

FFBH Vostok

April 2016

Data as per 28 April 2016

NAV	
NAV	BGN 568,990
NAV per share	BGN 0.5717

Return (%)	
Monthly (MoM)*	4.41%
Annual (YoY)*	-5.18%
Year-to-date*	6.77%
Since Inception (annualized)*	-8.84%

Statistics (%)	
Standard Deviation*	23.42%
Monthly alpha – MSCI Russia *	-5.34%
Beta (β) – MSCI Russia *	0.602
R ² – MSCI Russia *	74.48%
Sharpe Ratio (0%)*	n.m.

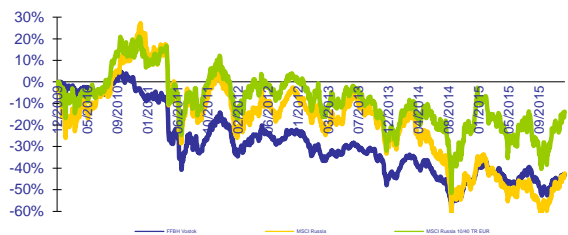
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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 the start of 2016 – stock picking state independent "blue-chip" companies, benefitting from weak Russian ruble.

FFBH Vostok vs. MSCI Russia 10/40 EUR



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

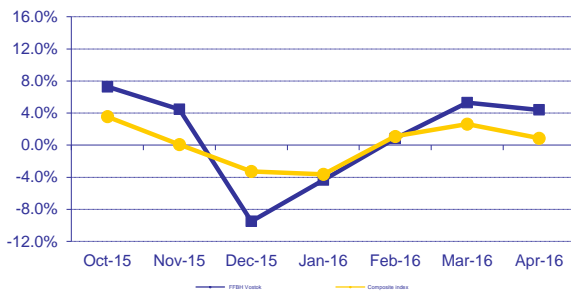
Fact sheet and fee information

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

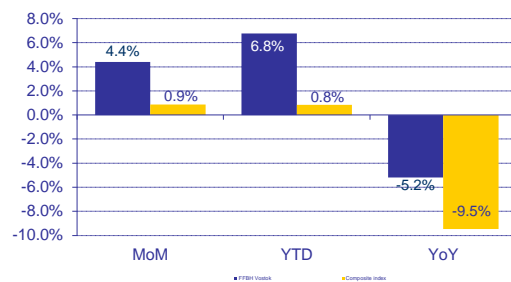
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)		2.50%

* Minimum subscription is BGN 50

MoM return comparison to composite index*

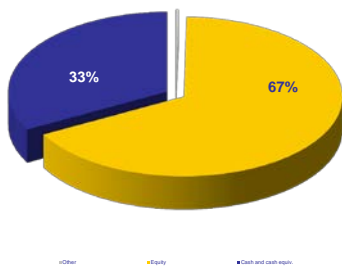


MoM, YoY and YtD return to composite index*



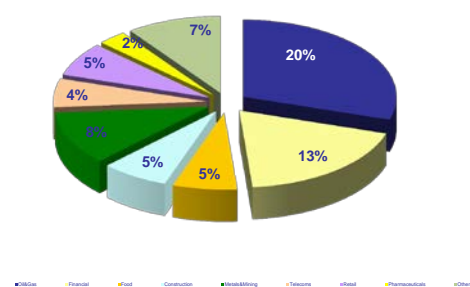
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Avangard

April 2016

Data as per 28 April 2016

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,182,152	Monthly (MoM)*	2.27%	Standard Deviation*	10.51%
NAV per share	BGN 0.5049	Annual (YoY)*	-9.00%	Monthly alpha – MSCI EM EE *	-3.03%
		Year-to-date*	-1.29%	Beta (β) – MSCI EM EE *	0.204
		Since Inception (annualized)	-7.78%	R ² – MSCI EM EE *	30.09%
				Sharpe Ratio (0%)*	-0.18

