FFBH
ASSET MANAGEMENT

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FIB AVANGARD – MONTHLY REVIEW

NOVEMBER 2010

General Info:

FIB Avangard is a high-yield, actively-managed, mutual fund, incepted on Nov 11, 2007, whose investment objective is to achieve high long-term growth of Fund's assets, bearing medium to high levels of risk. Its portfolio is allocated in CEE and CIS equity with focus on Bulgarian companies. Since start of 2010 FIB Avangard is benchmarked to MSCI EM Eastern Europe 10/40 Total Return EUR Index

Fees	
Entry fee (less than BGN 100,000)	0.50%
Entry fee (above BGN 100,000)	0.00%
Redemption fee	0.50%
Management fee (annual % of average AUM)	3.00%

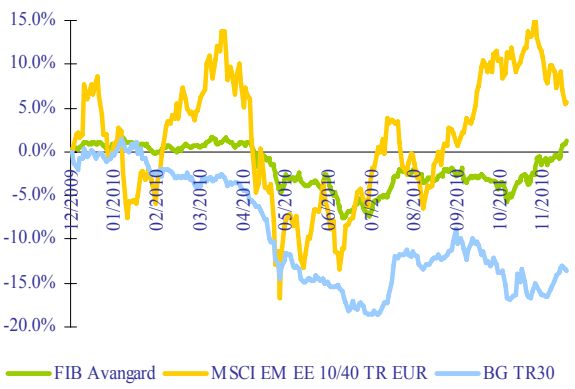
Investment strategy

FIB Avangard's investment strategy for 2010 is aimed at diversification away from illiquid Bulgarian equities. Main focus would be increased allocation to Russia due to the favorable macro environment and attractively price stocks, mostly traded at a discount to foreign peers.

- No changes in Bulgarian portfolio were made in November. Indices remained unchanged and volatility declined during the month after an initial outburst because of sale of large institutional portfolio. Still, we deem that low liquidity and renewed European debt crisis concern should prevent any significant up moves.

- During the month we exited some of our investments in the defensive telecommunication sector in Russia and opened new non-ferrous metals position. We expect gains in the sector due to the positive effect of QE2 on commodity prices.

FIB Avangard vs. MSCI EM EE 10/40

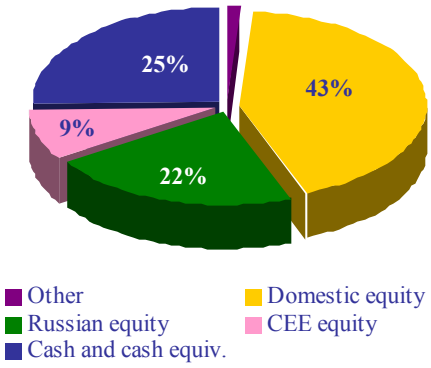


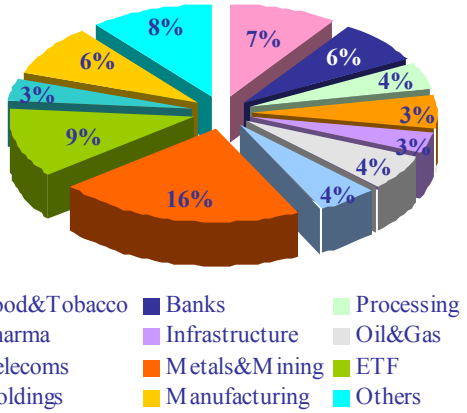
Source: Bloomberg, BSE-Sofia, FFBH Asset Management

Data as per 30 November 2010	
NAV	BGN 993,159
NAV/share	BGN 0.5300
Return (%)	
Monthly (MoM)*	4.75%
Annual (YoY)*	0.11%
Year-to-date*	1.19%
Since Inception (annualized)	-19.77%
Statistics (%)	
Standard Deviation*	13.70%
Alpha (α) – MSCI EM EE *	-6.49%
Beta (β) – MSCI EM EE *	0.11
R^2 – MSCI EM EE *	11.95%
Sharpe Ratio (0%)*	n.m.

* *see notes on last page*

FIB Avangard' Asset Allocation and Equity Portfolio (November 2010)





