

FIB Avangard

November 2014

Data as per 28 November 2014

NAV	
NAV	BGN 1 298 900
NAV per share	BGN 0.5374

Return (%)	
Monthly (MoM)*	-2.20%
Annual (YoY)*	8.95%
Year-to-date*	6.13%
Since Inception (annualized)	-8.46%

Statistics (%)	
Standard Deviation*	10.73%
Monthly alpha – MSCI EM EE *	5.17%
Beta (β) – MSCI EM EE *	0.230
R ² – MSCI EM EE *	25.11%
Sharpe Ratio (0%)*	0.01

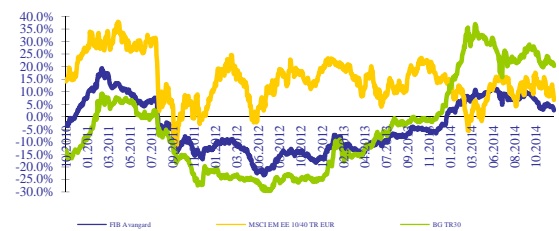
* see notes

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

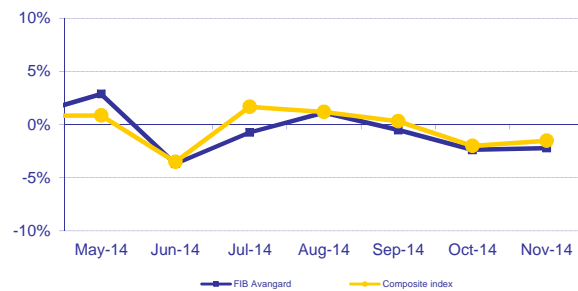
Fact sheet and fee information

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

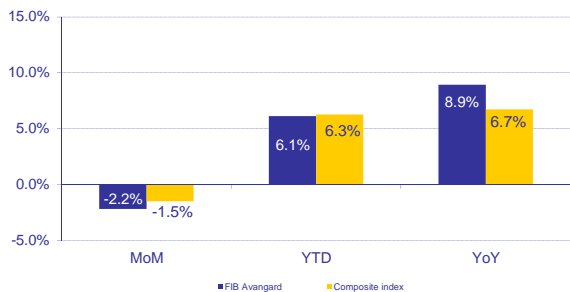
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	3.00%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

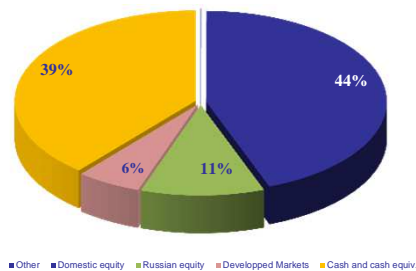


MoM, YoY and YtD return to composite index*



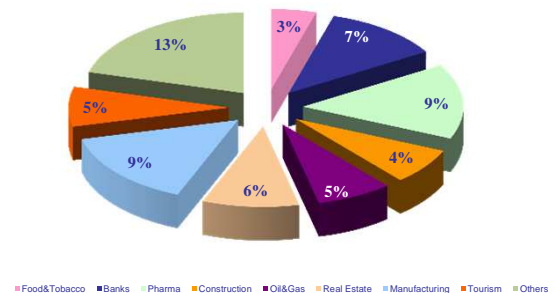
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

November 2014

Data as per 28 November 2014

NAV

NAV	BGN 932 413
NAV per share	BGN 0.7875

Return (%)

Monthly (MoM)*	-1.29%
Annual (YoY)	4.25%
Year-to-date	3.34%
Since Inception (annualized)	-3.34%

Statistics (%)

Standard Deviation*	6.02%
Monthly alpha – MSCI EM EE *	6.08%
Beta (β) – MSCI EM EE *	0.130
R ² – MSCI EM EE *	26.05%
Sharpe Ratio (0%)*	0.03

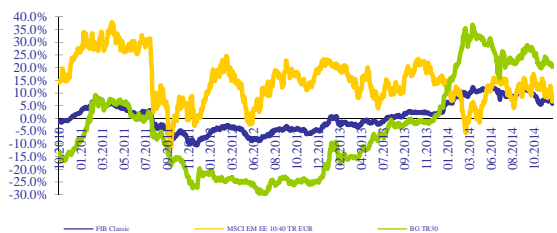
* see notes

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

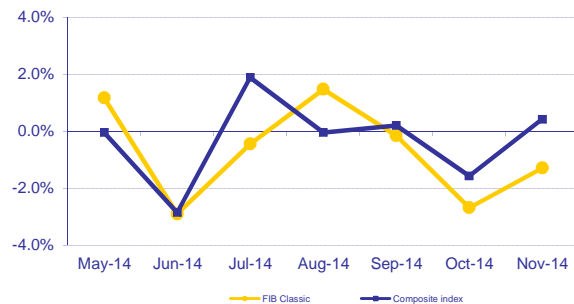
Fact sheet and fee information

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

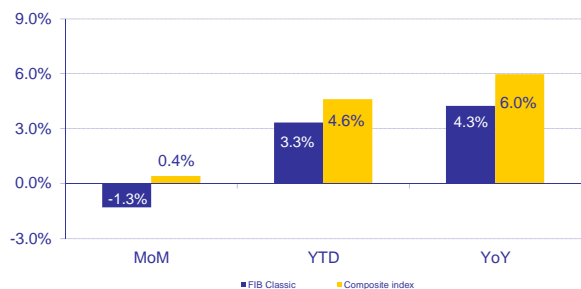
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.35%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.35%	0.00%
Management fee (annual % of average AUM)	2.50%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

