

FIB Avangard

May 2015

Data as per 29 May 2015

NAV	
NAV	BGN 1 296 866
NAV per share	BGN 0.5432

Return (%)	
Monthly (MoM)*	-2.10%
Annual (YoY)*	-7.15%
Year-to-date*	2.36%
Since Inception (annualized)	-7.79%

Statistics (%)	
Standard Deviation*	10.78%
Monthly alpha – MSCI EM EE *	1.49%
Beta (β) – MSCI EM EE *	0.216
R ² – MSCI EM EE *	24.31%
Sharpe Ratio (0%)*	0.17

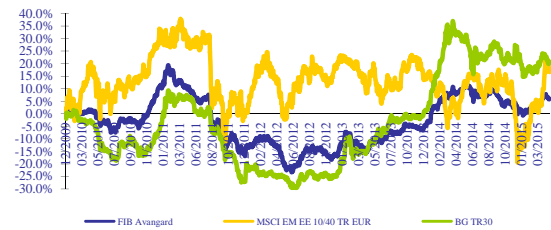
* see notes

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

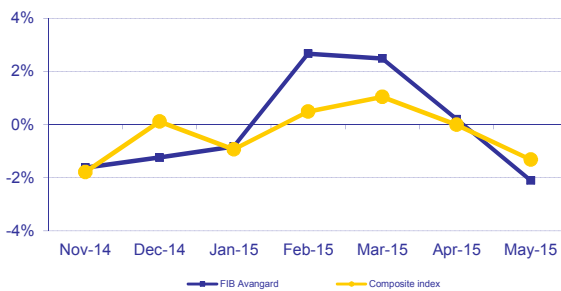
Fact sheet and fee information

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

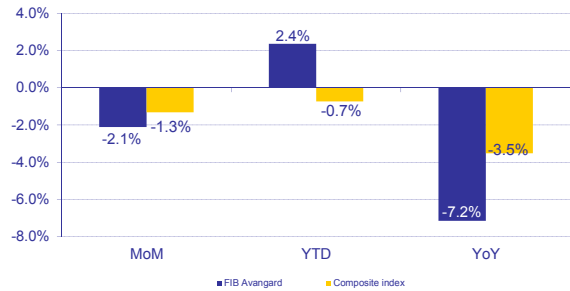
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	3.00%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

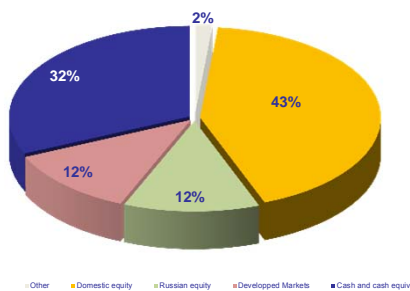


MoM, YoY and YtD return to composite index*



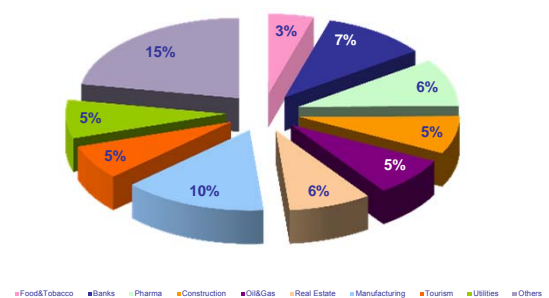
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

May 2015

Data as per 29 May 2015

NAV		Return (%)		Statistics (%)	
NAV	BGN 939 719	Monthly (MoM)*	-1.39%	Standard Deviation*	6.36%
NAV per share	BGN 0.7992	Annual (YoY)	-4.50%	Monthly alpha – MSCI EM EE *	2.20%
		Year-to-date	3.18%	Beta (β) – MSCI EM EE *	0.138
		Since Inception (annualized)	-2.94%	R ² – MSCI EM EE *	28.44%
				Sharpe Ratio (0%)*	0.30

