

FIB Avangard

April 2014

Data as per 30 April 2014

NAV	
NAV	BGN 1 353 762
NAV per share	BGN 0.5688

Return (%)	
Monthly (MoM)*	0.06%
Annual (YoY)*	25.31%
Year-to-date*	12.33%
Since Inception (annualized)	-8.38%

Statistics (%)	
Standard Deviation*	10.61%
Monthly alpha – MSCI EM EE *	4.67%
Beta (β) – MSCI EM EE *	0.240
R ² – MSCI EM EE *	27.65%
Sharpe Ratio (0%)*	0.03

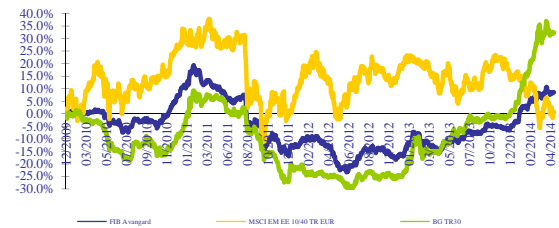
* see notes

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. Tactically, part of its portfolio might be allocated in capital markets that are expected to be among top-performing global regions.

FIB Avangard's investment strategy for 2014 includes high allocation to liquid and financially stable Bulgarian companies, some allocation to Russian "blue chips" on high commodity prices, hence dividend yields. Additional, allocation is build in EU equities on recovering European economy.

FIB Avangard vs. MSCI EM EE 10/40



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

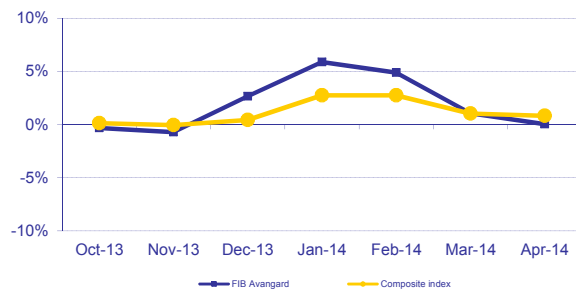
Fact sheet and fee information

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

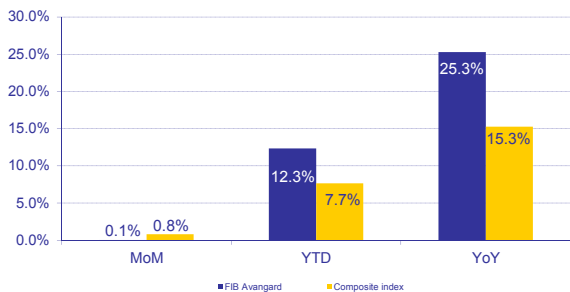
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	3.00%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

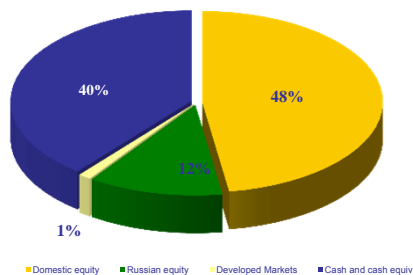


MoM, YoY and YtD return to composite index*



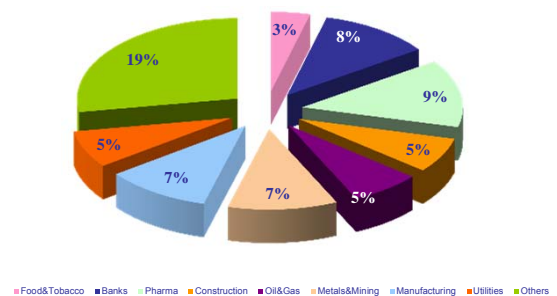
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

April 2014

Data as per 30 April 2014

NAV		Return (%)		Statistics (%)	
NAV	BGN 1 037 132	Monthly (MoM)*	0.58%	Standard Deviation*	5.63%
NAV per share	BGN 0.8272	Annual (YoY)	13.23%	Monthly alpha – MSCI EM EE *	5.19%
		Year-to-date	8.55%	Beta (β) – MSCI EM EE *	0.140
		Since Inception (annualized)	-2.90%	R ² – MSCI EM EE *	30.02%
				Sharpe Ratio (0%)*	0.07

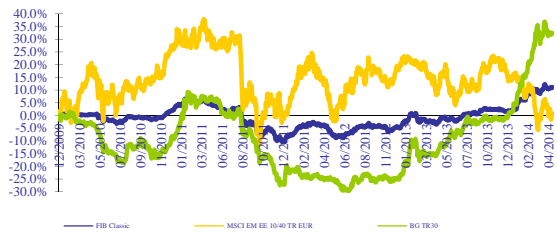
* see notes

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 2014 is based on more equity-focused approach by holding equity allocation close to fund's limits. Equities will be concentrated in both Bulgaria on fundamental and sentiment improvement. Some Russian allocation is accepted in high-yield dividend "blue chips". Bond portfolio is allocated both in emerging market sovereign debt and domestic and foreign corporate bonds.

