

FIB Avangard

December 2011

Data as a per 30 December 2011

NAV	
NAV	BGN 878, 571
NAV per share	BGN 0.4544

Return (%)	
Monthly (MoM)*	1.88%
Annual (YoY)*	-19.25%
Year-to-date*	-19.25%
Since Inception (annualized)	-17.46%

Statistics (%)	
Standard Deviation*	13.84%
Monthly alpha – MSCI EM EE *	12.35%
Beta (β) – MSCI EM EE *	0.260
R ² – MSCI EM EE *	33.81%
Sharpe Ratio (0%)*	n.m.

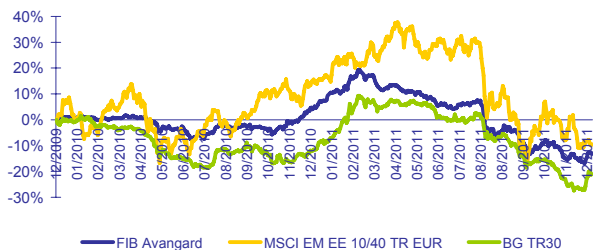
* see notes

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. FIB Avangard is benchmarked to MSCI EM Eastern Europe 10/40 Total Return EUR Index.

FIB Avangard's investment strategy for 2012 includes allocation to liquid and financially stable Bulgarian companies and achievement of sizeable stake in Russian "blue chips" on high oil prices and domestic consumption stories.

FIB Avangard vs. MSCI EM EE 10/40

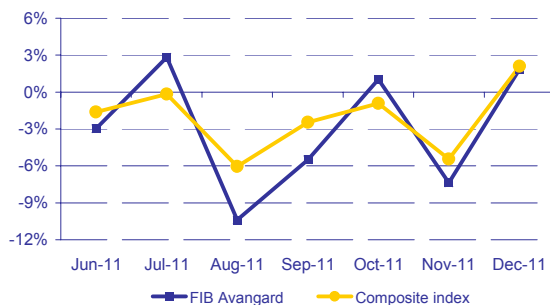


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

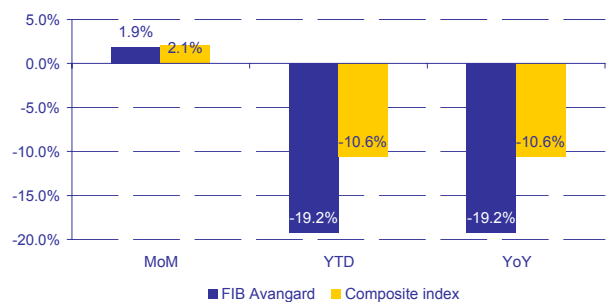
Fact sheet and fee information

Type	Open-end equity fund	Currency	BGN
FSC Classification	High-yield fund	Minimum subscription	BGN 100
Manager	FFBH Asset Management	Entry fee (less than BGN 100,000)	0.50%
Custodian	First Investment Bank	Entry fee (above BGN 100,000)	0.00%
Subscriptions/ Redemptions	Every Business Day	Redemption fee	0.50%
Incorporation	Bulgaria	Management fee (annual % of average AUM)	3.00%

MoM return comparison to composite index*

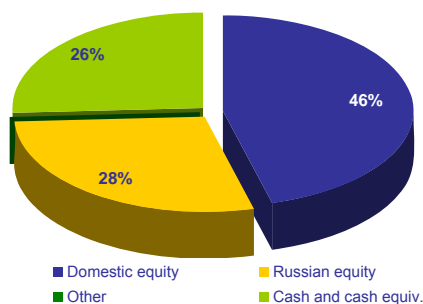


MoM, YoY and YtD return to composite index*



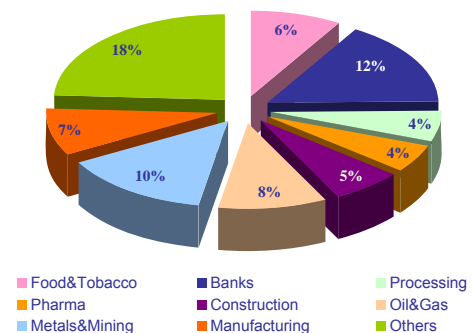
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

December 2011

Data as a per 30 December 2011

NAV	
NAV	BGN 858, 313
NAV per share	BGN 0.6821

Return (%)	
Monthly (MoM)*	1.33%
Annual (YoY)	-10.20%
Year-to-date	-10.20%
Since Inception (annualized)	-8.89%

Statistics (%)	
Standard Deviation*	6.95%
Monthly alpha – MSCI EM EE *	11.81%
Beta (β) – MSCI EM EE *	0.130
R ² – MSCI EM EE *	35.82%
Sharpe Ratio (0%)*	n.m.

