

FIB Avangard

April 2015

Data as per 30 April 2015

NAV	
NAV	BGN 1 324 724
NAV per share	BGN 0.5549

Return (%)	
Monthly (MoM)*	0.21%
Annual (YoY)*	-2.44%
Year-to-date*	4.56%
Since Inception (annualized)	-7.61%

Statistics (%)	
Standard Deviation*	10.90%
Monthly alpha – MSCI EM EE *	-9.69%
Beta (β) – MSCI EM EE *	0.227
R ² – MSCI EM EE *	25.64%
Sharpe Ratio (0%)*	0.16

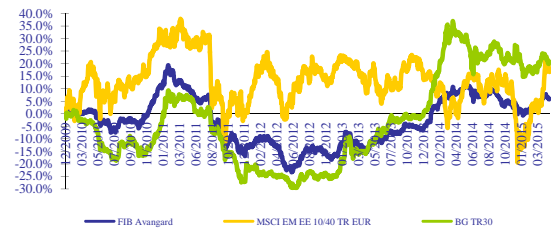
* see notes

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. Tactically, part of its portfolio might be allocated in capital markets that are expected to be among top-performing global regions.

FIB Avangard's investment strategy for 2015 includes high allocation to liquid and financially stable Bulgarian companies, some allocation to developed markets blue chips on valuations and easy global monetary policy.

FIB Avangard vs. MSCI EM EE 10/40



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

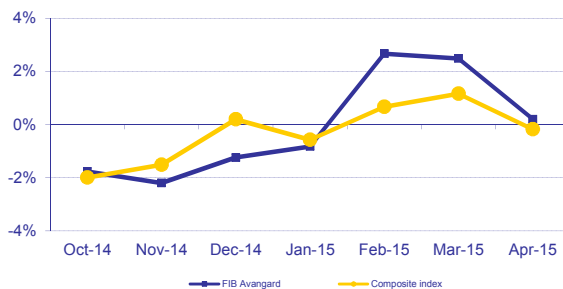
Fact sheet and fee information

Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions	Every Business Day
Incorporation	Bulgaria

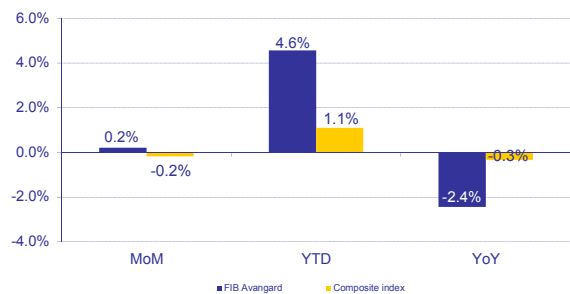
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	3.00%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

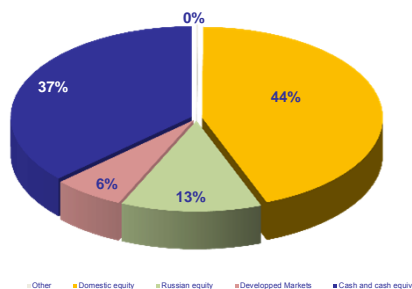


MoM, YoY and YtD return to composite index*



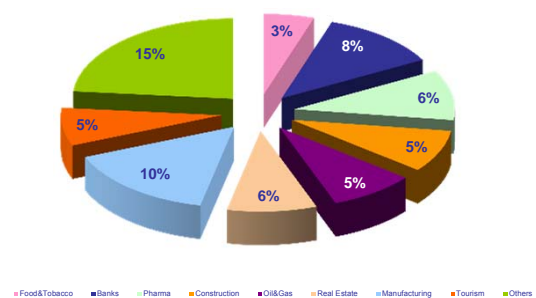
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

