

FFBH Vostok

June 2018

Data as per 30 June 2018

NAV	
NAV	BGN 672 238
NAV per share	BGN 0,6662

Return (%)	
Monthly (MoM)*	-1,04%
Annual (YoY)*	1,44%
Year-to-date*	-1,25%
Since Inception (annualized)	-4,83%

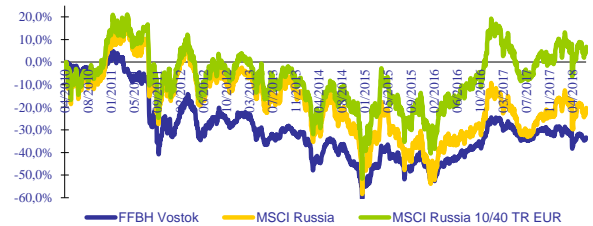
Statistics (%)	
Standard Deviation*	18,77%
Monthly Alpha – MSCI Russia*	-0,63%
Beta (β) – MSCI Russia*	0,60
R ² – MSCI Russia*	86,09%
Sharpe Ratio (0%)*	0,12

* see notes

Investment objective overview

FFBH Vostok is a high-yield, actively managed, open-end mutual fund with regional focus on Russia & CIS, incepted on Apr 16, 2010. The Fund's investment objective is to achieve high long-term growth, bearing medium to high level of risk. The Fund may have up to 95% in equities and up to 50% invested in bonds. We assume further recovery of the Russian economy in 2018, supported by several key rate cuts and relatively stable oil prices, and prefer higher allocation to equities and cyclical sectors. The portfolio remains comprised mainly of blue chip companies with leading and stable market positions.

FFBH Vostok vs. MSCI Russia 10/40 EUR



Source: Bloomberg, FFBH Asset Management

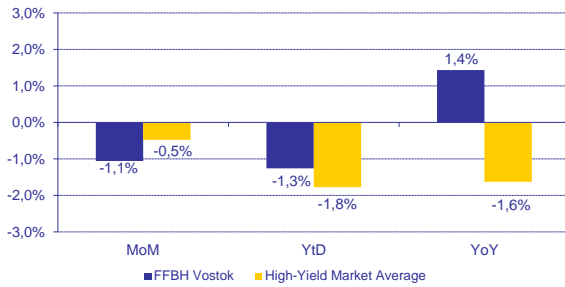
Fact sheet and fee information

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

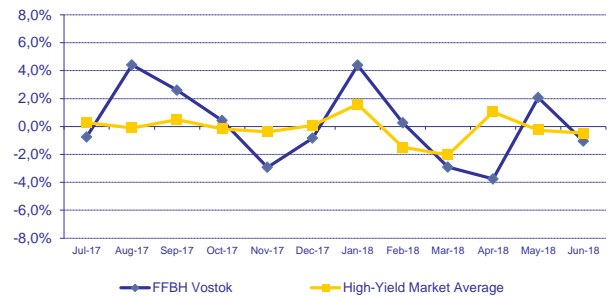
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0,50%	0,00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0,50%	0,00%
Management fee (annual % of average AUM)	2,50%	

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

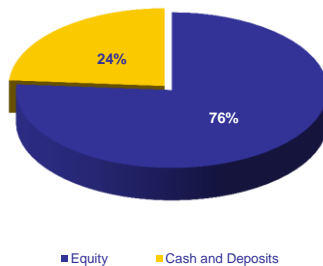


MoM return to HY market average*

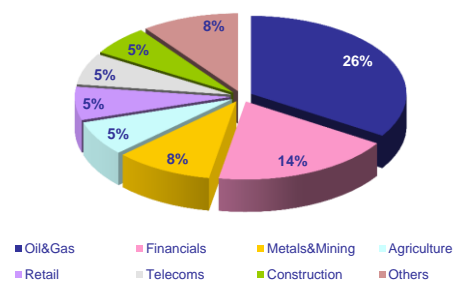


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Avangard

June 2018

Data as per 30 June 2018

NAV		Return (%)		Statistics (%)	
NAV	BGN 1 754 064	Monthly (MoM)*	-0,72%	Standard Deviation*	8,36%
NAV per share	BGN 0,5943	Annual (YoY)*	-6,37%	Monthly Alpha – MSCI ACWI*	0,04%
		Year-to-date*	-6,49%	Beta (β) – MSCI ACWI*	0,34
		Since Inception (annualized)	-4,79%	R ² – MSCI ACWI*	31,51%
				Sharpe Ratio (0%)*	0,61

