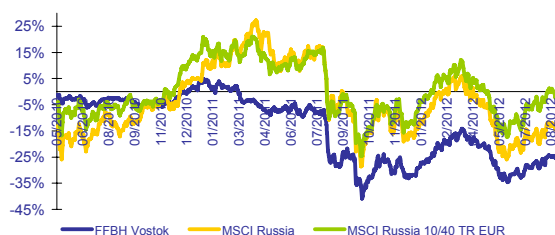
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

Investment objective overview

FFBH Vostok is a high-yield, actively managed, open-end mutual fund with regional focus on Russia & CIS, inception on Apr 16, 2010. The Fund's investment objective is to achieve high long-term growth, outperforming MSCI Russia Index and bearing medium to high levels of risk. The Fund may have up to 90% in equities and up to 50% invested in bonds.

FFBH Vostok's targets high allocation to equities in 2012 – stock picking "blue-chip" and cyclical companies on cheap forward-looking multiples, high oil prices, global economy acceleration in H2 2012 and strong convergence potential among domestic consumption stories.

FFBH Vostok vs. MSCI Russia 10/40 EUR

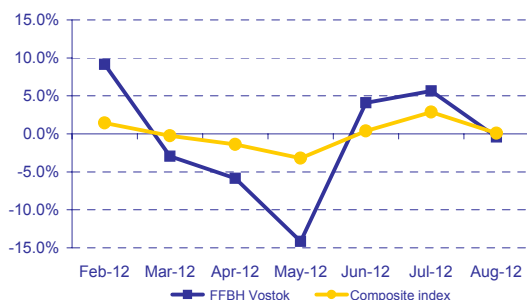


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

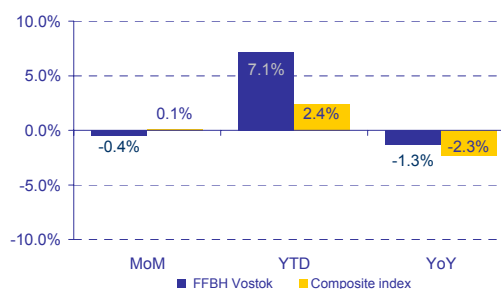
Fact sheet and fee information

Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
Classification	High-yield fund	Entry fee	0.50%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.50%	0.00%
Subscriptions/ Redemptions	Every Business Day	Management fee (annual % of average AUM)	2.50%	
Incorporation	Bulgaria	* Minimum subscription is BGN 50		

MoM return comparison to composite index*

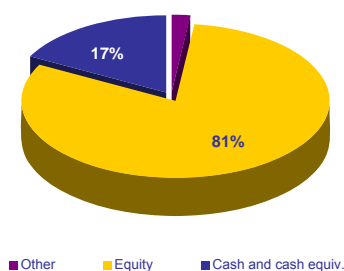


MoM, YoY and YtD return to composite index*



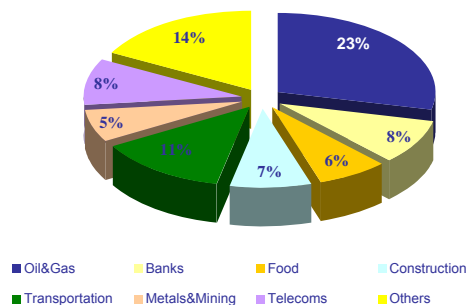
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Avangard

August 2012

Data as per 31 August 2012

NAV	
NAV	BGN 845, 219
NAV per share	BGN 0.4453

Return (%)	
Monthly (MoM)*	2.98%
Annual (YoY)*	-11.71%
Year-to-date*	-2.01%
Since Inception (annualized)	-15.57%

Statistics (%)	
Standard Deviation*	13.48%
Monthly alpha – MSCI EM EE *	3.32%
Beta (β) – MSCI EM EE *	0.260
R ² – MSCI EM EE *	35.61%
Sharpe Ratio (0%)*	n.m.