April 2015

Data as per 30 April 2015

NAV		Return (%)		Statistics (%)	
NAV	BGN 961 977	Monthly (MoM)*	0.68%	Standard Deviation*	6.39%
NAV per share	BGN 0.8105	Annual (YoY)	-2.02%	Monthly alpha – MSCI EM EE *	-9.22%
		Year-to-date	4.64%	Beta (β) – MSCI EM EE *	0.142
		Since Inception (annualized)	-2.78%	R ² – MSCI EM EE *	29.17%
				Sharpe Ratio (0%)*	0.30

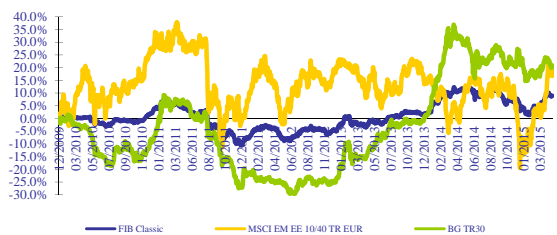
* see notes

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 2015 is based on more equity-focused approach by holding equity allocation close to fund's limits. Equities will be concentrated in both Bulgaria on fundamental and sentiment improvement. Some European allocation is accepted in high-yield dividend "blue chips". Bond portfolio is allocated both in emerging market sovereign debt and domestic and foreign corporate bonds.

FIB Classic vs. MSCI EM EE 10/40

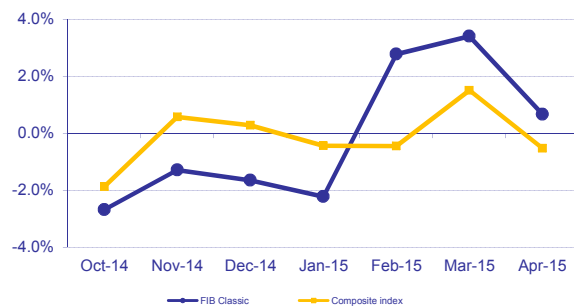


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

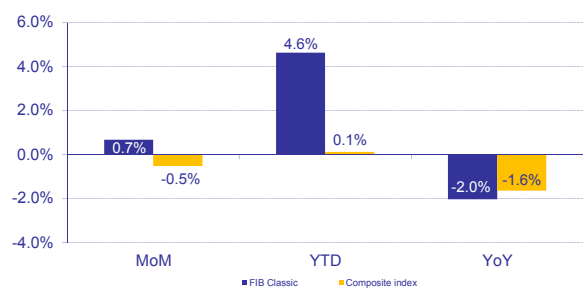
Fact sheet and fee information

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*

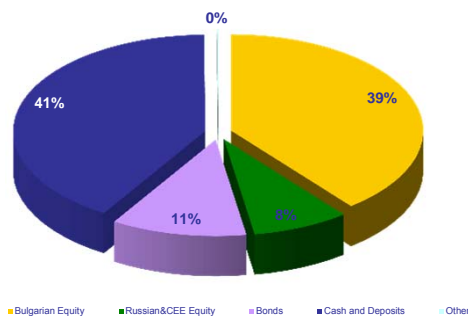


MoM, YoY and YtD return to composite index*



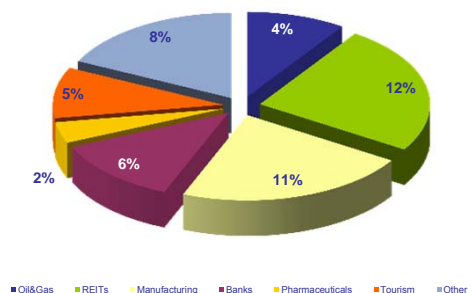
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

April 2015

Data as per 30 April 2015

NAV	
NAV	BGN 1 059 461
NAV per share	BGN 1.2070

* see notes

Return (%)	
Monthly (MoM)*	0.18%
Annual (YoY)*	0.73%
Year-to-date*	1.32%
Since Inception (annualized)*	2.56%