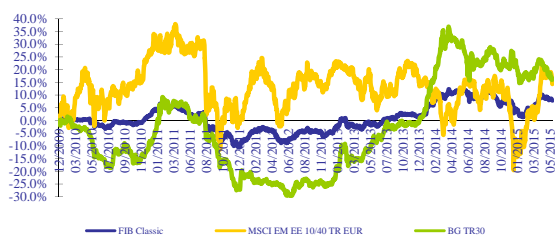
* see notes

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

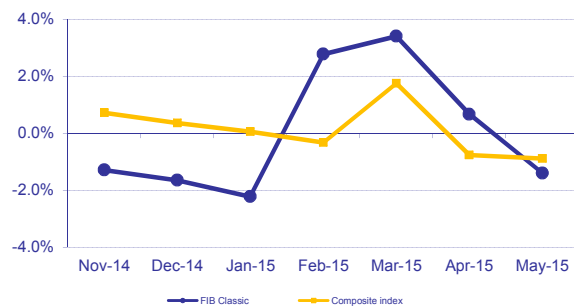


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

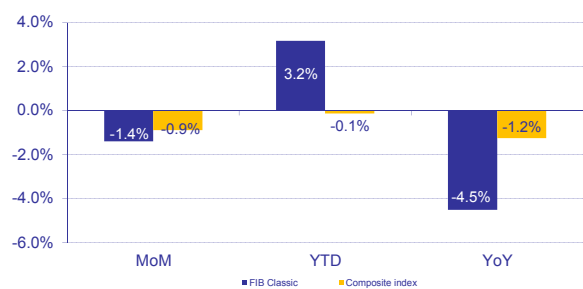
Fact sheet and fee information

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*

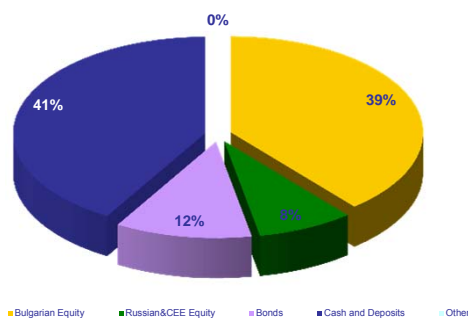


MoM, YoY and YtD return to composite index*



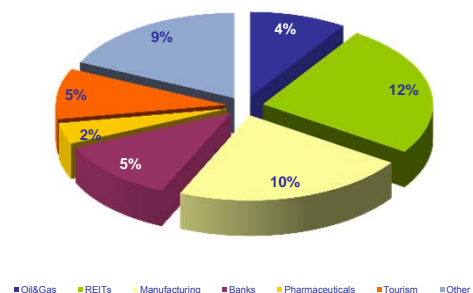
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

May 2015

Data as per 29 May 2015

NAV	
NAV	BGN 1 033 930
NAV per share	BGN 1.2005

Return (%)	
Monthly (MoM)*	-0.54%
Annual (YoY)*	0.00%
Year-to-date*	0.78%
Since Inception (annualized)*	2.46%

Statistics (%)	
Standard Deviation*	2.46%
Sharpe Ratio (0%)*	1.63
Interest rates (%)	
Sofibor (3 month)	0.55%
Sofibor (12 month)	1.82%

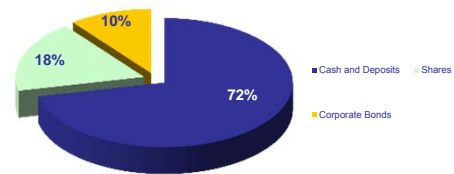
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	1.50%	30/01/2016	BGN	0.50%
Eurobond	4.25%	09/07/2017	EUR	0.85%
Eurobond	2.00%	26/03/2022	EUR	2.17%
Eurobond	2.95%	03/09/2024	EUR	2.72%
Eurobond	2.63%	26/03/2027	EUR	3.06%
Eurobond	3.13%	26/03/2035	EUR	3.65%