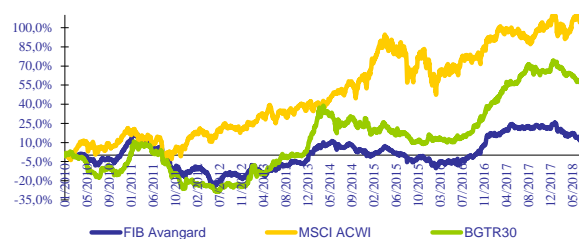
* see notes

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 level of risk. Its portfolio is allocated into global equity with regional focus on Bulgaria. Tactically, most of its funds might be invested in capital markets outside Bulgaria that are expected to be among top performing world regions.

FIB Avangard's investment strategy for 2018 includes allocation to export-oriented, financially stable and dividend-paying Bulgarian companies and allocation to developed markets blue chips based on favourable macroeconomic conditions and attractive valuations. We will increase exposure to companies with competitive positions in disruptive industries. The overall risk of the portfolio will be mitigated through sector and company diversification.

FIB Avangard vs. MSCI ACWI

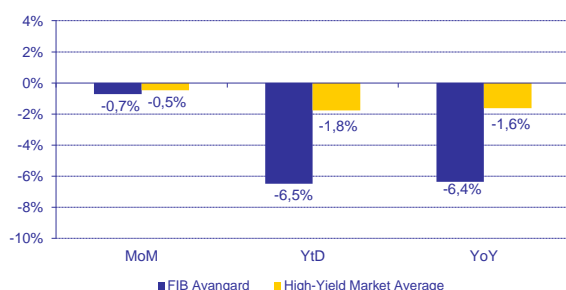


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

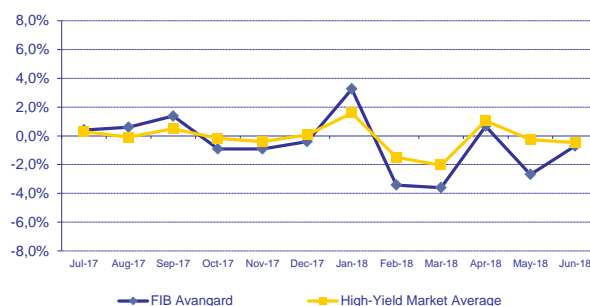
Fact sheet and fee information

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, YoY and YtD return to HY market average*

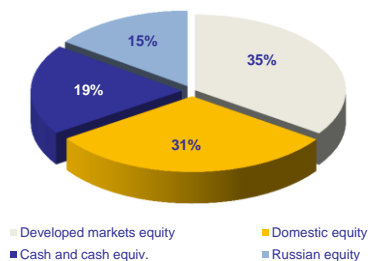


MoM return to HY market average*

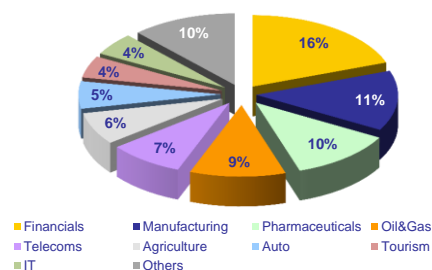


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Classic

June 2018

Data as per 30 June 2018

NAV	
NAV	BGN 1 553 479
NAV per share	BGN 0,9217

Return (%)	
Monthly (MoM)*	-0,19%
Annual (YoY)	-3,89%
Year-to-date	-3,89%
Since Inception (annualized)	-0,77%

Statistics (%)	
Standard Deviation*	5,32%
Monthly Alpha – MSCI ACWI*	0,56%
Beta (β) – MSCI ACWI*	0,14
R ² – MSCI ACWI*	12,97%
Sharpe Ratio (0%)*	0,91

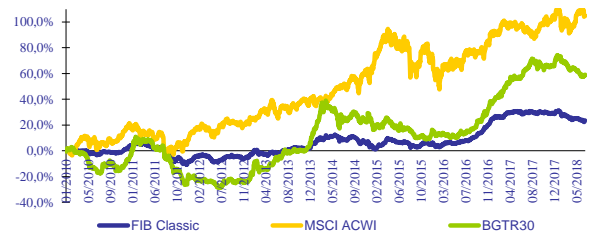
* see notes

Investment strategy

FIB Classic is a balanced mutual fund, inception on Nov 11, 2007, whose investment objective is to achieve medium to high long-term growth of its assets, bearing medium level of risk. The Fund invests in equities and bonds, as the equity-bond proportion depends on the stage of the economic cycle and macro conditions in covered regions and the expected central banks' monetary policy decisions.

