

FFBH Vostok

May 2017

Data as per 31 May 2017

NAV	
NAV	BGN 792,288
NAV per share	BGN 0.6760

Return (%)	
Monthly (MoM)*	-5.74%
Annual (YoY)*	18.62%
Year-to-date*	-7.88%
Since Inception (annualized)*	-5.34%

Statistics (%)	
Standard Deviation*	19.75%
Monthly alpha – MSCI Russia *	4.19%
Beta (β) – MSCI Russia *	0.554
R ² – MSCI Russia *	76.29%
Sharpe Ratio (0%)*	n.m.

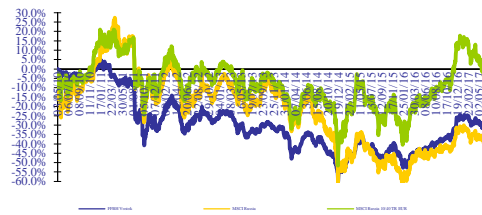
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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 2017 – stock picking state independent "blue-chip" companies.

FFBH Vostok vs. MSCI Russia 10/40 EUR

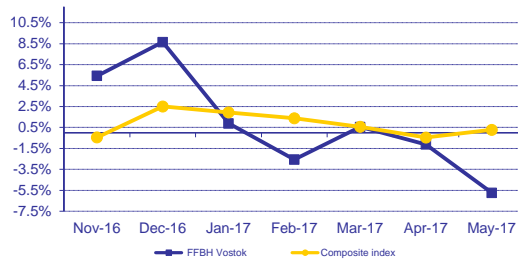


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

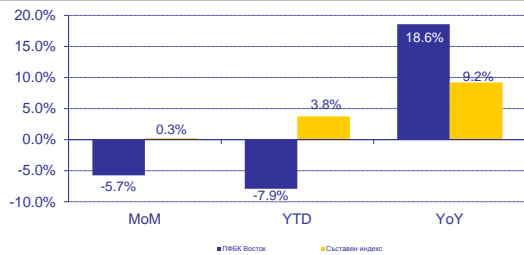
Fact sheet and fee information

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*

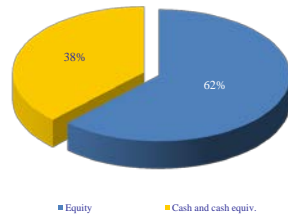


MoM, YoY and YtD return to composite index*



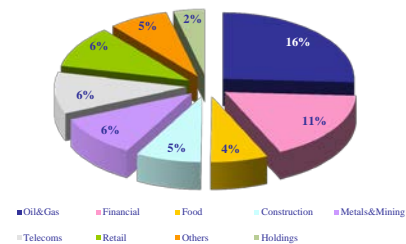
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Avangard

May 2017

Data as per 31 May 2017

NAV	
NAV	BGN 1,608,694
NAV per share	BGN 0.6384

Return (%)	
Monthly (MoM)*	-1.19%
Annual (YoY)*	27.42%
Year-to-date*	5.51%
Since Inception (annualized)	-4.60%

Statistics (%)	
Standard Deviation*	9.36%
Monthly alpha – MSCI World *	1.71%
Beta (β) – MSCI World *	- 0.050
R ² – MSCI World *	0.78%
Sharpe Ratio (0%)*	0.58

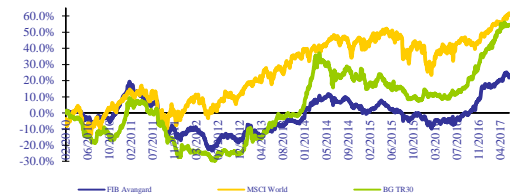
* see notes

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 World equity with focus on Bulgarian 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 2017 includes 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 World