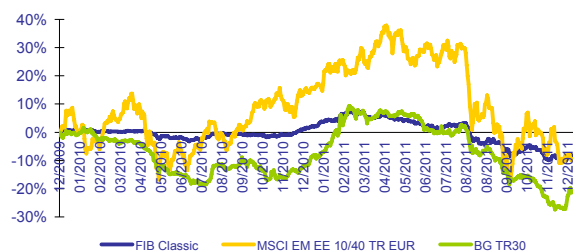
* see notes

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 2012 is based on more aggressive approach by increasing equity allocation in both Bulgaria on expected sentiment improvement in H2 2012 and Russia on high oil prices and domestic consumption convergence stories. We intend to allocate the bond portfolio in sovereign debt and investment grade corporate bonds.

FIB Classic vs. MSCI EM EE 10/40

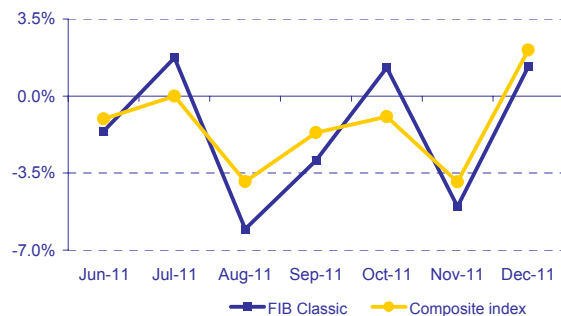


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

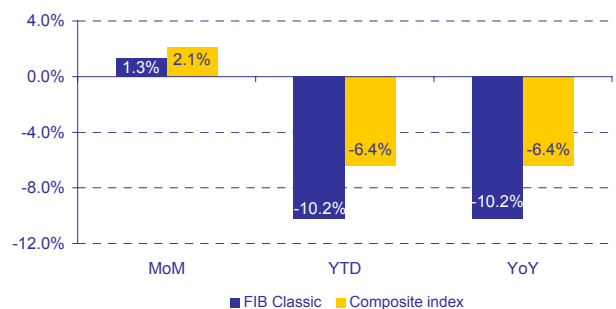
Fact sheet and fee information

Type	Open-end equity fund	Currency	BGN
Classification	Balanced fund	Minimum subscription	BGN 100
Manager	FFBH Asset Management	Entry fee (less than BGN 100,000)	0.35%
Custodian	First Investment Bank	Entry fee (above BGN 100,000)	0.00%
Subscriptions/ Redemptions	Every Business Day	Redemption fee	0.35%
Incorporation	Bulgaria	Management fee (annual % of average AUM)	2.50%

MoM return comparison to composite index*

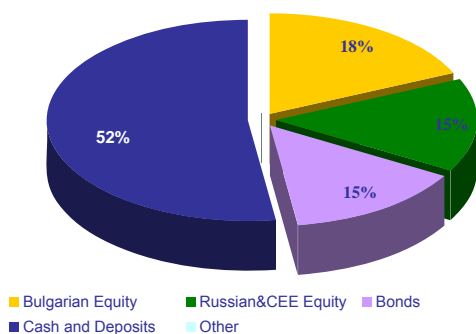


MoM, YoY and YtD return to composite index*



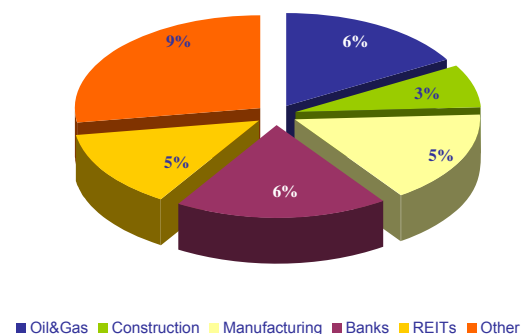
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

December 2011

Data as a per 30 December 2011

NAV	
NAV	BGN 829, 001
NAV per share	BGN 1.0198

Return (%)	
Monthly (MoM)*	1.12%
Annual (YoY)*	1.25%
Year-to-date*	1.25%
Since Inception (annualized)*	0.48%

Statistics (%)	
Standard Deviation*	2.40%
Sharpe Ratio (0%)*	0.20
Interest rates (%)	
Sofibor (3 month)	3.54%
Sofibor (12 month)	7.02%