FIB Classic's investment strategy for 2018 remains equity-focused, which includes holding equity allocation close to the fund's limits. Equities will be concentrated in Bulgaria and Western Europe with preference to dividend-paying value companies. Bond portfolio would comprise of domestic and foreign corporate bonds.

FIB Classic vs. MSCI ACWI



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

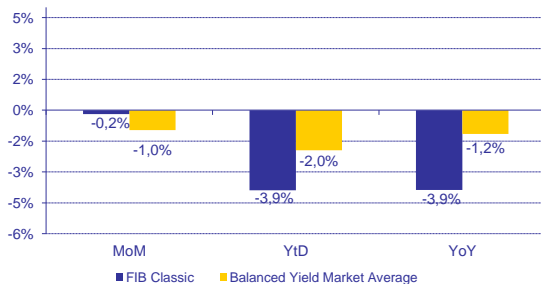
Fact sheet and fee information

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

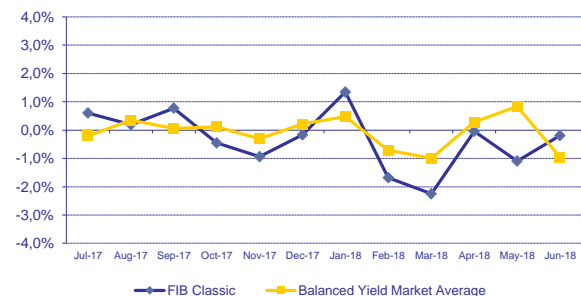
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0,35%	0,00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0,35%	0,00%
Management fee (annual % of average AUM)	2,50%	

* Minimum subscription is BGN 50

MoM, YoY and YtD return to BY market average*

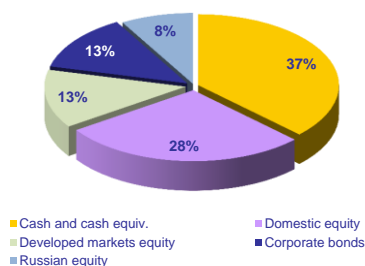


MoM return to BY market average*

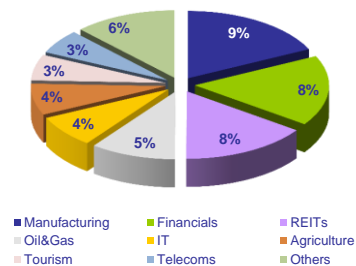


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Garant

June 2018

Data as per 30 June 2018

NAV	
NAV	BGN 1 271 717
NAV per share	BGN 1,2851

Return (%)	
Monthly (MoM)*	-0,30%
Annual (YoY)*	-3,65%
Year-to-date*	-3,05%
Since Inception (annualized)*	2,39%

Statistics (%)	
Standard Deviation*	2,32%
Sharpe Ratio (0%)*	1,42
Interest rates (%)	
Sofibor (3 month)	-0,05%
Sofibor (12 month)	0,49%

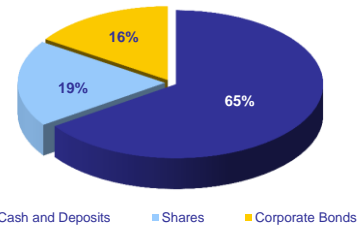
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	0,50%	17/02/19	BGN	-0,28%
Eurobond	2,00%	26/03/22	EUR	0,06%
Eurobond	1,88%	21/03/23	EUR	0,26%
Eurobond	2,95%	03/09/24	EUR	0,62%
Eurobond	3,00%	21/03/28	EUR	1,59%
Eurobond	3,13%	26/03/35	EUR	2,63%

