FFBH
ASSET MANAGEMENT

2 Enos str., Sofia 1408, Bulgaria
Tel: + 359 2 810 6413
Fax: + 359 2 810 6401
E-mail: asset_management@ffbh.bg
Web Site : www.ffbham.bg

FIB CLASSIC – MONTHLY REVIEW

OCTOBER 2009

General Info:

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 currently is focused on equities and corporate bonds, traded on BSE Sofia, where the asset allocation depends on prevailing macroeconomic conditions.

Fees	
Entry fee (less than BGN 100,000)	0.35%
Entry fee (above BGN 100,000)	0.00%
Redemption fee	0.35%
Management fee(annual % of average AUM)	2.50%

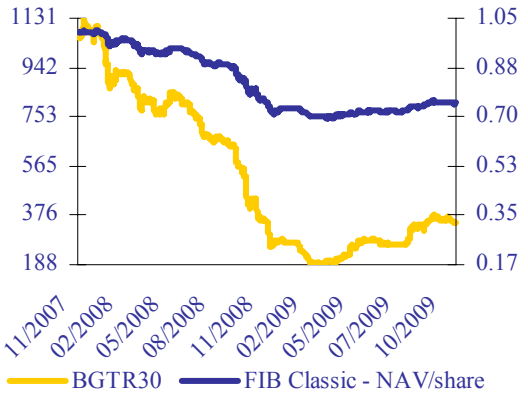
Investment Strategy

FIB Classic invests mainly in value stocks with solid fundament and in corporate bonds, which should fall into investment grade, according to our research. The equity portfolio is diversified between 5-15 stocks.

- Due to the negative outlook for SEE region and high market volatility, FIB Classic continued to implement conservative short-term strategy in October and placed most of its assets in deposits and other cash equivalents. According to our analyses, term deposits in Bulgaria were more attractive than local corporate bonds issues that would fall into investment grade.

- In October FIB Classic has increased its exposition to REITs, considering that the attractive valuations of some of the local REITs and higher interest towards real estate investments in Western Europe would eventually lead to higher demand on BSE also.

FIB Classic vs. BGTR 30

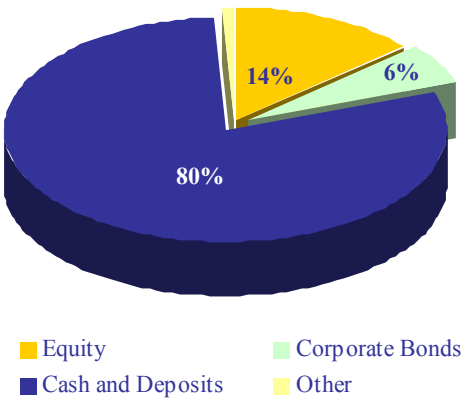


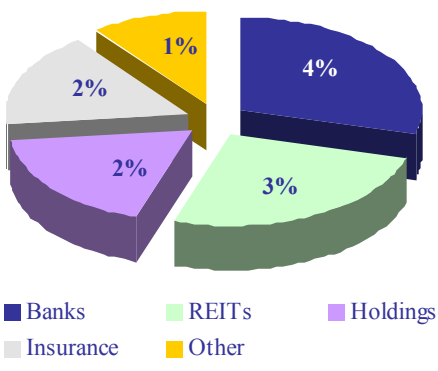
Source: BSE-Sofia, FFBH Asset Management

Data as per 30 October 2009	
NAV	BGN 826,900
NAV/share	BGN 0.7494
Return (%)	
Monthly (MoM)	-0.32%
Annual (YoY)	-1.82%
Year-to-date	2.42%
Since Inception (annualized)	-13.80%
Statistics (%)	
Standard Deviation	8.12%
Alpha (α) –BGTR30	30.08%
Beta (β) – BGTR30	0.18
R^2 – BGTR30	68.93%
Sharpe Ratio (0%)	n.m.

* *see notes on last page*

Asset Allocation and Equity Portfolio (October 2009)