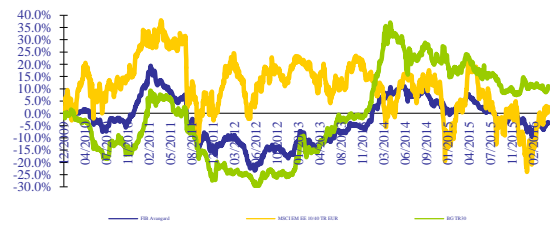
* see notes

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 2016 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



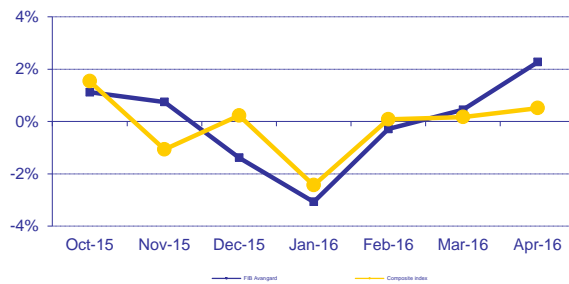
Source: Bloomberg, BSE-Sofia, FFBH Asset Management

Fact sheet and fee information

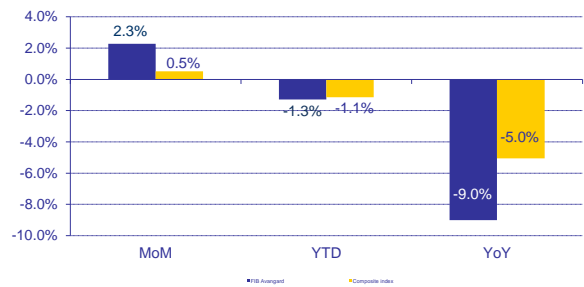
Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
FSC Classification	High-yield fund	Entry fee	0.50%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.50%	0.00%
Subscriptions/ Redemptions	Every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

* Minimum subscription is BGN 50

MoM return comparison to composite index*

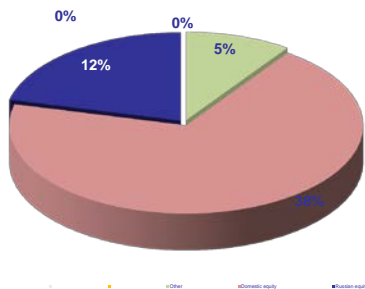


MoM, YoY and YtD return to composite index*



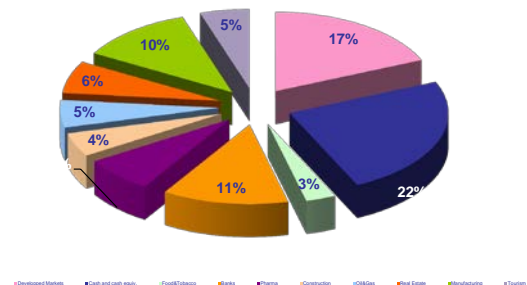
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

April 2016

Data as per 28 April 2016

NAV	
NAV	BGN 925,269
NAV per share	BGN 0.7900

Return (%)	
Monthly (MoM)*	0.00%
Annual (YoY)	-2.53%
Year-to-date	-0.23%
Since Inception (annualized)	-2.75%

Statistics (%)	
Standard Deviation*	6.44%
Monthly alpha – MSCI EM EE *	-5.31%
Beta (β) – MSCI EM EE *	0.124
R ² – MSCI EM EE *	29.60%
Sharpe Ratio (0%)*	0.15

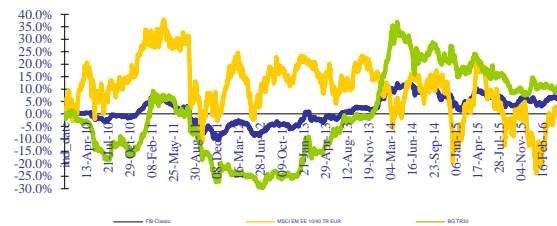
* see notes

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 2016 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 acceptable 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