Source: Bloomberg

Asset Allocation



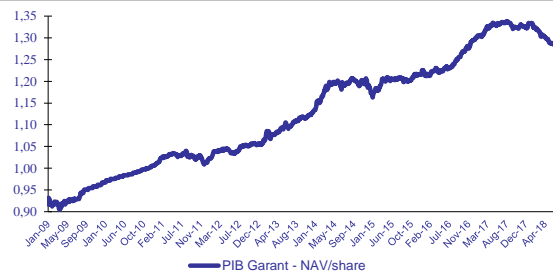
Source: FFBH Asset Management

Investment objective

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

FIB Garant's 2018 investment strategy includes significant allocation to Bulgarian equities on valuations and sentiment improvement on the BSE. At certain points investments in foreign large cap dividend-paying blue chips can be made but currency risk should be controlled. Low local deposit rates would also lead to an increase in the Fund's exposure to foreign corporate and sovereign bonds.

FIB Garant



Source: FFBH Asset Management

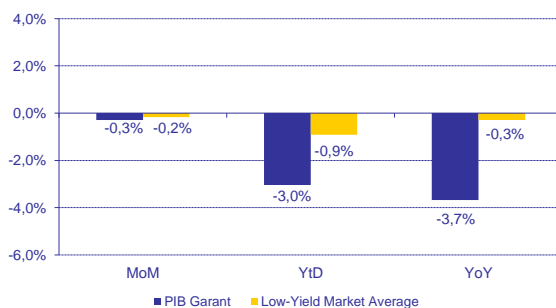
Fact sheet and fee information

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

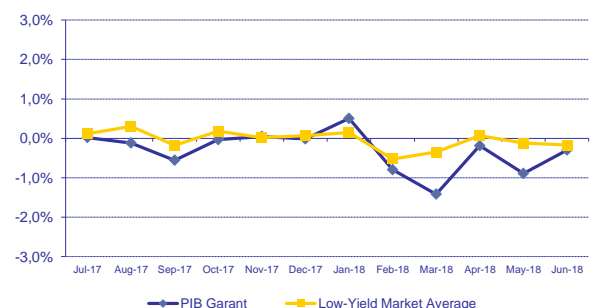
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0,15%	0,00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0,15%	0,00%
Management fee (annual % of average AUM)		1,50%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to LY market average*



MoM return to LY market average*



Source: BAAMC, FFBH Asset Management calculations

PORTFOLIO MANAGER'S COMMENT June 2018

MARKET OVERVIEW:

Trade disputes between the USA and its foreign trade partners escalated in June. EU, Canada and China announced retaliatory measures in response to the USA tariffs on their imports, which, in a global world, would be damaging not only to the companies domiciled in the countries involved. Political uncertainty surrounding BREXIT negotiations and the new Italian government were additional sources of pressure during the month.

USA: S&P 500 and NASDAQ 100 went up by 0.5% MoM and 1.1 % MoM in USD, respectively, with similar increases registered in EUR (+0.4% MoM and +1.0% MoM, respectively). USA core inflation kept rising (to 2.2% YoY in May) and, expectedly, the Federal Reserve increased its benchmark interest rate by 25 bps to 1.75-2.00%, a second hike for the year. The latest FED indications pointed toward two more rate hikes this year. US 10y Treasury yield remained flat MoM at 2.86%.

EUROPE: MSCI Europe was down 0.9% MoM, with the European car producers substantially hit by the President Trump's threats of imposing import tariffs on EU-manufactured cars, as well as by China's planned retaliatory tariffs on US-made goods, including automobiles (**STOXX Europe 600 Auto & Parts, -9.6% MoM**). Despite falling unemployment in the Eurozone (to 8.4% in May) and met inflation expectations (advance June core inflation of 1.0% YoY), the ECB outlined plans to extend its QE program until the end of 2018, provided that data would continue to confirm its medium-term inflation outlook. Monthly bond purchases would be reduced to EUR 15bn in Q4'18, while key interest rates are expected to remain at present levels until at least next summer.

RUSSIA: Although most of the largest names in **MSCI Russia (-1.0%/-1.1% MoM in USD/EUR)** registered price increases during the month, the index was negatively impacted by the monthly drop in its 4th largest constituent Magnit (MGNT LI, -10.5% MoM in USD/EUR). As expected, an increase in OPEC+ oil production was agreed and the Brent price moved slightly more up to USD 79.44 (+2.4% MoM), along with the prices of most of the Russian energy companies. Recent sanctions and rise in the US dollar continued to outweigh gains from oil price revival, though. The CBR left the key rate unchanged at 7.25% in June, while the Russian economy kept its future potential, with rising consumer spending and May unemployment hitting an all-time historical low of 4.7%.

