

FFBH Vostok

May 2012

Data as per 31 May 2012

NAV	
NAV	BGN 533, 843
NAV per share	BGN 0.6679

Return (%)	
Monthly (MoM)*	-14.17%
Annual (YoY)*	-28.51%
Year-to-date*	-2.14%
Since Inception (annualized)*	-17.29%

Statistics (%)	
Standard Deviation*	22.33%
Monthly alpha – MSCI Russia *	1.63%
Beta (β) – MSCI Russia *	0.650
R ² – MSCI Russia *	59.80%
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 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

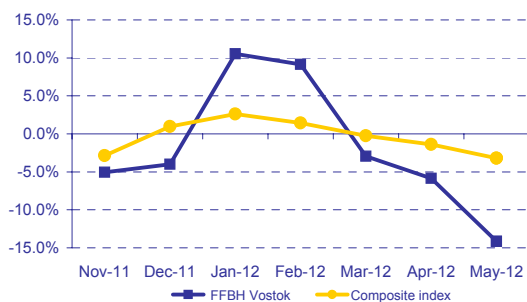


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

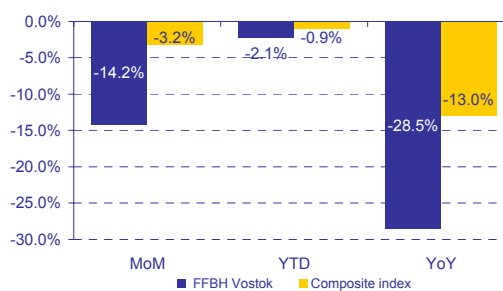
Fact sheet and fee information

Type	Open-end equity fund	Subscription*	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*

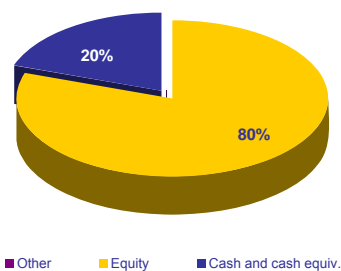


MoM, YoY and YTD return to composite index*



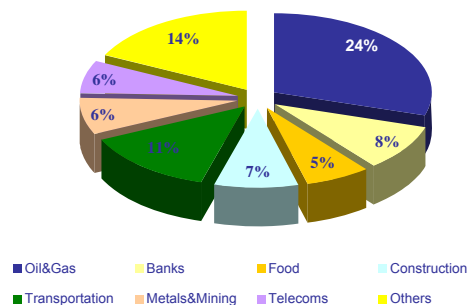
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Avangard

May 2012

Data as per 31 May 2012

NAV	
NAV	BGN 784, 552
NAV per share	BGN 0.4122

Return (%)	
Monthly (MoM)*	-8.81%
Annual (YoY)*	-26.92%
Year-to-date*	-9.30%
Since Inception (annualized)	-17.78%

Statistics (%)	
Standard Deviation*	13.60%
Monthly alpha – MSCI EM EE *	10.00%
Beta (β) – MSCI EM EE *	0.260
R ² – MSCI EM EE *	35.28%
Sharpe Ratio (0%)*	n.m.