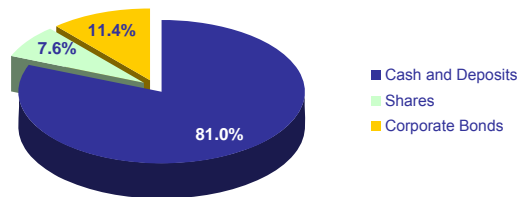
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	7.50%	17/04/2012	BGN	0.03%
Treasury	3.45%	22/06/2014	BGN	3.21%
Treasury	3.50%	04/01/2016	BGN	3.84%
Treasury	5.00%	13/07/2020	BGN	5.04%
Eurobond	7.50%	15/01/2013	EUR	2.42%
Eurobond	8.25%	15/01/2015	USD	3.92%

Source: Bloomberg

Asset Allocation



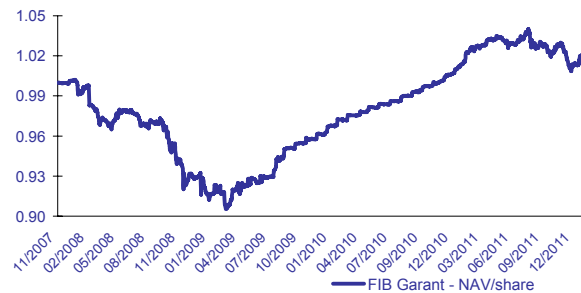
Source: FFBH Asset Management

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 2012 investment strategy includes increased allocation to equities on possible sentiment and liquidity improvement on BSE in H2 2012. 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 investment grade emerging market government debt.

FIB Garant

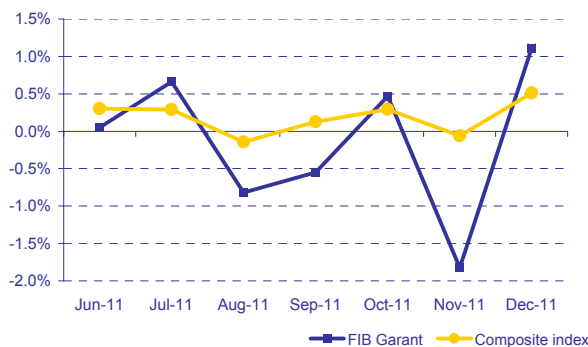


Source: FFBH Asset Management

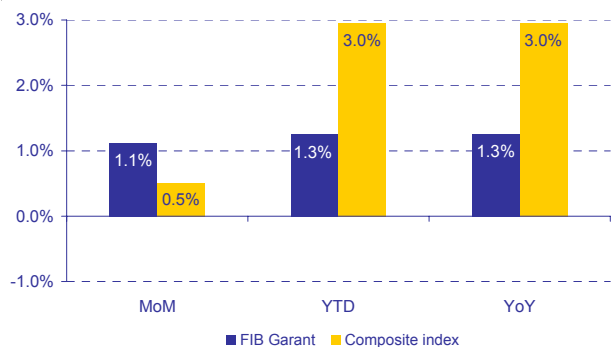
Fact sheet and fee information

Type	Open-end equity fund	Currency	BGN
Classification	Balanced-conservative	Minimum subscription	BGN 100
Manager	FFBH Asset Management	Entry fee (less than BGN 100,000)	0.15%
Custodian	First Investment Bank	Entry fee (above BGN 100,000)	0.00%
Subscriptions/ Redemptions	Every Business Day	Redemption fee	0.15%
Incorporation	Bulgaria	Management fee (annual % of average AUM)	1.50%

MoM return comparison to composite index*



MoM, YoY and YtD return to composite index*



Source: BAAMC, FFBH Asset Management calculations

FFBH Vostok

December 2011

Data as a per 30 December 2011

NAV	
NAV	BGN 495, 864
NAV per share	BGN 0.6826

Return (%)	
Monthly (MoM)*	-4.00%
Annual (YoY)*	-32.46%
Year-to-date*	-32.46%
Since Inception (annualized)*	-20.05%

Statistics (%)	
Standard Deviation*	22.15%
Monthly alpha – MSCI Russia *	5.34%
Beta (β) – MSCI Russia *	0.640
R ² – MSCI Russia *	58.37%
Sharpe Ratio (0%)*	n.m.