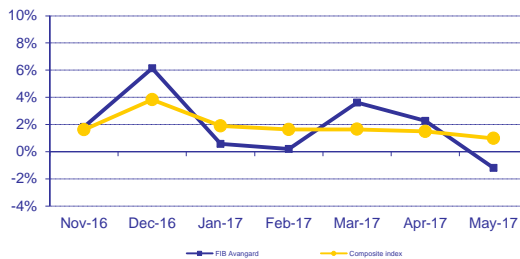


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

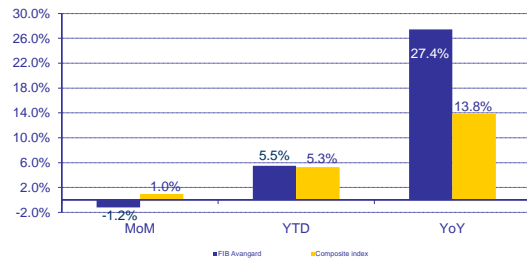
Fact sheet and fee information

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*

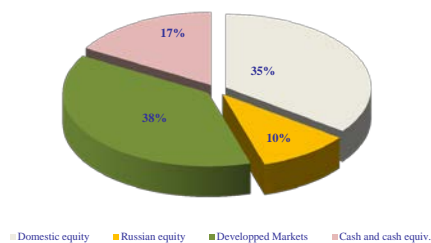


MoM, YoY and YtD return to composite index*



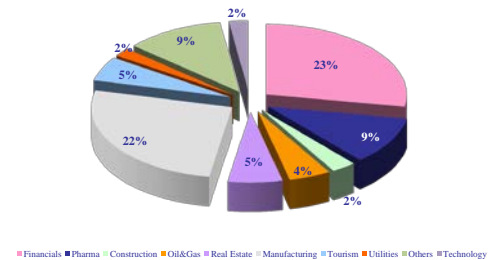
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Domestic equity Russian equity Developed Markets Cash and cash equiv.

Equity Portfolio



Financials Pharma Construction Oil&Gas Real Estate Manufacturing Tourism Utilities Others Technology

Source: FFBH Asset Management

Source: FFBH Asset Management

FIB Classic

May 2017

Data as per 31 May 2017

NAV	
NAV	BGN 1,537,913
NAV per share	BGN 0.9665

Return (%)	
Monthly (MoM)*	-0.41%
Annual (YoY)	22.24%
Year-to-date	3.63%
Since Inception (annualized)	-0.36%

Statistics (%)	
Standard Deviation*	5.59%
Monthly alpha – MSCI World *	1.41%
Beta (β) – MSCI World *	-0.033
R2 – MSCI World *	0.92%
Sharpe Ratio (0%)*	0.96

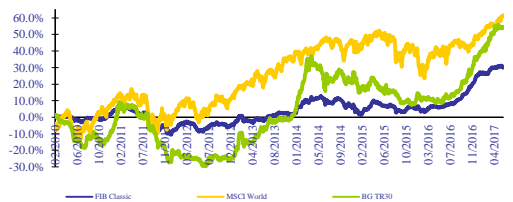
* see notes

Investment strategy

FIB Classic is a balanced mutual fund, inception 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 equities and bonds.

FIB Classic's investment strategy for 2017 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 World



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

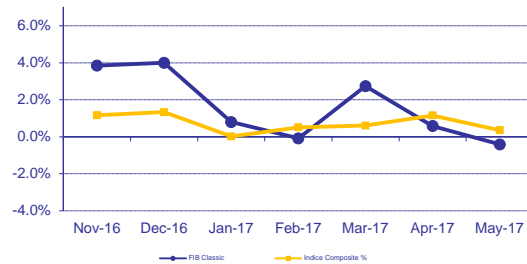
Fact sheet and fee information

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

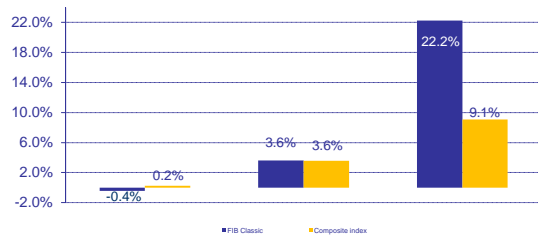
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.35%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.35%	0.00%
Management fee (annual % of average AUM)	2.50%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