BULGARIA: SOFIX and BGTR30 went down by 0.4% and 0.6% MoM, respectively, as investors freed some liquidity for participation in the IPO of the vertically-integrated poultry producer Gradus. The IPO raised successfully over EUR 40m in June, becoming the largest offering since 2007. Most of the Bulgarian public companies held AGM during the month, which confirmed the trend of increasing dividends locally. Macroeconomic situation remained stable, with preliminary Q1'18 GDP growth revised upward to 3.6% YoY, HICP May inflation (2.3% YoY) surpassing 2% annually for the first time since Feb'13 and unemployment continuing to decline on a seasonally-adjusted basis (to 5.0% for May).

OUTLOOK:

Capital markets are expected to remain under pressure in the short term amid escalating trade tensions and political uncertainty in the Eurozone. The recovery of the Russian economy would be most probably put on hold temporarily. Bulgarian capital market may be influenced by two additional capital increases in the next months, up to the amount of EUR 20m each. Q2 corporate results expected in July-Aug would show how geopolitical situation has affected company expectations.

PORTFOLIO ALLOCATIONS:

Mutual fund	Return MoM, %	Equity allocation, %	MoM change in allocation
FFBH Vostok	- 1.04%	76.18%	Increase in equity exposure to agriculture
FIB Avangard	- 0.72%	80.42%	Increase in equity exposure to financials and agriculture and decrease in equity exposure to auto manufacturers
FIB Classic	- 0.19%	49.81%	Increase in equity exposure to financials and agriculture and decrease in equity exposure to auto manufacturers
FIB Garant	- 0.30%	18.88%	Increase in equity exposure to agriculture

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

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

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

FIB Classic: R2 – MSCI ACWI has been calculated using the weekly returns of NAV per share of FIB Classic and MSCI All Country 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.

Returns of all indices presented in the bulletin or used in the calculations above are converted in BGN.

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: High-yield market average is calculated through equal weighting of the returns of all high-yield mutual funds, offered on the Bulgarian market by asset management companies - members of the Bulgarian Association of Asset Management Companies (BAAMC).

FIB Classic: Balanced yield market average is calculated through equal weighting of the returns of all balanced mutual funds, offered on the Bulgarian market by asset management companies - members of BAAMC.

FIB Garant: Low-yield market average is calculated through equal weighting of the returns of all conservative mutual funds, offered on the Bulgarian market by asset management companies - members of BAAMC. Money market funds are not included in the calculation.

FFBH Vostok: High-yield market average is calculated through equal weighting of the returns of all high-yield mutual funds, offered on the Bulgarian market by asset management companies - members of BAAMC.

Returns are calculated using the net asset values of the mutual funds reported on the web site of BAAMC on the first working day of the month, following the month of performance presentation.

The market average points 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.

DISCLAIMER

ALL DATA AND CONTENT PUBLISHED IN THIS RELEASE HAVE INFORMATION PURPOSE ONLY AND SHOULD NOT BE CONSIDERED AS COUNSEL, OFFER OR RECOMMENDATION FOR ACQUISITION OR DISPOSITION WITH ANY INVESTMENT OR CONCLUSION OF ANY OTHER DEAL.

THE INVESTMENTS IN MUTUAL FUNDS ARE ASSOCIATED WITH SIGNIFICANT RISK. THERE ARE NO RISK-FREE SECURITIES AND NOBODY CAN CLAIM THAT THE INVESTMENT PURPOSE OF ANY GIVEN MUTUAL FUND WILL BE ACHIEVED. THE NET ASSET VALUE PER SHARE AND ITS RETURN MAY DECREASE, THE RETURN IS NOT GUARANTEED AND THERE IS A RISK THAT THE POTENTIAL INVESTOR CAN NOT RECOVER THE INVESTED AMOUNT. THE INVESTMENTS IN MUTUAL FUNDS IN BULGARIA IS NOT GUARANTEED BY GUARANTEE FUND, CREATED BY THE STATE, OR ANY OTHER TYPE OF GUARANTEE.

PAST PERFORMANCE IS NOT NECESSARY INDICATIVE OF FUTURE RESULTS.

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.