FIB Classic vs. MSCI EM EE 10/40

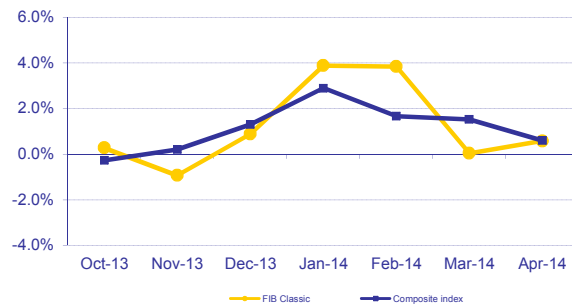


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

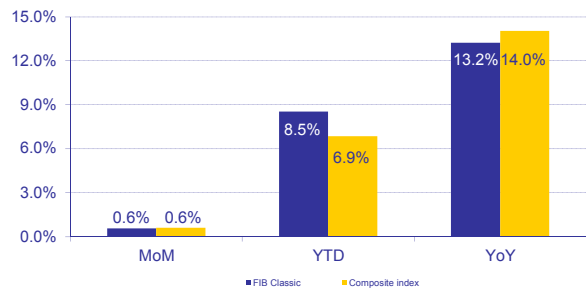
Fact sheet and fee information

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*

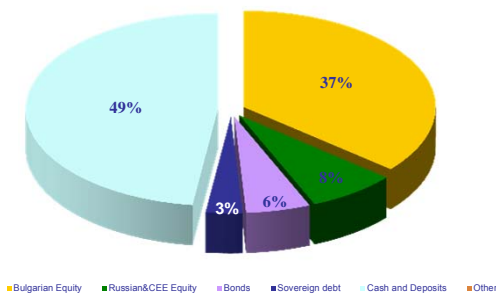


MoM, YoY and YtD return to composite index*



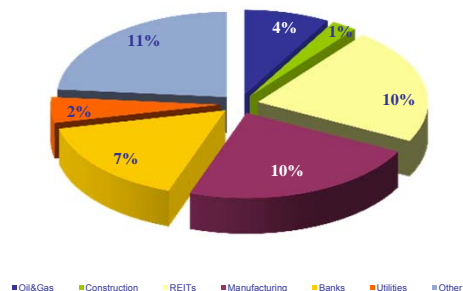
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

April 2014

Data as per 30 April 2014

NAV	
NAV	BGN 1 122 684
NAV per share	BGN 1.1983

* see notes

Return (%)	
Monthly (MoM)*	0.64%
Annual (YoY)*	10.03%
Year-to-date*	5.53%
Since Inception (annualized)*	2.85%

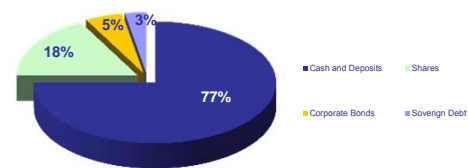
Statistics (%)	
Standard Deviation*	2.01%
Sharpe Ratio (0%)*	0.36
Interest rates (%)	
Sofibor (3 month)	0.83%
Sofibor (12 month)	2.77%

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	3.45%	22/06/2014	BGN	0.31%
Treasury	4.25%	12/01/2015	BGN	0.44%
Treasury	6.00%	11/10/2018	EUR	1.91%
Treasury	4.00%	09/07/2023	BGN	3.18%
Eurobond	4.25%	09/07/2017	EUR	1.32%
Eurobond	8.25%	15/01/2015	USD	0.66%

Source: Bloomberg

Asset Allocation



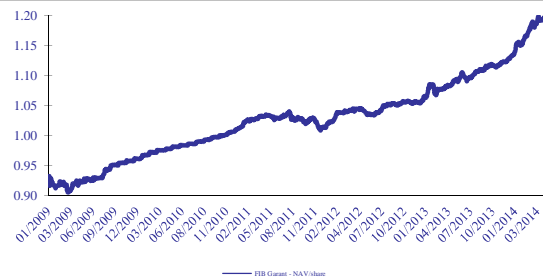
Source: FFBH Asset Management

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 2014 investment strategy includes high allocation to equities on sentiment and liquidity improvement on BSE . 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 foreign corporate and sovereign bonds.