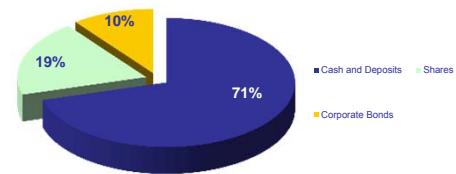
Statistics (%)	
Standard Deviation*	2.44%
Sharpe Ratio (0%)*	1.70
Interest rates (%)	
Sofibor (3 month)	0.55%
Sofibor (12 month)	1.82%

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	1.50%	30/01/2016	BGN	0.37%
Eurobond	4.25%	09/07/2017	EUR	0.79%
Eurobond	2.00%	26/03/2022	EUR	2.03%
Eurobond	2.95%	03/09/2024	EUR	2.30%
Eurobond	2.63%	26/03/2027	EUR	2.64%
Eurobond	3.13%	26/03/2035	EUR	3.22%

Source: Bloomberg

Asset Allocation



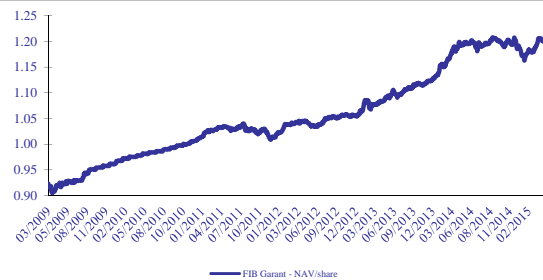
Source: FFBH Asset Management

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 2015 investment strategy includes significant allocation to equities on valuations and sentiment improvement on BSE. 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 foreign corporate and sovereign bonds.

FIB Garant

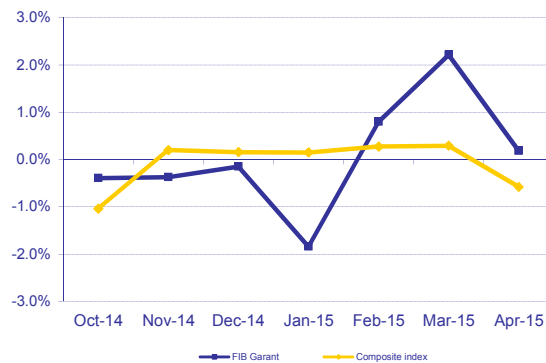


Source: FFBH Asset Management

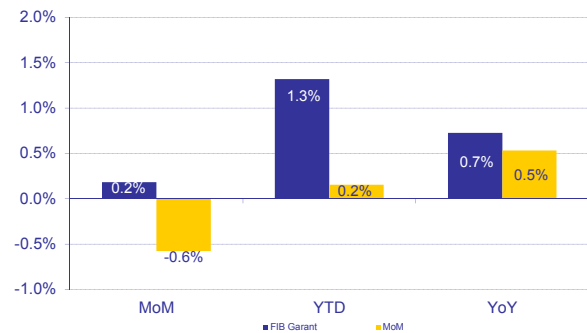
Fact sheet and fee information

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

FFBH Vostok

April 2015

Data as per 30 April 2015

NAV	
NAV	BGN 551 371
NAV per share	BGN 0.6029

Return (%)	
Monthly (MoM)*	10.40%
Annual (YoY)*	7.30%
Year-to-date*	32.00%
Since Inception (annualized)*	-9.55%

Statistics (%)	
Standard Deviation*	21.02%
Monthly alpha – MSCI Russia *	-1.19%
Beta (β) – MSCI Russia *	0.648
R ² – MSCI Russia *	73.33%
Sharpe Ratio (0%)*	n.m.

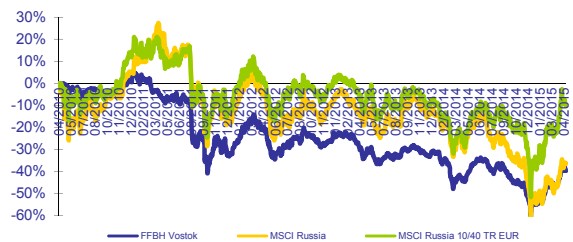
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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 95% in equities and up to 50% invested in bonds.