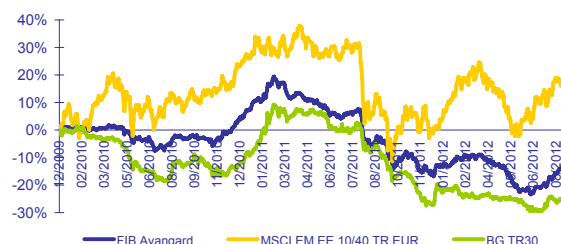
* see notes

Investment strategy

FIB Avangard is a high-yield, actively-managed, mutual fund, inception on Nov 11, 2007, whose investment objective is to achieve high long-term growth, bearing medium to high levels of risk. Its portfolio is allocated in Emerging Europe equity with focus on Bulgarian and Russian companies. FIB Avangard is benchmarked to MSCI EM Eastern Europe 10/40 Total Return EUR Index.

FIB Avangard's investment strategy for 2012 includes allocation to liquid and financially stable Bulgarian companies and achievement of sizeable stake in Russian "blue chips" on high oil prices and domestic consumption stories.

FIB Avangard vs. MSCI EM EE 10/40

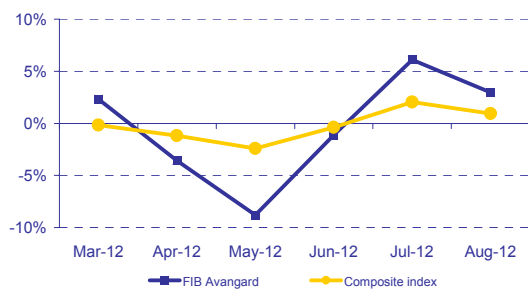


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

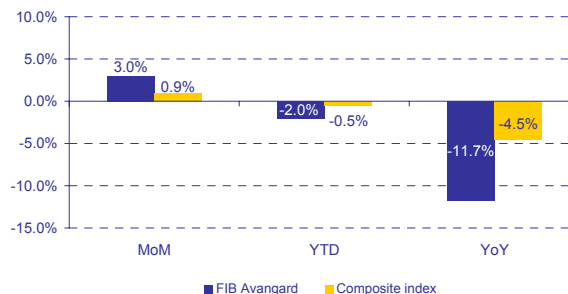
Fact sheet and fee information

Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
FSC Classification	High-yield fund	Entry fee	0.50%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.50%	0.00%
Subscriptions/ Redemptions	Every Business Day	Management fee (annual % of average AUM)		3.00%
Incorporation	Bulgaria	* Minimum subscription is BGN 50		

MoM return comparison to composite index*

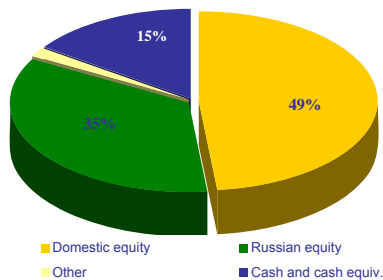


MoM, YoY and YtD return to composite index*



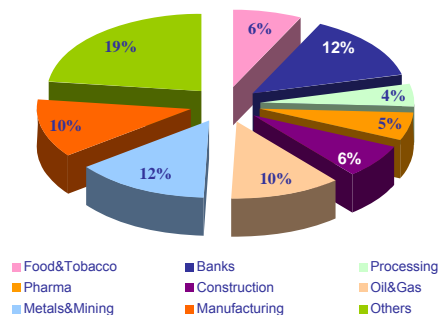
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

August 2012

Data as per 31 August 2012

NAV	
NAV	BGN 897, 546
NAV per share	BGN 0.7101

Return (%)	
Monthly (MoM)*	0.72%
Annual (YoY)	-1.48%
Year-to-date	4.11%
Since Inception (annualized)	-6.91%

Statistics (%)	
Standard Deviation*	6.82%
Monthly alpha – MSCI EM EE *	1.06%
Beta (β) – MSCI EM EE *	0.140
R ² – MSCI EM EE *	39.10%
Sharpe Ratio (0%)*	n.m.