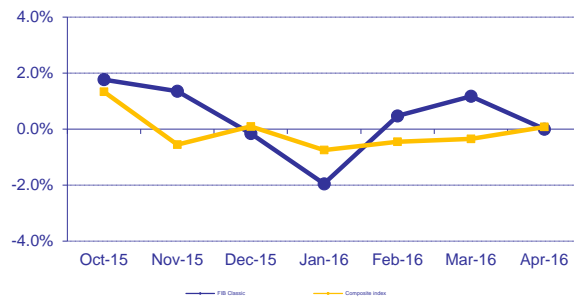
Source: Bloomberg, BSE-Sofia, FFBH Asset Management

Fact sheet and fee information

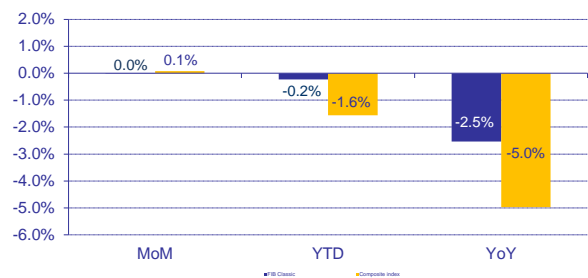
Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
Classification	Balanced fund	Entry fee	0.35%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.35%	0.00%
Subscriptions/ Redemptions Incorporation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

* Minimum subscription is BGN 50

MoM return comparison to composite index*

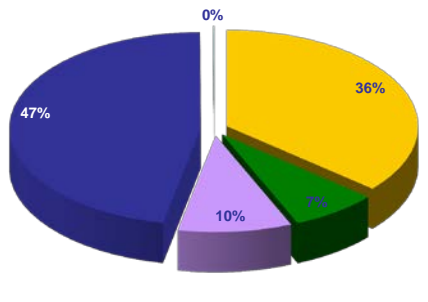


MoM, YoY and YtD return to composite index*



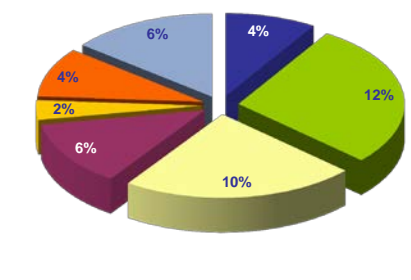
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

April 2016

Data as per 28 April 2016

NAV	
NAV	BGN 845,234
NAV per share	BGN 1.2207

* see notes

Return (%)	
Monthly (MoM)*	-0.45%
Annual (YoY)*	1.14%
Year-to-date*	-0.36%
Since Inception (annualized)*	2.39%

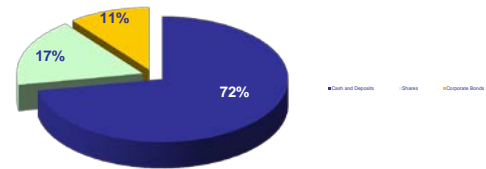
Statistics (%)	
Standard Deviation*	2.58%
Sharpe Ratio (0%)*	1.43
Interest rates (%)	
Sofibor (3 month)	0.12%
Sofibor (12 month)	0.75%

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	1.50%	26-09-16	EUR	0.01%
Eurobond	4.25%	09-07-17	EUR	0.07%
Eurobond	2.00%	26-03-22	EUR	1.62%
Eurobond	2.95%	03-09-24	EUR	2.29%
Eurobond	2.63%	26-03-27	EUR	2.57%
Eurobond	3.13%	26-03-35	EUR	3.53%

Source: Bloomberg

Asset Allocation



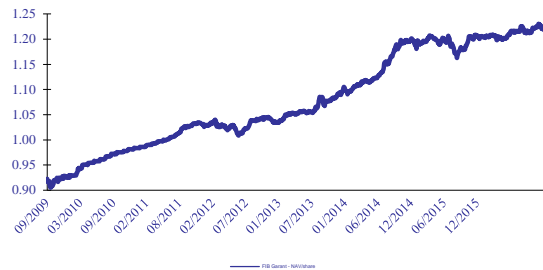
Source: FFBH Asset Management

Investment objective

FIB Garant is a conservative balanced mutual fund, inception 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 2016 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