FFBH Vostok's targets conservative allocation to equities in start 2015 – stock picking state independent "blue-chip" companies, benefiting on cheap Russian ruble.

FFBH Vostok vs. MSCI Russia 10/40 EUR

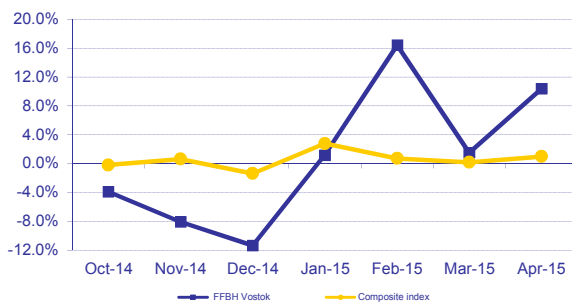


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

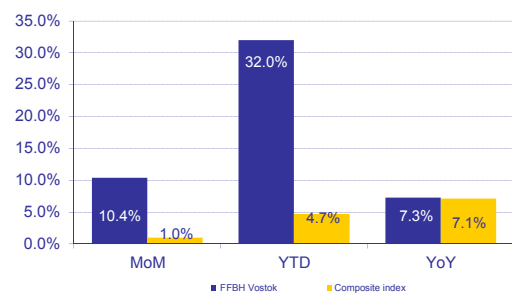
Fact sheet and fee information

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*

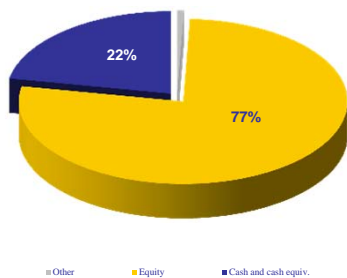


MoM, YoY and YtD return to composite index*



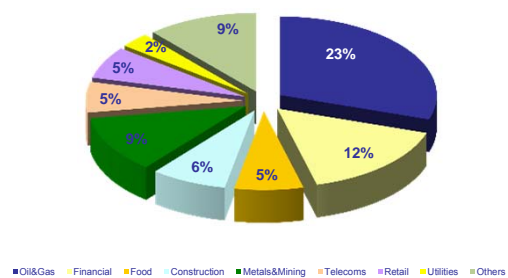
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

PORTFOLIO MANAGER'S COMMENT April 2015

MARKET OVERVIEW:

- MSCI World Index started the second quarter with a 2.2% monthly advance, led by US and Asian stocks. European indices slightly retreated in April as economic data rather disappointed while Greece remained reason for investors' nervousness. That said, Eastern Europe managed to outperform Western counterpart on closer economic ties with Russia where we saw better than expected economic data and improvement in investors' sentiment. MSCI Emerging Europe ex Russia index advanced by 6.3% MoM last month and finished at the highest level since 2011.
- SOFIX was down by 2.2% MoM in April as some of the large cap constituents faced various hurdles. Sopharma [3JR BU, -6.1% MoM] reported 21% YoY decline in unconsolidated sales in Q1 on 35% YoY export decline, due to difficult Russian and Ukrainian markets. Advance Terrafund [6A6 BU, -1.1% MoM] was also down as the Parliament protracted the amendments, related to the ownership of agricultural land ban list, till the very end of the month.
- Q1 unconsolidated financial reports for large Bulgarian public banks did not provide signals for acceleration in credit activity. On the other hand industrial companies posted mixed reports. M+S Hydraulic [5MH BU, -1.6% MoM] reported YoY declines in sales and profitability mostly on high base effects. Other non-SOFIX members like EMKA [57E BU, +14% MoM] and Fazerles [4F6 BU, +11.4% MoM] saw significant upturn in their business and margins in Q1 on stronger export markets and cost optimizations.
- As mentioned above investors continued to return to Russian capital markets on gains in oil [Brent, +18.8% MoM], despite some worsening in Eastern Ukraine. Russian MICEX gained 12% MoM in EUR terms helped by a 10.5% MoM gain of the rouble against USD-EUR basket. In April the Russian central bank continued the aggressive easing of monetary policy and lowered its key rate by 1.5% to 12.5%, thus also supporting stock prices.
- Financial data, reported during the period was weak as expected. Gazprom posted its lowest annual net profit in several years on drop in energy prices and deliveries in 2014. Q1 revenues were uninspiring at metal&mining companies on decline in average price for iron ore, steel and most non-ferrous metals but weak currency continued to support profitability. Improvement in commodity prices outlook in April, however, helped overcoming negative backward data.
- Government estimates showed 2.2% YoY contraction of Russian GDP in Q1 which, if re-confirmed, would be better than market expectations of 2.5-3% drop. March data showed stable low level of unemployment at 5.9% which is expected to help a reversal in decline of domestic demand in the second half of the year. Industrial production was also better than expected with a 0.6% YoY decline in March, an improvement from 1.6% YoY decline in February.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- The strong performance of Russian stocks in April lifted FFBH Vostok's NAV/share by 10.4% MoM. In April we increased allocation to oil&gas sector on improved expectations for energy prices. As a result equities increased by 2pp to 77% of assets in end-month.