Source: FFBH Asset Management

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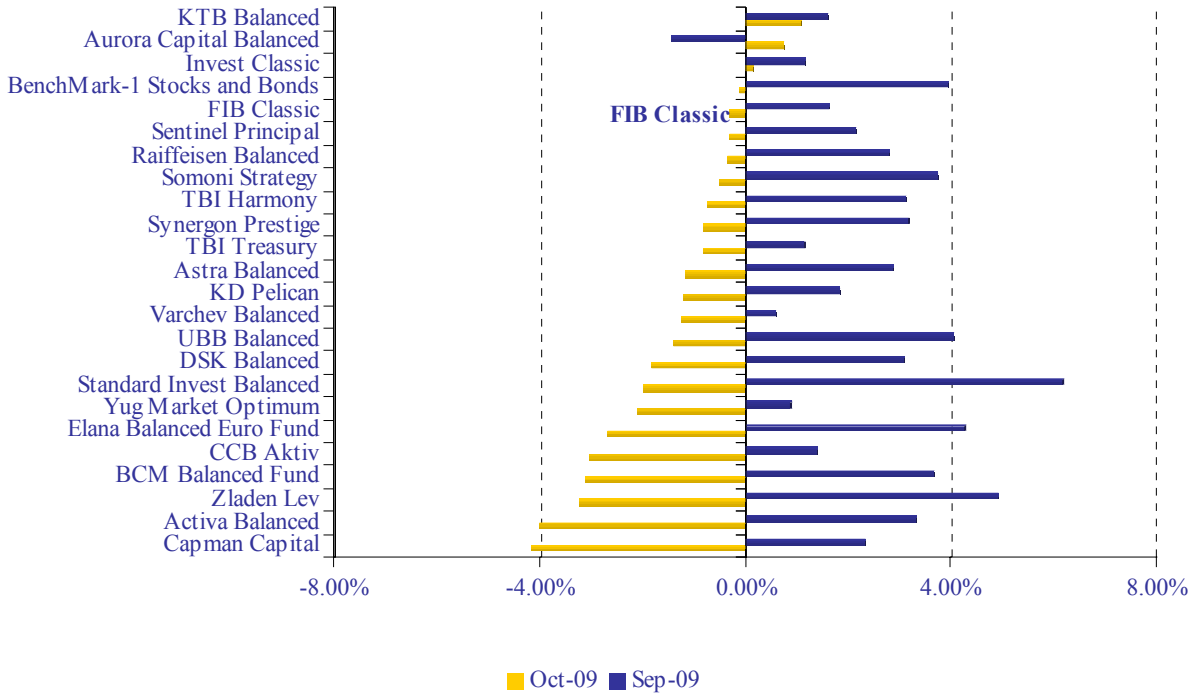
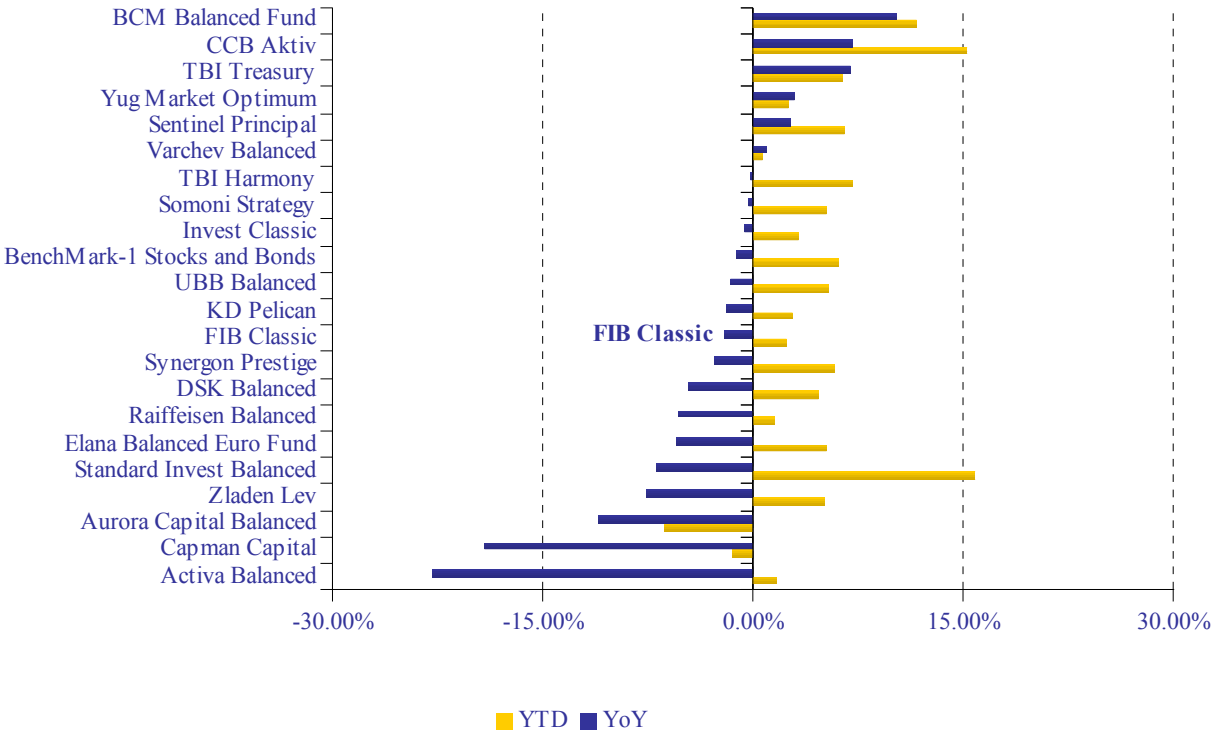
MoM return comparison – balanced funds



Note: Selected balanced funds invest in Bulgarian stocks and bonds mainly

Source: BAAMC

YoY and YtD return comparison – balanced 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.

Алфа (α) –BGTR30 is the difference between the annual return of NAV per share of FIB Classic and the annual return of BGTR30 over the last three years or since inception, whichever is smaller.

Бета (β) – BGTR30 has been calculated using the weekly returns of NAV per share of FIB Classic and BGTR30 over the last five years or since inception, whichever is smaller.

R^2 – BGTR30 has been calculated using the weekly returns of NAV per share of FIB Classic and BGTR30 over the last five years or since inception, whichever is smaller.

Sharpe Ratio has been calculated using the weekly returns of NAV per share of FIB Classic 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 CLASSIC SHOULD MAKE A DECISION BASED ON THE INFORMATION PUBLISHEDD IN THE MOST RECENT PROSPECTUS OF FIB CLASSIC, 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.