FIB Garant

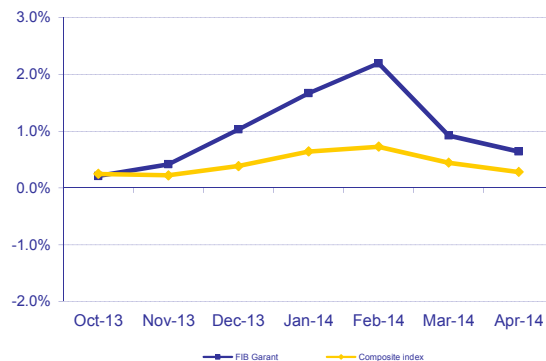


Source: FFBH Asset Management

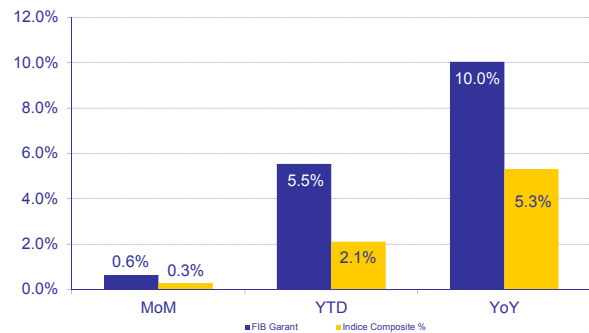
Fact sheet and fee information

Type	Open-end equity fund	Subscription* up to BGN 100,000	more than BGN 100,000
Classification	Balanced-conservative	Entry fee 0.15%	0.00%
Manager	FFBH Asset Management	Holding Period up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee 0.15%	0.00%
Subscriptions/ Redemptions	Every Business Day	Management fee (annual % of average AUM)	1.50%
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

FFBH Vostok

April 2014

Data as per 30 April 2014

NAV	
NAV	BGN 539 525
NAV per share	BGN 0.5619

Return (%)	
Monthly (MoM)*	-2.52%
Annual (YoY)*	-17.79%
Year-to-date*	-18.72%
Since Inception (annualized)*	-13.29%

Statistics (%)	
Standard Deviation*	19.73%
Monthly alpha – MSCI Russia *	4.51%
Beta (β) – MSCI Russia *	0.670
R ² – MSCI Russia *	67.89%
Sharpe Ratio (0%)*	n.m.

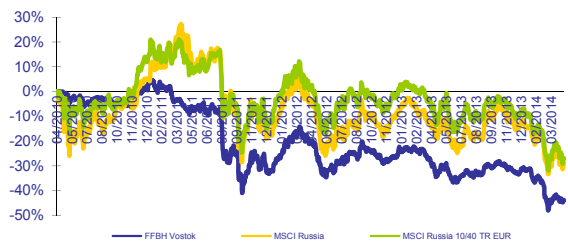
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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 95% in equities and up to 50% invested in bonds.

FFBH Vostok's targets high allocation to equities in 2014 – stock picking "blue-chip" and cyclical companies on cheap forward-looking multiples, high oil prices, global economy acceleration in 2014 and strong convergence potential among domestic consumption stories.

FFBH Vostok vs. MSCI Russia 10/40 EUR

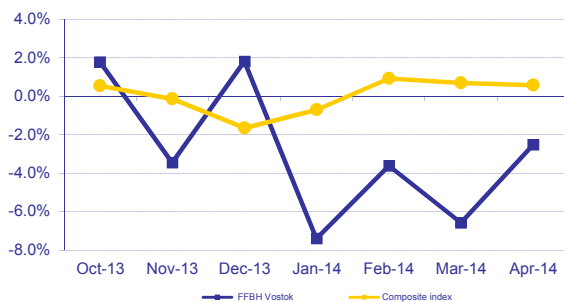


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

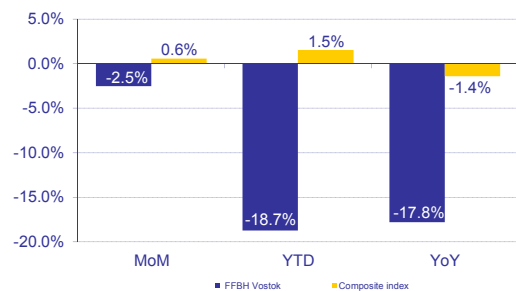
Fact sheet and fee information

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*

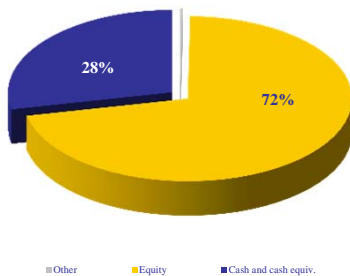


MoM, YoY and YtD return to composite index*



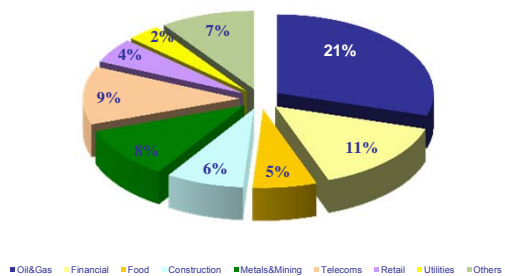
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