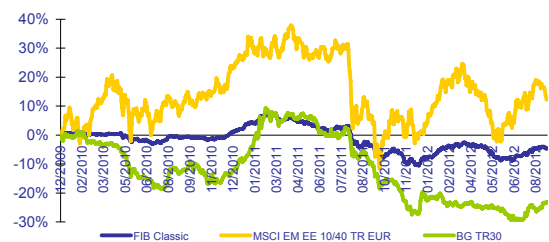
* see notes

Investment strategy

FIB Classic is a balanced mutual fund, incepted on Nov 11, 2007, whose investment objective is to achieve long-term growth of Fund's assets, bearing medium levels of risk to its investors. The Fund invests in Emerging Europe equities and bonds.

FIB Classic's investment strategy for 2012 is based on more aggressive approach by increasing equity allocation in both Bulgaria on expected sentiment improvement in H2 2012 and Russia on high oil prices and domestic consumption convergence stories. We intend to allocate the bond portfolio in sovereign debt and investment grade corporate bonds.

FIB Classic vs. MSCI EM EE 10/40

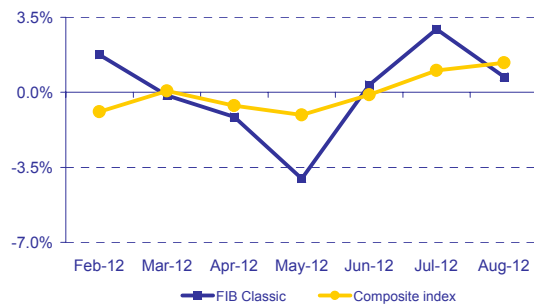


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

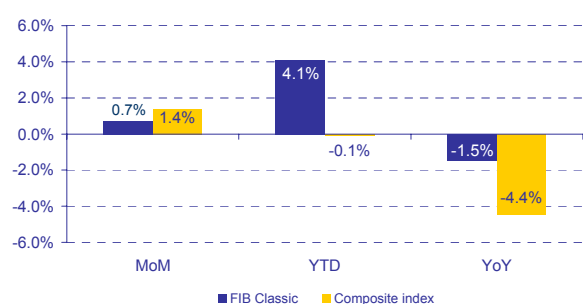
Fact sheet and fee information

Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
Classification	Balanced fund	Entry fee	0.35%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.35%	0.00%
Subscriptions/ Redemptions	Every Business Day	Management fee (annual % of average AUM)	2.50%	
Incorporation	Bulgaria	* Minimum subscription is BGN 50		

MoM return comparison to composite index*

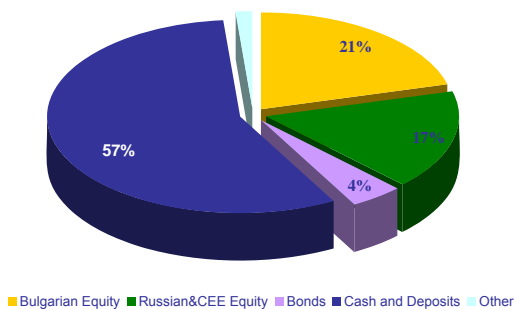


MoM, YoY and YtD return to composite index*



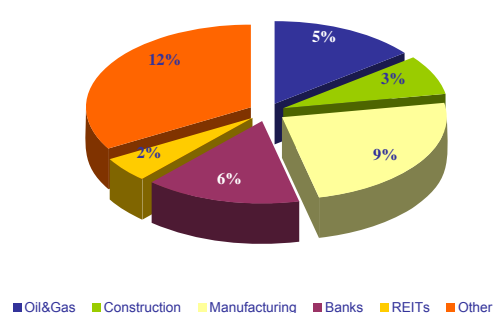
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

August 2012

Data as per 31 August 2012

NAV	
NAV	BGN 858, 497
NAV per share	BGN 1.0536

Return (%)	
Monthly (MoM)*	0.33%
Annual (YoY)*	2.47%
Year-to-date*	3.31%
Since Inception (annualized)*	1.10%

Statistics (%)	
Standard Deviation*	2.32%
Sharpe Ratio (0%)*	0.07
Interest rates (%)	
Sofibor (3 month)	1.62%
Sofibor (12 month)	4.34%