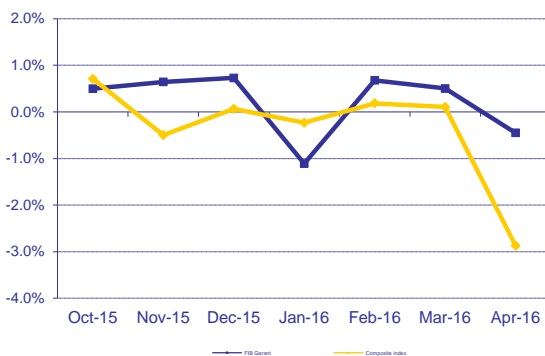


Source: FFBH Asset Management

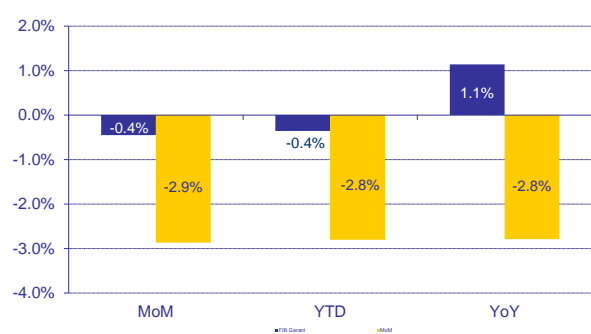
Fact sheet and fee information

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

PORTFOLIO MANAGER'S COMMENT April 2016

MARKET OVERVIEW:

- Global equity markets were up in April. US markets rallied in tandem with Western Europe following no new interest rate hikes from the FED. MSCI Eastern Europe ex Russia lost 3.4% in April after strong gains in March.
- The Bulgarian benchmark SOFIX lost 0.8% in April; on the last day of trading Q1 reports of member companies were released which will shape trading in May
- In April oil added 20.6%. Gold gained 4.8% for the month following continued easy money policy from central banks.
- Japanese government bonds with maturities up to 10 years were trading in negative territory. Swiss bonds were also negative up to 15 years.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- FFBH Vostok gained 4.41% in April. Equity allocated stood at 66.82%.

FIB Avangard

- FIB Avangard finished the month up 2.27%. Equity allocation was 76.82%.

FIB Classic

- FIB Classic ended the month unchanged. Equity allocation was 43.57%.

FIB Garant

- FIB Garant lost 0.45% in April. Equity allocation was 17.38%.

OUTLOOK & STRATEGY:

- 2016 started with an equity market decline and a rise in volatility. We expect volatility to persist during the year fuelled by weak investor sentiment and uncertainties about global economic growth. Over the medium term markets will be impacted by the results of the UK referendum and US elections in the fall. The weak global economic prospects and the deflationary environment are not helping equity prices either as they are putting brakes on corporate earnings growth. The elevated valuations imply significant growth expectations which are difficult to achieve in the current environment. That said we believe that equity valuations will remain above historical averages buoyed by central banks. In the longer term we reckon that cheap oil is a net positive for the global economy and with recently announced central bank easing we should see some relief in equity prices later in the year.
- Even though the Bulgarian equity market has not been showing notable correlation with the global markets over the last years, it cannot remain detached from the rest of the world. We see Bulgarian equities trailing any recovery in Western Europe as valuations are not as attractive following the recent sell-off abroad; investor sentiment also remains subdued. It is worth noting that Bulgaria is heavily dependent on oil & gas imports and stands to benefit should current low prices persist.
- The Russian market surprised us on the upside thanks to a stabilisation in the ruble exchange rate and oil prices. Should current conditions persist the Central bank of Russia should be able to lower rates faster than previously anticipated. The oil futures curve shows possible relief on the horizon in the second half of the year. The export-oriented manufacturing sector has been performing well recently thanks to increased competitiveness from the ruble depreciation.
- We are watching closely the market developments and if the market sell-off continues we might increase developed European equities as we will focus on value companies and dividend paying stocks.

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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