Source: Bloomberg

Asset Allocation



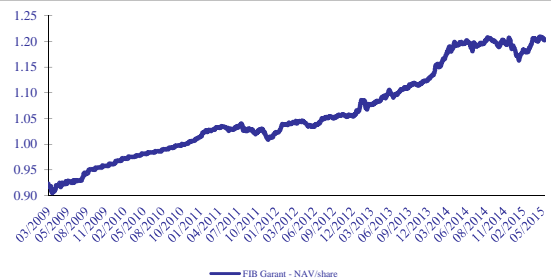
Source: FFBH Asset Management

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

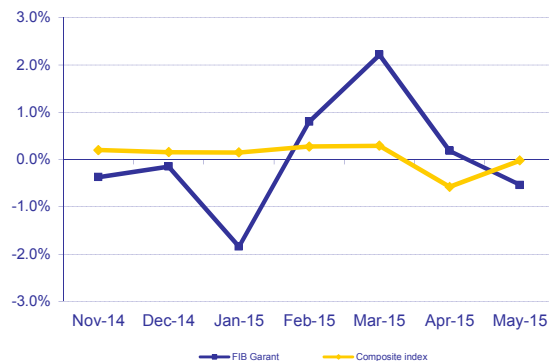


Source: FFBH Asset Management

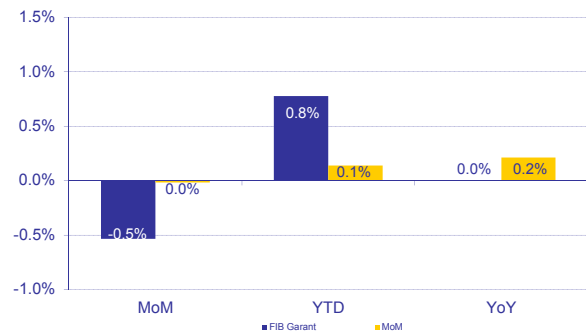
Fact sheet and fee information

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

May 2015

Data as per 29 May 2015

NAV	
NAV	BGN 554 740
NAV per share	BGN 0.6093

Return (%)	
Monthly (MoM)*	1.06%
Annual (YoY)*	-4.27%
Year-to-date*	33.40%
Since Inception (annualized)*	-9.22%

Statistics (%)	
Standard Deviation*	21.06%
Monthly alpha – MSCI Russia *	3.68%
Beta (β) – MSCI Russia *	0.644
R ² – MSCI Russia *	74.32%
Sharpe Ratio (0%)*	n.m.

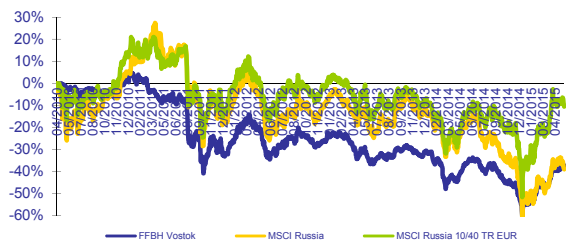
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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

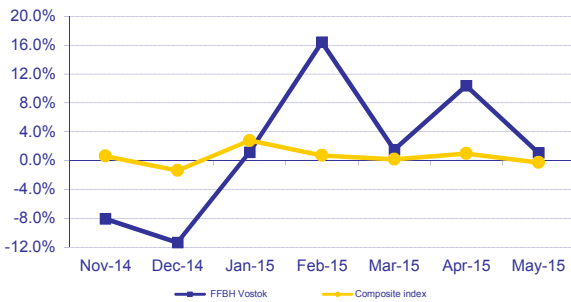


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

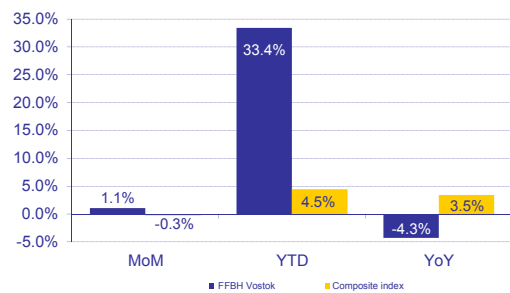
Fact sheet and fee information

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*

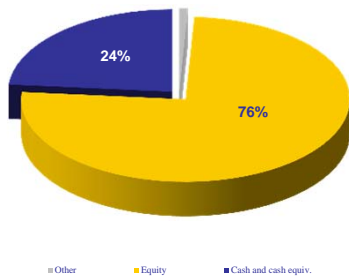


MoM, YoY and YtD return to composite index*



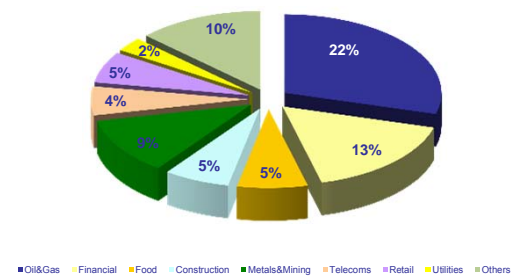
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