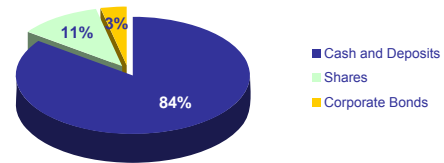
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	7.50%	08/01/2013	BGN	0.81%
Treasury	5.25%	04/02/2014	BGN	1.01%
Treasury	4.50%	17/02/2017	BGN	2.45%
Treasury	5.00%	11/07/2022	BGN	3.59%
Eurobond	4.25%	09/07/2017	EUR	2.77%
Eurobond	8.25%	15/01/2015	USD	1.93%

Source: Bloomberg

Asset Allocation



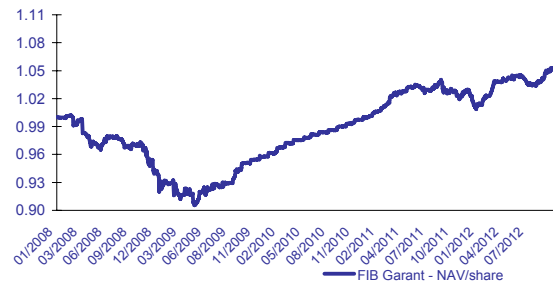
Source: FFBH Asset Management

Investment objective

FIB Garant is a conservative balanced mutual fund, incepted on Nov 11, 2007, whose investment objective is to achieve medium long-term growth of assets, bearing low level of risk. The Fund invests mainly in fixed-income instruments, but it may have up to 20% exposure to equity used to improve its risk-return profile.

FIB Garant's 2012 investment strategy includes increased allocation to equities on possible sentiment and liquidity improvement on BSE in H2 2012. At certain points investments in foreign large cap blue chips can be made but currency risk should be controlled. The decrease in local deposit rates would also lead to an increase the Fund's exposure to investment grade emerging market government debt.

FIB Garant

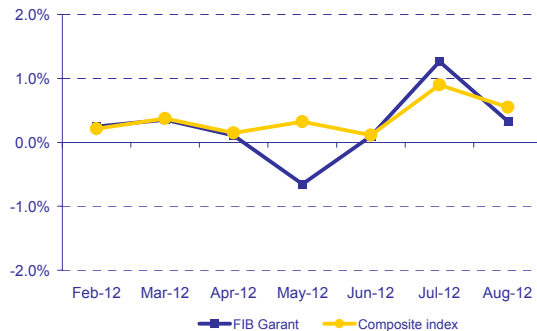


Source: FFBH Asset Management

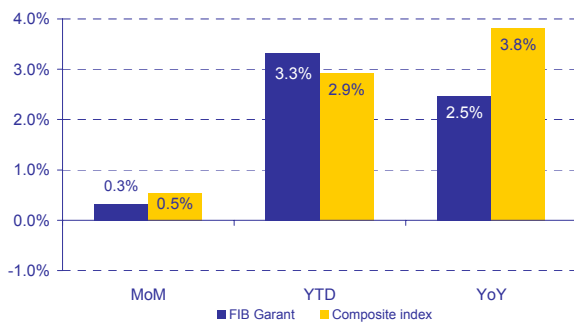
Fact sheet and fee information

Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
Classification	Balanced-conservative	Entry fee	0.15%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.15%	0.00%
Subscriptions/ Redemptions	Every Business Day	Management fee (annual % of average AUM)		1.50%
Incorporation	Bulgaria	* Minimum subscription is BGN 50		

MoM return comparison to composite index*



MoM, YoY and YTD return to composite index*



Source: BAAMC, FFBH Asset Management calculations

PORTFOLIO MANAGER'S COMMENT AUGUST 2012

MARKET OVERVIEW:

- CEE equity markets were mostly up in August in expectation of some easing by ECB, Fed and/or China. However, macro data, released during the month, confirmed the weakening in global growth which posed some downside risks to equity markets if central banks disappointed.
- Bulgarian stock market advanced for a second month in a row as the positive momentum gathered in July retained. Blue-chip SOFIX was up by 2.8%, thus erasing all 2012 losses. The sector BGREIT Index registered an almost double digit advance (+9.6%, +59% YtD) as some of the smaller REITs caught up and supported its gain for a ninth month in a row.
- In August Q2 reporting season came to an end showing that export-oriented companies were struggling to replace lower demand from EU, while banking sector profitability was pressed down by slow credit growth. However, it did not lead to any particular sell-offs as we deem that much worse results have already been incorporated in share prices.
- Russian indices moved sideways, gaining less than 1% MoM in USD but slightly declining in EUR. The earnings season failed to excite investors with most companies, reporting below expectations, but indices were supported by Brent, which was up by 10% MoM, and Russia's official joining of WTO.
- Russian macro data showed that economy growth has probably decelerated in July. Retail trade growth weakened to 5.1% YoY on some deceleration in credit growth and real wages growth (+10.2% YoY). Investments growth also slowed to 3.8% YoY in July. On the bright side industrial production growth bounced back to 3.4% but the latest weakening in PMI Manufacturing to 51.0 (-2% MoM) on slowing new orders suggests that growth will remain muted.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- In August FFBH Vostok's NAV per unit slightly declined but outperformed by almost 2% its benchmark. Our equity allocation remained at about 80% of assets as we slightly increased our weight in telecom sector. During the period we retained our hedge of 75% of fund's USD exposure.

FIB Avangard

- The good performance of Bulgarian shares led to 3% MoM gain in FIB Avangard unit price. During the period we slightly increased our domestic allocation by adding some tobacco shares on event-driven expectations. Here, we also retained the hedge of 50% of fund's USD exposure.

FIB Classic

- In FIB Classic we added some stake in domestic industrial companies on attractive valuations. Our bond allocation and USD exposure hedge remained unchanged.

FIB Garant

- In FIB Garant we kept our cautious approach and both equity and bond allocations remained unchanged.

OUTLOOK & STRATEGY:

- As mentioned above market sentiment remained robust in August despite the sign for weakening global growth. However, considering high expectations about ECB and European politicians decisions to be taken in September we prefer to be slightly cautious and expect that the market should remain flat at best through the month.
- SOFIX continued to climb slowly up as underperforming SEE regional markets started to attract some interest on valuations but volumes remained low which signals that investors are still cautious. In September we presume that blue chips should continue to advance, although slowly, and volumes will start to increase after the summer break which might remove the overhang in some liquid positions.
- We deem that except on foreign interest in BSE other important market developments to watch are privatization plans in the energy and the electricity distribution sectors, as well as for the stock

exchange. We currently expect that despite the delay the government should press for some of these projects to happen by end 2012 in order to improve budget execution.

- Correlation between Russian and global indices continued to rise lately, showing that market trend would remain dependent on global factors and investments flow should be directed by top-down approach predominantly. Still, the increased inflows in long-term GEM funds in Russia in August confirmed our positive expectation about Russia as investors start to turn their attention to low valuations and large discounts to emerging markets.
- So, our long-term focus on Russian equities remains in place on resilience of local economy and strong debt profile, supported by oil price and strong domestic demand potential on growing middle class. The high market beta is also positive for the Russian investment case, if monetary policy in major economies is eased as expected.
- In conclusion our investment policy in September will depend on global monetary policy decision as, if favourable, we are ready to move to more aggressive investment strategy to equity allocation in all mutual funds under management but will also try to take some short-term profits to minimize risk. In Bulgaria we shall continue to stick to blue-chip companies but will be looking for attractive opportunities among mid-caps as well. For Russia we are still waiting for more affirmative triggers to switch to cyclical names. In FIB Classic and FIB Garant we will continue to watch for attractive bond issues and might increase our allocation.

NOTES

Monthly return /MoM/ is calculated as the ratio between the NAV/share as per the report date and the NAV per share on the last working day of the previous month.

Annual return /YoY/ is calculated as the ratio between the NAV/share as per the report date and the NAV per share on the last working day of the same month a year ago.