PORTFOLIO MANAGER'S COMMENT Apr 2014

MARKET OVERVIEW:

- Global indices advanced slightly in April on strengthening of US and EU economies but geopolitical risks in Ukraine made markets volatile. Escalation in Ukraine was main reason for the 1% MoM decline in the regional MSCI Eastern Europe ex Russia index despite more optimistic economic outlook.
- Bulgarian indices were little changed in April as spring holiday season significantly decreased liquidity and volumes in the second half of the month. In end-April companies reported Q1 unconsolidated reports where most of them hardly met heightened investors' expectations. We saw sales growth but margins contractions for larger industrial companies on rising material and compensation costs which were not fully transferred to end-clients.
- Other important market driver in April was dividend announcements as some Bulgarian public companies scheduled their AGMs. Positive surprise came from CEZ Distribution [3CZ, +7% MoM] where BoD recommended BGN 250 gross DPS, which if voted would lead to 14.5% dividend yield at current prices. In related news, state regulator SEWRC delayed its decision on license revocation procedure for electricity sales subsidiaries of CEZ, EVN and Energo Pro which offset negative financial performance by utilities in Q1.
- Russian indices lost another 6% in April in EUR as Ukrainian crisis re-escalated in end-month. All major sectors saw volatile performance during the period on speculations of harder sanctions against Russia. Still, we note positive financial data from steel and oil sector which saw YoY increase in volumes and improvements in cash flow generation.
- Macro data was mixed. Retail trade continued to perform better than expected in March and jumped 4% YoY, thus reaching 3.5% YoY in Q1, supported by non-food segment on rising inflation expectations. At the same time, investment activity deteriorated and investments dropped by 4.3% YoY in March, and by 4.8% YoY in 1Q14. That said, Russian government estimated that Russia saw 0.8% YoY GDP growth in 1Q14.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- FFBH Vostok NAV/unit lost 2.5% MoM in April which was 4.5pp better than its benchmark. During the period we remained defensive and equity exposure was limited to 71% of assets.

FIB Avangard

- FIB Avangard NAV/unit remained unchanged in April on flat BSE performance. During the period we expanded portfolio geography by adding Eurozone dividend-paying stocks. Our and market expectations are that Western Europe will be one of the top performing region this year and we might further expand our investments there. Simultaneously, we exited some more Bulgarian blue chips which have reached our price targets. In the end overall exposure to equities was reduced by 6% to 60% of assets.

FIB Classic

- FIB Classic advanced by 0.6% MoM in April. Here, we continued to selectively decrease domestic equity allocation on impressive BSE performance. Thus, total equities declined by 10% to 45% of assets.

FIB Garant

- FIB Garant gained 0.6% MoM in April on stable performance by its fixed-income portfolio.

OUTLOOK & STRATEGY:

- Our expectations are that market volatility shall be high as geopolitical risks are set to remain high in May before oncoming presidential elections in Ukraine. Additionally, labour market in US continues to strengthen faster than expect and investors should be watching for any comment by the FED for possible pull of its monetary tightening schedule. That said, we note that European economy continues to strengthen which confirms positive mid-term expectations for the region.
- We expect that SOFIX shall remain close to the 600 level in May. The major event this month will be EU elections on May 25th which might shift political landscape and lead to an increase in political

risk. On corporate side Q1 consolidated reports are due in end-May. We note that reporting season in Bulgaria is mixed up to now.

- Russian stocks should be volatile in May on regional risks and signs of economic slow-down. As mentioned it is expected that regional tension should not settle before president elections in end-May in Ukraine. Mid-term, economic outlook in Russia is blurred by possibility of economic sanctions and deterioration of budget execution. On positive side dividend season is closing which might support interest for high-yielding dividend stocks.
- We remain positive for Bulgarian stocks over the long-term but should remain cautious in May on possible increase in political risk. We should keep aside Russian stocks in our non-core portfolios in the short run. As mentioned, we consider further expansion of FIB Avangard's investments in Western European stocks on EU continuing recovery. We continue to search for good opportunities to increase bond allocation as well.

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

FIB Classic: Composite Index is composed of 20 mutual funds that apply similar investment strategy to FIB Classic and measures their equal-weighted return.

FIB Garant: Composite Index is composed of 8 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: $\sum (1/n \cdot R_i)$, where n is the number of mutual funds, using similar strategies.

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