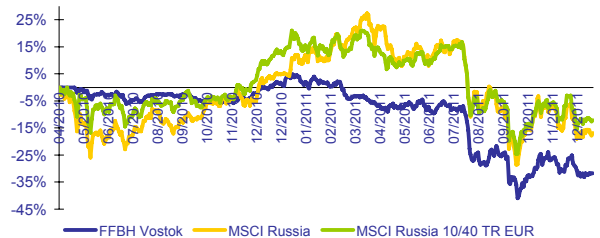
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

Investment objective overview

FFBH Vostok is a high-yield, actively managed, open-end mutual fund with regional focus on Russia & CIS, incepted 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 90% in equities and up to 50% invested in bonds.

FFBH Vostok's targets high allocation to equities in 2012 – stock picking "blue-chip" and cyclical companies on cheap forward-looking multiples, high oil prices, global economy acceleration in H2 2012 and strong convergence potential among domestic consumption stories.

FFBH Vostok vs. MSCI Russia 10/40 EUR

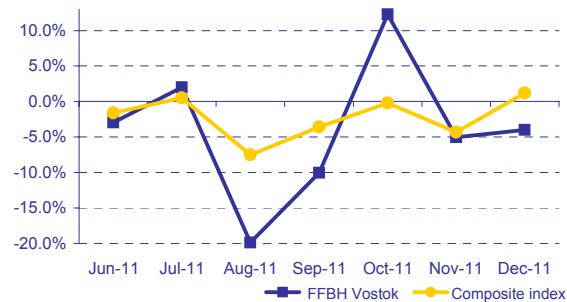


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

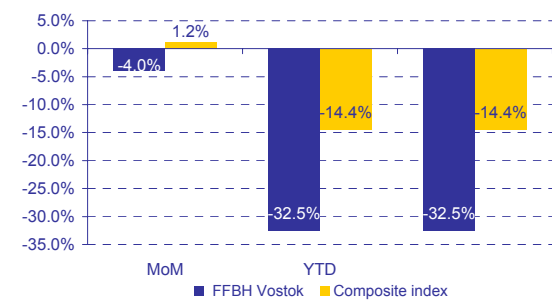
Fact sheet and fee information

Type	Open-end equity fund	Subscription*	<100,000	100k-500k	500k-1mil	>1 million
Classification	High-yield fund	Entry fee	0.50%	0.40%	0.30%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 12 mo	from 12 to 24 mo	over 24 mo	
Custodian	First Investment Bank	Redemption fee	0.75%	0.25%	0.00%	
Subscriptions/ Redemptions	Every Business Day	Management fee (annual % of average AUM)	2.50%			
Incorporation	Bulgaria	* Minimum subscription is BGN 100				

MoM return comparison to composite index*

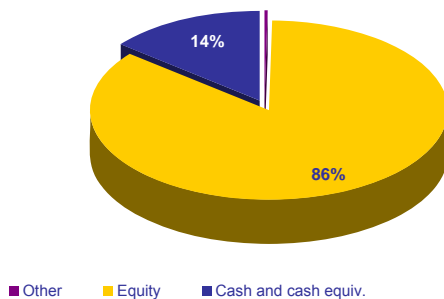


MoM, YoY and YtD return to composite index*



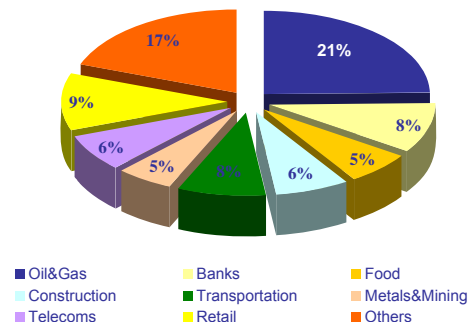
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

PORTFOLIO MANAGER'S COMMENT DECEMBER 2011

Our team wishes you Successful New 2012!

Starting from this issue we have decided to change slightly the format of our monthly bulletin and merge all the individual funds' reports into a single document in order to improve comparison between the performance of the different strategies and allocations that we manage.