Year-to-date return /YtD/ is calculated as the ratio between the NAV/share as per the report date and the NAV per share on the last working day of the previous year.

Standard deviation is the annualized standard deviation of the weekly return over the last five years or since inception, whichever is smaller.

FIB Avangard: Monthly Alpha – MSCI EM EE is the difference between the monthly return of NAV per share of FIB Avangard and the monthly return of MSCI EM Eastern Europe 10/40 Total Return EUR Index.

FIB Classic: Monthly Alpha – MSCI EM EE is the difference between the monthly return of NAV per share of FIB Classic and the monthly return of MSCI EM Eastern Europe 10/40 Total Return EUR Index.

FFBH Vostok: Monthly Alpha – MSCI Russia is the difference between the monthly return of NAV per share of FFBH Vostok and the monthly return of MSCI Russia 10/40 Total Return EUR Index.

FIB Avangard: Beta (β) – MSCI EM EE has been calculated using the weekly returns of NAV per share of FIB Avangard and MSCI EM Eastern Europe 10/40 Total Return EUR Index over the last five years or since benchmarking to this index, whichever is smaller.

FIB Classic: Beta (β) – MSCI EM EE has been calculated using the weekly returns of NAV per share of FIB Classic and MSCI EM Eastern Europe 10/40 Total Return EUR Index over the last five years or since benchmarking to this index, whichever is smaller.

FFBH Vostok: Beta (β) – MSCI Russia has been calculated using the weekly returns of NAV per share of FFBH Vostok and MSCI Russia 10/40 Total Return EUR Index over the last five years or since inception, whichever is smaller.

FIB Avangard: R2 – MSCI EM EE has been calculated using the weekly returns of NAV per share of FIB Avangard and MSCI EM Eastern Europe 10/40 Total Return EUR Index over the last five years or since benchmarking to this index, whichever is smaller.

FIB Classic: R2 – MSCI EM EE has been calculated using the weekly returns of NAV per share of FIB Classic and MSCI EM Eastern Europe 10/40 Total Return EUR Index over the last five years or since benchmarking to this index, whichever is smaller.

FFBH Vostok: R2 – MSCI Russia has been calculated using the weekly returns of NAV per share of FFBH Vostok and MSCI Russia 10/40 Total Return EUR Index over the last five years or since inception, whichever is smaller.

Sharpe Ratio for all funds has been calculated using the weekly returns of NAV per share of each fund over the last five years or since the inception of the fund, whichever is smaller, and using 0% as risk-free return.

FIB Avangard: Composite Index is composed of 20 mutual funds that apply similar investment strategy to FIB Avangard and measures their equal-weighted return.

FIB Classic: Composite Index is composed of 22 mutual funds that apply similar investment strategy to FIB Classic and measures their equal-weighted return.

FIB Garant: Composite Index is composed of 7 mutual funds that apply similar investment strategy to FIB Garant and measures their equal-weighted return.

FFBH Vostok: Composite Index is composed of 8 mutual funds that apply similar investment strategy to FFBH Vostok and measures their equal-weighted return.

The Index are calculated in a standardized way, using the MoM, YoY and YtD returns of each fund (R_i , $i=1$ to n), based on formula: $\frac{\sum (1/n * R_i)}$, where n is the number of mutual funds, using similar strategies.

DISCLAIMER

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WE NOTE THAT ANYONE WHO WANTS TO SUBSCRIBE UNITS IN FIB AVANGARD, FIB CLASSIC, FIB GARANT AND/OR FFBH VOSTOK SHOULD MAKE A DECISION BASED ON THE INFORMATION PUBLISHED IN THE MOST RECENT RESPECTIVE PROSPECTUSES. THE PROSPECTUSES AND BY-LAWS ARE AVAILABLE IN FFBH ASSET MANAGEMENT OFFICE - 2 ENOS STREET, 5TH FLOOR, SOFIA, 1408, BULGARIA, TEL: +359 (2) 810 6413, WWW.FFBHAM.BG AND FIBANK BRANCHES, EXPLICITLY LISTED AT WWW.FFBHAM.BG.