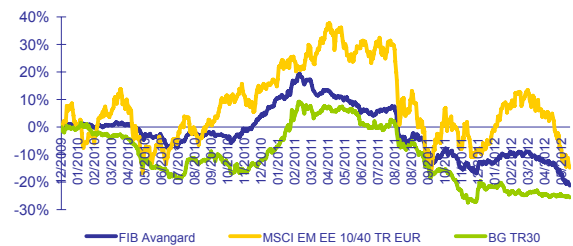
* see notes

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

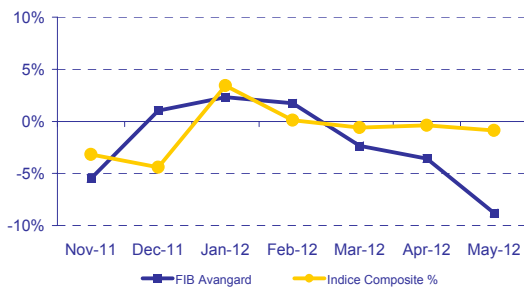


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

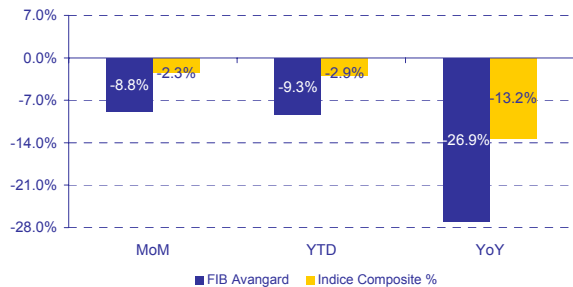
Fact sheet and fee information

Type	Open-end equity fund	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*

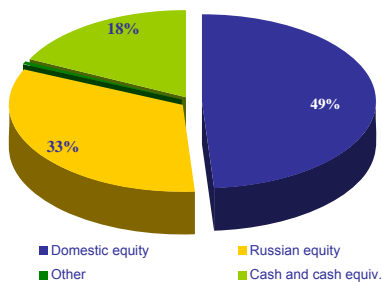


MoM, YoY and YtD return to composite index*



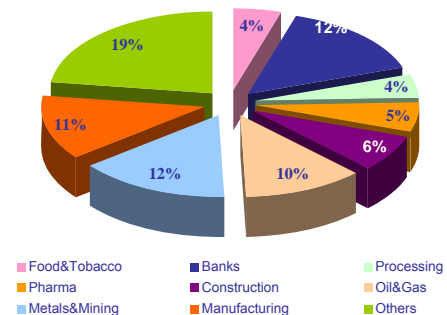
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

May 2012

Data as per 31 May 2012

NAV	
NAV	BGN 862, 637
NAV per share	BGN 0.6825

Return (%)	
Monthly (MoM)*	-4.03%
Annual (YoY)	-10.93%
Year-to-date	0.06%
Since Inception (annualized)	-8.09%

Statistics (%)	
Standard Deviation*	6.91%
Monthly alpha – MSCI EM EE *	14.78%
Beta (β) – MSCI EM EE *	0.140
R ² – MSCI EM EE *	37.96%
Sharpe Ratio (0%)*	n.m.

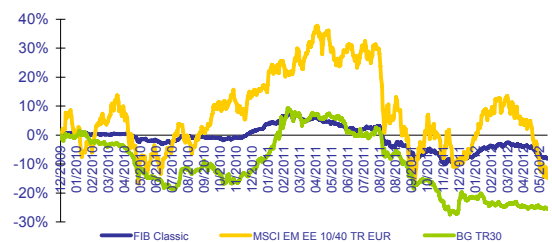
* see notes

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

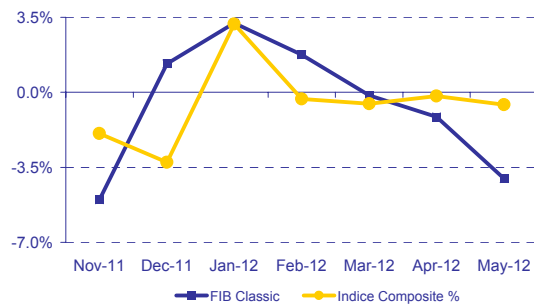


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

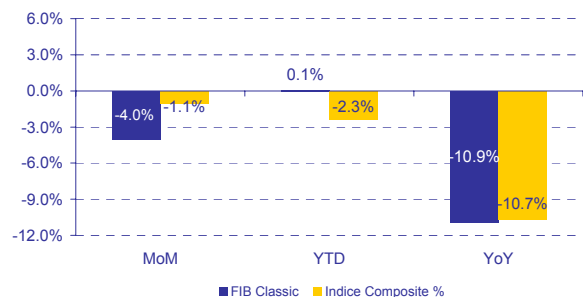
Fact sheet and fee information

Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
Classification	Balanced fund	Entry fee	0.35%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.35%	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*

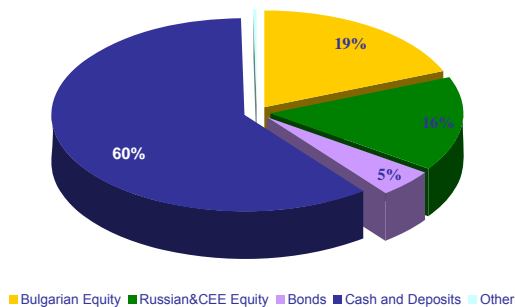


MoM, YoY and YtD return to composite index*



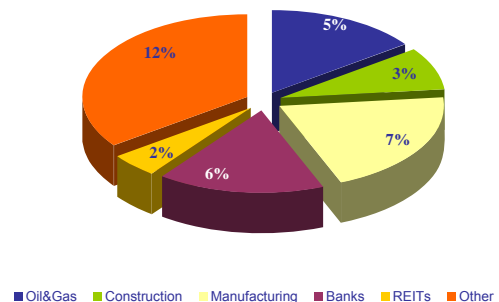
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