FIB Avangard

- FIB Avangard NAV/unit advanced slightly by 0.2% MoM in April as decline in Bulgarian stocks offset positive performance by foreign allocation. During period we used declines and increased developed markets allocation to 6% of assets, adding German stocks. Total equity allocation reached 63% of assets from 59% of assets in end-March.

FIB Classic

- FIB Classic gained 0.7% MoM in April, supported by advances in foreign equity allocation as well as stable yield of corporate bonds.

FIB Garant

- FIB Garant NAV/unit advanced by 0.2% in April, as declines on BSE offset positive performance by bond allocation.

OUTLOOK & STRATEGY:

- There are no meetings of ECB nor Fed in May, so monetary policy should be mostly neutral for global stock markets. That said, in our base case we expect some stock market volatility as Greece shall remain a major theme for stock markets until negotiations with creditors are over. Additionally, in mid-month Q1 GDP data from European Union countries is due which should present first hard data about the economic boost from weak euro currency. Last month we underestimated the positive influence on Eastern European markets, stemming from the improved sentiment towards Russia. Still, we do not expect repeat of stellar April performance as Greece continues to be a direct hurdle for the region.
- As most of the major political and regulatory risks have been solved for now, BSE should return back to fundamentals in the short-term. Our expectations are that BSE should catch up with regional peers in May on attractive valuation. In end-month Q1 consolidated financial reports are due with most important ones coming from former privatization holdings. Dividends remain a major theme as most of public companies' AGMs should be scheduled for May-June period. In the longer term investors should watch out for a possible rise in political risk. Although the ruling coalition is stable and seems to have passed through its hardest period we warn about oncoming municipal elections in the fall which combined with the usual drop in summer liquidity may prevent any cost-efficient rebalancing later.
- We expect that Russian indices correlation to oil price movements shall continue to rise back to normal. Still, investors should watch out for events in Ukraine as situation slightly heated up recently. The strong performance of Russian rouble shall continue to attract investors to domestic demand-related stocks. As usual for this time of the year dividend announcement shall support interest in high dividend yield plays.
- Near-term strategy for funds under management includes some selective decrease in Bulgarian allocation and increase in investments on developed markets. We shall continue to be more conservative about Russian investments outside our dedicated fund on negative volatility implications. Regarding bond allocation, we are in a search of bonds with attractive risk-return characteristics as negative yield on government bonds in Eurozone stretched out to even longer maturities.

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 16 mutual funds that apply similar investment strategy to FIB Avangard and measures their equal-weighted return.

FIB Classic: Composite Index is composed of 17 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: $\frac{1}{n} \sum R_i$, where n is the number of mutual funds, using similar strategies.

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