Source: FFBH Asset Management

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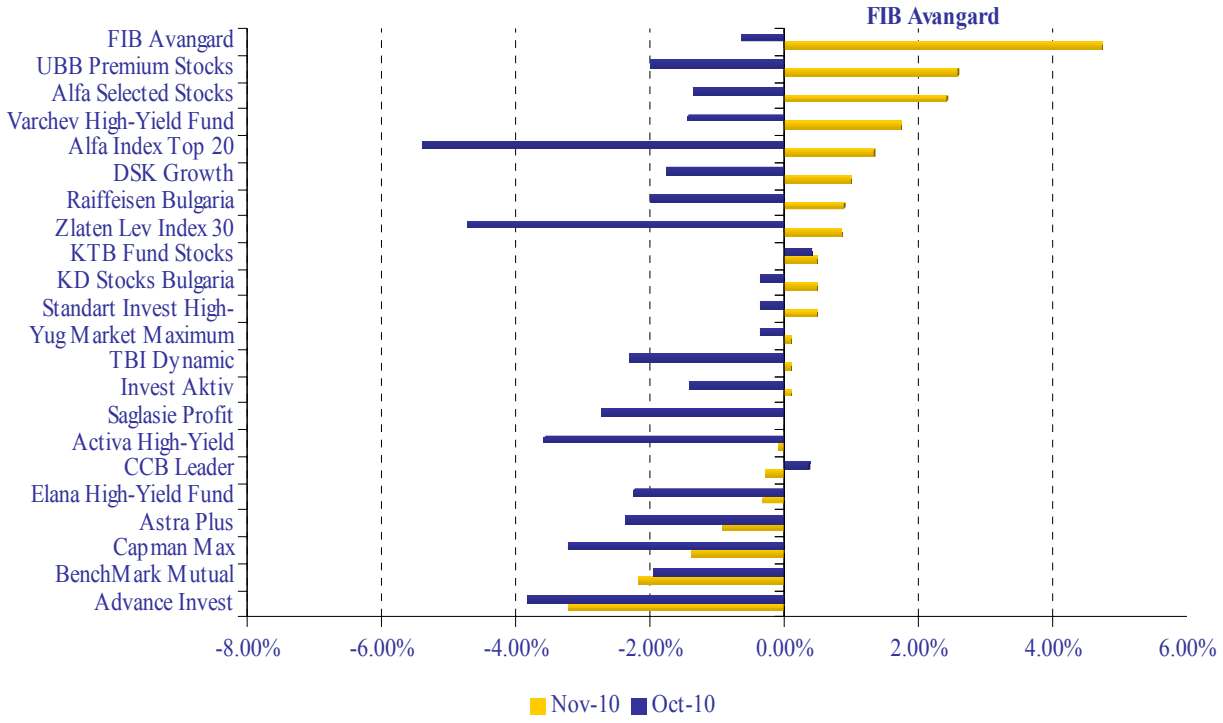
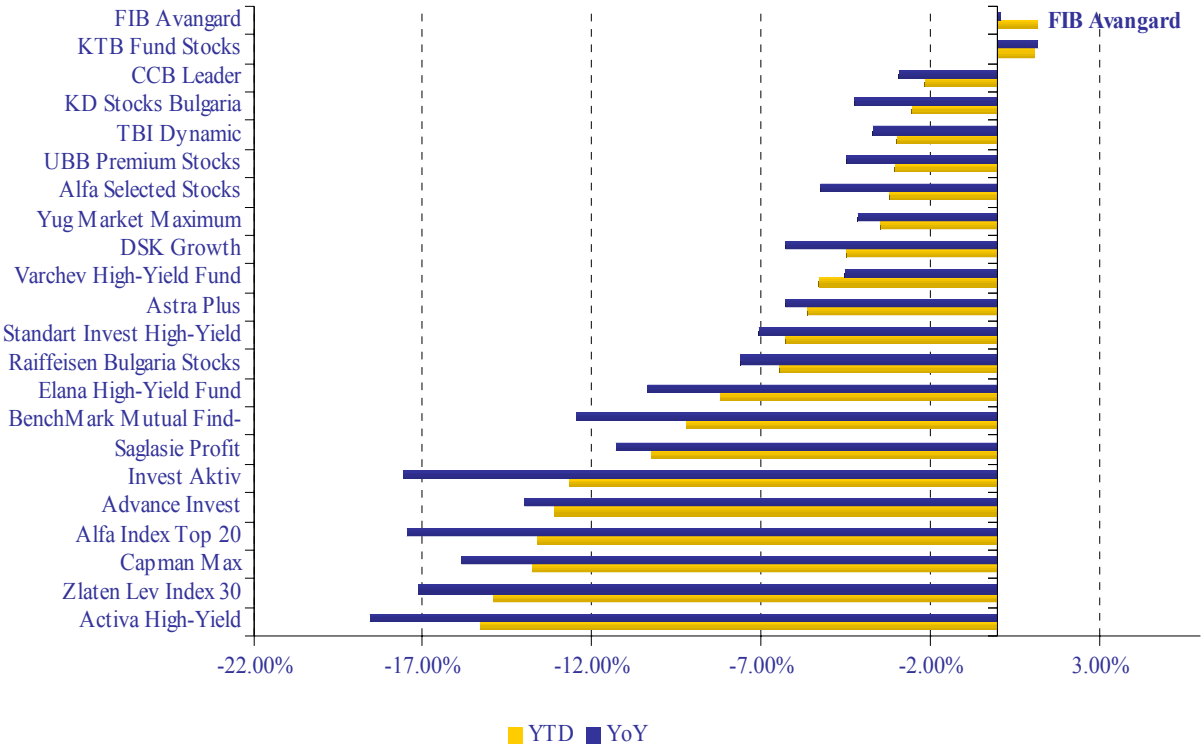
MoM return comparison – high-yield funds



Note: Selected funds invest primarily in stocks listed on BSE and are not sector funds Source: BAAMC

YoY and YtD return comparison – high-yield funds



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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.

Alpha (α) – MSCI EM EE is the difference between the annual return of NAV per share of FIB Avangard and the annual return of MSCI EM Eastern Europe 10/40 Total Return EUR Index over the last three years or since benchmarking to this index, whichever is smaller. If the relevant period is smaller than one year we use YtD data/

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.

R^2 – 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.

Sharpe Ratio has been calculated using the weekly returns of NAV per share of FIB Avangard over the last five years or since the inception of the fund, whichever is smaller, and using 0% as risk-free return.

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 INVESMENT 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 SHARES IN FIB AVANGARD SHOULD MAKE A DECISION BASED ON THE INFORMATION PUBLISHEDD IN THE MOST RECENT PROSPECTUS OF FIB AVANGARD, DATED 25 AUGUST 2008. The prospectus and fund's by-laws are available in FFBH Asset Management office – 2 Enos Street, 5th floor, Sofia 1408, Bulgaria, ph. num: +359 (2) 810 6400, website: www.ffbham.bg and First Investment Bank branches, explicitly listed at www.ffbham.bg.