May 2012

Data as per 31 May 2012

NAV	
NAV	BGN 842, 176
NAV per share	BGN 1.0360

Return (%)	
Monthly (MoM)*	-0.65%
Annual (YoY)*	0.65%
Year-to-date*	1.59%
Since Inception (annualized)*	0.78%

Statistics (%)	
Standard Deviation*	2.36%
Sharpe Ratio (0%)*	0.05
Interest rates (%)	
Sofibor (3 month)	2.43%
Sofibor (12 month)	5.48%

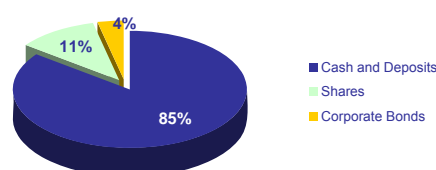
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	2.00%	03/08/2012	EUR	0.64%
Treasury	4.25%	20/02/2013	BGN	2.21%
Treasury	4.50%	17/02/2017	BGN	3.94%
Treasury	5.00%	19/07/2021	BGN	5.02%
Eurobond	7.50%	15/01/2013	EUR	1.32%
Eurobond	8.25%	15/01/2015	USD	3.36%

Source: Bloomberg

Asset Allocation



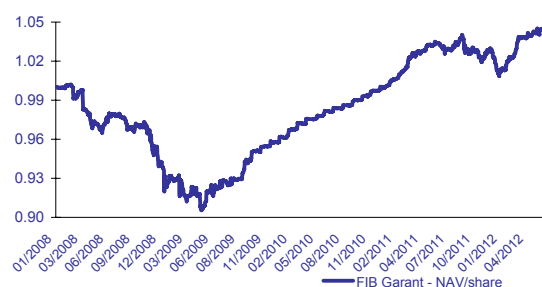
Source: FFBH Asset Management

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

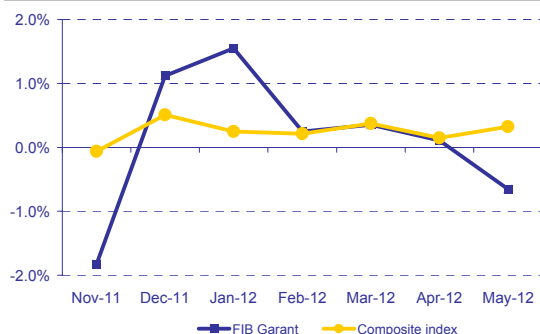
Fact sheet and fee information

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

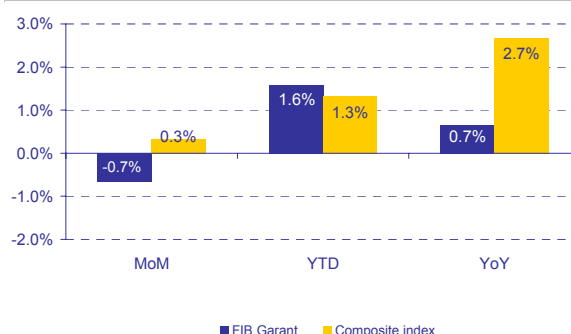
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.15%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.15%	0.00%
Management fee (annual % of average AUM)	1.50%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*



MoM, YoY and YtD return to composite index*



Source: BAAMC, FFBH Asset Management calculations

PORTFOLIO MANAGER'S COMMENT MAY 2012

MARKET OVERVIEW:

- After the record first quarter return, achieved by most developed stock markets, May was another record-setter but, unfortunately, with a negative sign. Most markets declined in double digits MoM - MSCI World lost 9% MoM and USD 2.5 trillions in market cap – as Eurozone debt crisis re-emerged at full scale. While Greeks were heading for new elections in mid-June which more or less should decide the destiny of Greece as part of the Eurozone, Spain sovereign yields increased on investor's suspicions that it cannot handle alone its rising debt and the fresh round of bank crisis, started with the bailout of Bankia SA. That said, its not surprising that Europe was market underperformer.
- Bulgarian stock market continued its usual trend – traditional blue chips declined while REIT companies advanced by 7.3% MoM (+32% YtD) on rising dividend expectations for next year. Maybe, the most surprising thing in May was the performance of SOFIX (-2.5% MoM), which breached its support at 300 points and has finished below this level for first time since April 2009.
- Except on the numerical performance of the market we should note that the consolidated financial results confirmed the weak first quarter for public companies with few exceptions – Bulgartabac Holding [57B BU], Sopharma [3JR BU] and M+S Hydraulic [5MH BU].
- Russian equities massively underperformed in May in dollar terms with MSCI Russia dropping 21.5% as the RUB, Brent oil and industrial metals (SPGCIN Index) all lost 13.7%, 14.5% and 8.6%, respectively, on rising global macro risks. Additionally, domestic policy continued to be less predictive and unsupportive which additionally weighed on market prices despite mostly positive Q1 financial results reported during the period.
- Russian macro data was predominantly positive but had little impact on the market. Q1 GDP came at 4.9% YoY significantly better than government's preliminary figure of 4% YoY on support from household consumption and investments growth. April data alone showed stable performance of consumer related indicators (real wage growth +10.4 YoY; retail sales +6.4% YoY, unemployment down to 5.8%) as well as investments – up 7.8% YoY. Negative surprise came from industrial production where growth decelerated to 1.3% YoY on MoM declines in both mining and manufacturing sectors. That said, PMI Manufacturing index (53.2 points, +0.6% MoM) points to some acceleration in the manufacturing sector in May.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- In May FFBH Vostok's NAV per unit lost 14.8% MoM, outperforming its benchmark but not managing to offset the disastrous performance of Russian equities as discussed above. During the period, we decreased equity allocation to 80% of assets, fully exiting retail sectors, which should be among most negatively effected businesses by the weakening rouble.

FIB Avangard

- In FIB Avangard we increased domestic allocation up by 6% to 49% of assets by adding shares in manufacturing companies on attractive levels. Still, market declines resulted in negative 8.8% MoM performance.

FIB Classic

- In FIB Classic we also added some shares in local manufacturing sector, bringing total equity allocation up to 40% of assets. At the same time bond allocation remained unchanged.

FIB Garant

- FIB Garant followed similar strategy as FIB Classic and equity allocation rose slightly to 11% of assets while bonds allocation remained flat at 4%.

OUTLOOK & STRATEGY:

- Negative expectations about global growth and European debt crisis were the main topics in May and they should continue to determine capital market performance in June as well. That said, short-term uncertainties have risen significantly with the possible exclusion of Greece from the Eurozone and its side effects and most investors have switched to defensive mode.

- Although we note that valuation metrics for most liquid Bulgarian companies, except on REITS, have reached too low and attractive levels and recognize that the market has, maybe, overshot itself, we expect that SOFIX shall hover around 300 level for some time as large stake buyers of Bulgarian stocks should be a rarity, before global markets stabilize.
- Most significant short-term domestic events to watch are the government's privatization plans, including the remaining stakes in the electricity distribution sector. Macro indicators seems to have strengthened, according to latest data, but we should watch for some confirmation in June as the NPLs continue to rise and should limit strong rebound in local consumption for now.
- Russian equity performance should continue to be dependent mostly on global trends. Although most of the possible global negative events seemed to be priced in, it is highly possible that the market to continue to overshoot itself in case of unfavourable events in Greece.
- Still, our long-term focus on Russian equities remains in place on resilience of local economy and strong debt profile, supported by still high oil price and strong domestic demand potential on growing middle class. The high market beta is also positive for the Russian investment case, if monetary policy in major economies remains expansionary and Eurozone debt crisis finally finds a permanent cure.
- In Bulgaria we shall continue to stick to blue-chip companies but will be looking for attractive opportunities among mid-caps as well.
- In conclusion we shall apply defensive ST strategy to equity allocation in all mutual funds under management but will also try to reap some short-term profits from the rising volatility in our high-yield funds. In FIB Classic and FIB Garant we will continue to watch for attractive bond issues and might increase our allocation in mid-month.

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

FIB Classic: Composite Index is composed of 22 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: $\frac{\sum (1/n \cdot R_i)}$, where n is the number of mutual funds, using similar strategies.

DISCLAIMER

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