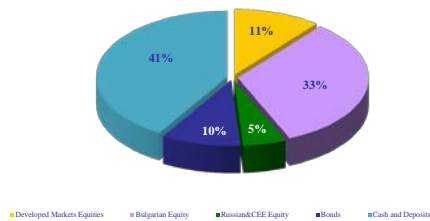


MoM, YoY and YtD return to composite index*



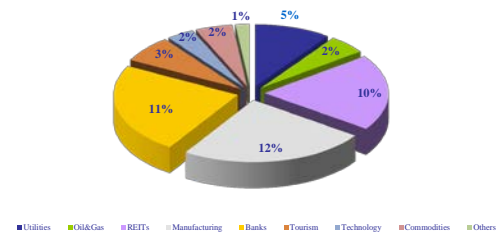
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

May 2017

Data as per 31 May 2017

NAV	
NAV	BGN 1,220,783
NAV per share	BGN 1.3291

* see notes

Return (%)	
Monthly (MoM)*	-0.22%
Annual (YoY)*	8.38%
Year-to-date*	2.58%
Since Inception (annualized)*	3.03%

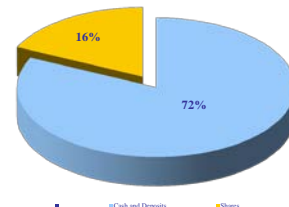
Statistics (%)	
Standard Deviation*	2.43%
Sharpe Ratio (0%)*	1.87
Interest rates (%)	
Sofibor (3 month)	0.11%
Sofibor (12 month)	0.78%

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	4.50%	09-07-17	EUR	-1.13%
Eurobond	4.25%	17-02-19	EUR	-0.10%
Eurobond	2.00%	26-03-22	EUR	0.51%
Eurobond	2.95%	03-09-24	EUR	1.35%
Eurobond	2.63%	26-03-27	EUR	1.90%
Eurobond	3.13%	26-03-35	EUR	2.87%

Source: Bloomberg

Asset Allocation



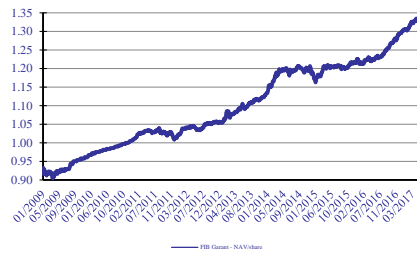
Source: FFBH Asset Management

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 2017 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

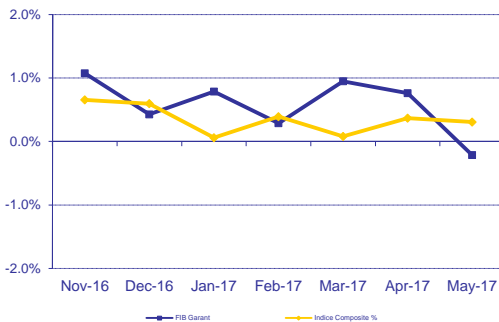


Source: FFBH Asset Management

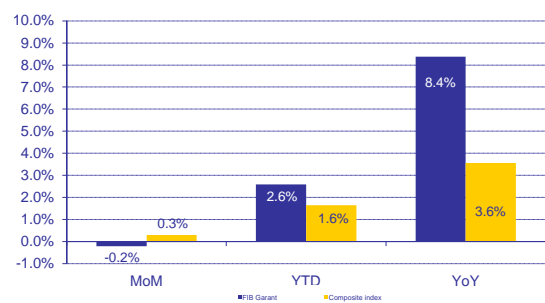
Fact sheet and fee information

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 May 2017

MARKET OVERVIEW, OUTLOOK & STRATEGY:

- US stocks ended the month up (S&P 500 +1.3% in May) with technology shares leading the markets to all time highs. Energy companies continued to underperform despite the extension of the OPEC agreement while financials struggled to gain ground a flattening yield curve. Focus now turns to the June FED meeting at which a 0.25% rate increase is widely expected. The markets are eagerly awaiting detailed plans on the future reduction of the FED's balance sheet.
- European stocks (MSCI Europe +0.8%MoM) were up in May with market participant relieved by Macron's win. Inflation slowed down to 1.4% year-on-year which weighed on chances of a major turnaround in ECB policy at its June meeting. Sector-wise we will focus on financials, autos, telecoms and healthcare given the attractive market multiples these sectors trade at. In June investors will focus on parliamentary elections in France and the UK as well as any change in language from the ECB (the central bank is expected to boost Eurozone economic prospects)
- Russia's RTSI\$ was 7.9% down in May with investors unimpressed by the prospects for oil prices following the extension of the OPEC agreement. News of legal action against Sistema (SSA:LI,-46.5% MoM) by Rosneft (ROSN:LI, -5.5% MoM) weighed on investor sentiment. We see the event as a one-off with no major consequences for stocks long-term. Inflation came in at 4.1% and with economists' consensus that inflation will reach the Central Bank's 4% target by year-end 2017 more rate cuts will likely follow throughout the year. The Russian ruble (EURRUB, -2.56% MoM) depreciated against the euro on the back of stronger economic data coming out of the Eurozone and a drop in oil prices(WTI, -1% MoM). We remain upbeat on Russian equities after the recent pull-back.
- The Bulgarian benchmark SOFIX gained 0.6% in May with some industrial companies posting solid monthly results which justified the market's strong YTD performance. One of the top gainers was Bulgaria Real Estate Fund (5BU, +6.8% MoM) which announced it had won a tender to build an office building at Sofia tech park for 9.65 million BGN. Credit ratings agency Moody's affirmed Bulgaria's rating at Baa2 while Fitch boosted it to BBB- and kept the rating on positive watch. After a strong start of the year for Bulgarian equities we see a consolidation taking place during the summer months.
- We expect volatility to return to the markets despite the VIX hovering around decade lows. With a strong growth in the first 5 months of the year see European, US and Bulgarian equity benchmarks consolidating around current levels. A potential catalyst for a move could be German parliamentary elections in the fall as well as any clarity on tax reform in the United States. We see Russian equities recovering some of their losses by year-end on the back of a strengthening economy and support from the central bank via rate cuts. Global growth remains robust and is projected at 3.5% for 2017.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- FFBH Vostok lost 5.74% during the last month. Equity allocation stood at 62.03%.

FIB Avangard

- FIB Avangard finished the month down 1.19%. Equity allocation was 83.28%. During the month we increased our exposure to the auto and banking sectors in Europe as well as the manufacturing sector in Bulgaria.

FIB Classic

- FIB Classic ended the month down by 0.41%. Equity allocation was 48.80%. During the month we increased our exposure to the auto and banking sectors in Europe. We also added new bonds in the banking and consumer finance sectors.

FIB Garant

- FIB Garant lost 0.22% during the last month. Equity allocation was 15.75%. We also added new bonds in the banking and consumer finance sectors.

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 World is the difference between the monthly return of NAV per share of FIB Avangard and the monthly return of MSCI World Index.

FIB Classic: Monthly Alpha – MSCI World is the difference between the monthly return of NAV per share of FIB Classic and the monthly return of MSCI World 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 World has been calculated using the weekly returns of NAV per share of FIB Avangard and MSCI World Index over the last five years.

FIB Classic: Beta (β) – MSCI World has been calculated using the weekly returns of NAV per share of FIB Classic and MSCI World Index over the last five years.

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.

FIB Avangard: R2 – MSCI World has been calculated using the weekly returns of NAV per share of FIB Avangard and MSCI World Index over the last five years.

FIB Classic: R2 – MSCI World has been calculated using the weekly returns of NAV per share of FIB Classic and MSCI World Index over the last five years.

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.

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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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) 460 6400, WWW.FFBHAM.BG AND FIBANK BRANCHES, EXPLICITLY LISTED AT WWW.FFBHAM.BG.