PORTFOLIO MANAGER'S COMMENT May 2015

MARKET OVERVIEW:

- MSCI World Index was up by 1.4% in EUR in May on USD appreciation. Global performance was volatile as Europe underperformed on difficult negotiations with Greece. The Grexit threat as well as worse economic data, coming from trade partners, were among reasons for Eastern Europe investors to collect profits and cause an almost 5% MoM slide in MSCI Emerging Europe ex Russia index.
- SOFIX lost 4% in May in line with regional peers. During the period there was a hefty turnover and down moves in all but one SOFIX constituents as the index certificate, started by ABN AMRO in 2007 later transferred to RBS, was liquidated aggressively. Its size before closure was about BGN 6m.
- Q1 consolidated financial reports of holding companies (former privatisation holdings) were presented during the period. This brought neutral to negative impulse for their stocks as profitability declined.
- Russian capital markets lost some steam in May and dropped 4% MoM in EUR terms on some weakening in oil (Brent, -0.7% MoM in EUR) and profit collection. Local currency was flat against USD-EUR basket as central bank started interventions to keep the rouble close to CBR fair value range at current oil price of 50-55 against dollar.
- Russian statistics office reported that economy performed better than expected in Q1 and GDP contracted by 1.9% YoY only. However, April data showed some unexpected worsening with GDP contracting by 4% YoY. The decline was due to negative surprises by retail trade (-9.8% YoY in April vs. -8.7% in March) and industrial production (-4.5% YoY in April vs. -0.6% in March). The only positive moment was drop in unemployment rate by 0.1pp to 5.8% which should support better H2.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- FFBH Vostok outperformed Russian indices by almost 4% in May on larger weight of export companies in its portfolio. There were no major changes during period and equity allocation remained unchanged at 76% of assets in end-month.

FIB Avangard

- FIB Avangard NAV/unit declined by 2.1% MoM on Europe underperformance. During period we invested in developed Europe utility sector on high dividend yield and expectation for better financial performance in H2 2015. We also added consumer discretionary US stocks on pick up in wages and personal spending across the Atlantic. Thus, total equity allocation rose to 67% of assets from 63% of assets in end-April.

FIB Classic

- FIB Classic dropped 1.4% MoM in May, due to declines on BSE. There were no major changes during period.

FIB Garant

- FIB Garant NAV/unit was down by 0.5% MoM in May on financial stocks underperformance on BSE. Equity allocation was 1pp down to 19% of assets.

OUTLOOK & STRATEGY:

- We expect that June should be a bumpy month for global stocks and bonds. Of course, the most important event is the finalization of negotiations between Greece and its creditors. Greeks have protracted the event more than expected but the deadline in end-month is coming anyways. There are meetings of ECB or Fed in June which shall be important for government yield curve directions after May sell-off in Europe. Currently, investors worry about correlation between monetary policy and pickup in inflation in Europe and USA. In our base case we expect that ECB to reassure markets that asset purchase program shall continue as scheduled. Considering the above together with the usual market weakness in June our base case is for slight declines of Eastern European

markets. However, volatility should be larger than usual and shall depend on the details about Greece.

- After the sell-off in blue chips in May, we expect that demand for financial sector companies shall remain suppressed until Greek drama is over. All else equal we expect outperformance in industrials and export companies on improvements in EU economy. There might be larger turnover in dividend-paying stocks as most companies have ex-dates in June. There are no other major corporate events expected during the period.
- We expect that Russian indices shall move in line with oil prices and the USD in June. There might be heightened volatility in mid-month when macro indicators for May are due with investor's focus, being on retail trade statistics. Dividend season shall continue to attract investor attention. On the opposite a possible escalation in Eastern Ukraine remains a threat for now.
- Both our stocks and bonds near-term strategy shall depend on the outlook for G-7 monetary policy and developments in Greece. In base case we expect to watch for "buy the dips" events across our equity universe. We should be more conservative towards out bonds 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 15 mutual funds that apply similar investment strategy to FIB Avangard and measures their equal-weighted return.

FIB Classic: Composite Index is composed of 18 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: $\sum (1/n \cdot R_i)$, where n is the number of mutual funds, using similar strategies.

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