MARKET OVERVIEW:

- Bulgarian indices gained between 4% and 8% in December after a late rally to finish the year on more positive note. However, the only index that advanced in 2011 was the specialized BG REIT index, as investors realized that most of local REITs could offer compelling dividend yields and cheap entry into the real estate sector, especially in the attractive agriland sub-sector. On the other hand SOFIX declined 11% last year as Eurozone debt crisis and the economic slow down in Europe scared foreign investors from the less liquid Balkan capital markets.
- The most interesting event on BSE in December and 2011, as a whole, was the successful sale of the remaining 33% state's stake in both EVN Elektrorazpredelenie [EV6 BU] and EVN Elektrosnabdjavane [1EV BU] (the electricity distribution and sales companies in southeastern Bulgaria). Although the investment in EVN Elektrorazpredelenie offered 20-50% return for the limited number of investors that made successful bids, the auction did not fulfil its main purpose to attract new players on BSE. EVN AG, the majority owner, managed to consolidate almost 100% in both companies and they became virtually private right after the sale. However, the high return might increase investors' activity in the auctions for the two remaining electricity distribution companies, expected to take place in Q1 2012.
- Russia, our other equity market in focus, lost more than 10% in USD terms as the rouble depreciated 4.7% against the US dollar on post-election protests. All the protests were peaceful, but prompted investors that political instability might continue till March 2012 presidential elections. Another concern was that the government might loosen its fiscal policy which should raise already high budget break-even oil price. That said, Russian shares performance decoupled from Brent oil, which lost just 1% in December. This might support local markets in January.
- In December Russia was officially invited to WTO. The acceptance, which is to be technically ratified by Russian parliament, went unnoticed by the markets but we note again that it should be a long-term driver for some economic reforms.
- In December CPI declined to 6.1% which prompted CBR to decrease the refinancing rate by 25 bps to 8% and to boost the liquidity of local banks.
- Russian macro indicators showed resilience and in spite of some slow down, real retail sales growth remained at 8.6% YoY in November while industrial production growth increased to 3.9% YoY, up from October lows. Nevertheless, recently reported PMI data have showed that economic development remains uneven – both PMI Manufacturing and Services declined after November rebound.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- During the month we made a slight shift in our oil&gas allocation increasing the weight of natural gas names on usually better performance during winter months. As a result, equity allocation remained at 86% of assets.

FIB Avangard

- In December we decided to decrease our domestic allocation and sold some less liquid names as we didn't see sustainable triggers in H1 2012. Additionally, we participated in the privatization of EVN Elektrorazpredelenie but after the announcement that the majority owner's stake has reached 99.5% we decided to exit the position. Accordingly, local shares declined by 4% to 46% of assets.

FIB Classic

- We took decision to decrease domestic allocation in FIB Classic as well. Simultaneously, we increased investments in Russia on low valuations. There were no changes in our bond portfolio.

FIB Garant

- No changes were made in FIB Garant's positions in December as our research did not indicate any attractive targets on local markets, corresponding to its conservative profile.

OUTLOOK & STRATEGY:

- Macro data, released in December, confirmed that slowdown in Bulgarian economy continued as the current account registered a EUR 142m monthly deficit (0.2% of GDP), only for the second time in 2011, on slow down in exports growth. Still, C/A surplus for 10 months 2011 was at EUR 1.25bn or 3.2% of GDP. Also, private consumption continued to stagnate as retail trade lost 5.2% YoY in October on rising unemployment (12.1% in October) and deleveraging of the population. We expect that the slowdown shall continue in the first half of 2012 which shall probably put our small capital market away from investor's radar. The only significant expected event is the scheduled privatization in the utility sector as mentioned above but positive market impact might be limited on attractive opportunities in developed markets.
- Considering the high oil price and its strong fundamentals, combined with attractive equity valuation and increasing dividend yield, we might expect better performance from Russian equities in January. However, December decline showed that investors are easily scared and we shall keep a close eye on political activity.
- Elsewhere, Eurozone PMI's improved slightly in December but remained in recessionary territory. Italian borrowing costs remained high which together with the heavy repayment schedules for developed economies' government bonds should keep the Eurozone debt crisis on front page. That said, we can't expect outperformance of Emerging Europe equities.
- Overall, our long-term focus on Russian equities remains in place on resilience of local economy, supported by high oil price and strong domestic demand potential on growing middle class. The prudent fiscal policy, low government debt and large currency reserves should also attract investors, once the Eurozone debt crisis begins to unravel.
- In Bulgaria we shall stick to blue-chip companies, while further decreasing investments in less liquid and highly-leveraged companies.
- In conclusion we expect a positive start of 2012 but will continue to apply some short-term strategies and collect some profits when market rises faster than usual. Simultaneously, we are ready to start a portfolio re-allocation and increase weight of cyclical stocks but are still considering the timing of this move.

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

FIB Classic: Composite Index is composed of 24 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 10 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.

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) 810 6413, WWW.FFBHAM.BG AND FIBANK BRANCHES, EXPLICITLY LISTED AT WWW.FFBHAM.BG.