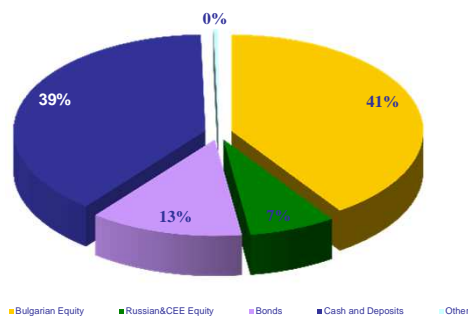


MoM, YoY and YtD return to composite index*



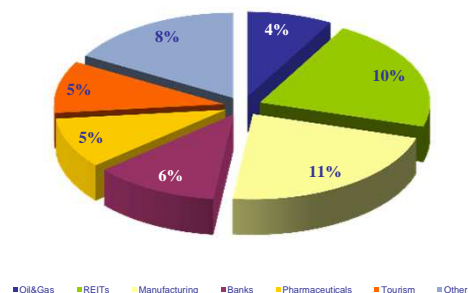
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

November 2014

Data as per 28 November 2014

NAV

NAV	BGN 1 232 329
NAV per share	BGN 1.1931

* see notes

Return (%)

Monthly (MoM)*	-0.37%
Annual (YoY)*	6.16%
Year-to-date*	5.07%
Since Inception (annualized)*	2.55%

Statistics (%)

Standard Deviation*	2.17%
Sharpe Ratio (0%)*	0.28

Interest rates (%)

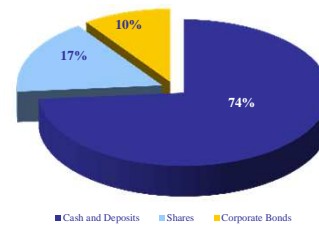
Sofibor (3 month)	0.66%
Sofibor (12 month)	2.15%

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	4.25%	12/01/2015	BGN	0.80%
Treasury	1.50%	30/01/2016	BGN	1.35%
Treasury	6.00%	11/10/2018	EUR	1.46%
Treasury	4.00%	09/07/2023	BGN	2.71%
Eurobond	4.25%	09/07/2017	EUR	1.25%
Eurobond	8.25%	15/01/2015	USD	0.98%

Source: Bloomberg

Asset Allocation



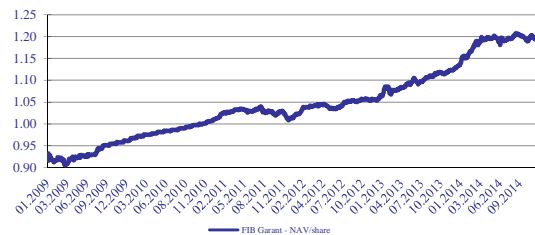
Source: FFBH Asset Management

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

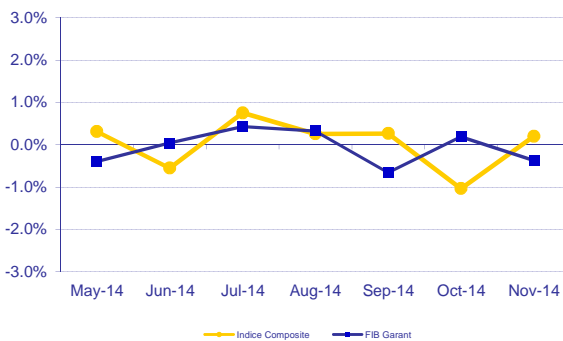


Source: FFBH Asset Management

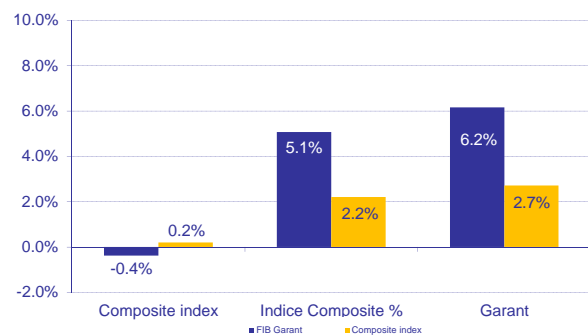
Fact sheet and fee information

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

November 2014

Data as per 28 November 2014

NAV	
NAV	BGN 491 016
NAV per share	BGN 0.5153

Return (%)	
Monthly (MoM)*	-8.06%
Annual (YoY)*	-24.11%
Year-to-date*	-25.46%
Since Inception (annualized)*	-13.36%

Statistics (%)	
Standard Deviation*	19.70%
Monthly alpha – MSCI Russia *	1.55%
Beta (β) – MSCI Russia *	0.660
R ² – MSCI Russia *	70.42%
Sharpe Ratio (0%)*	n.m.

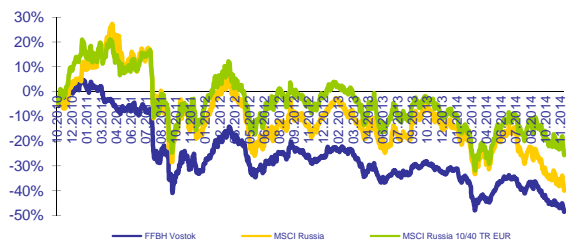
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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

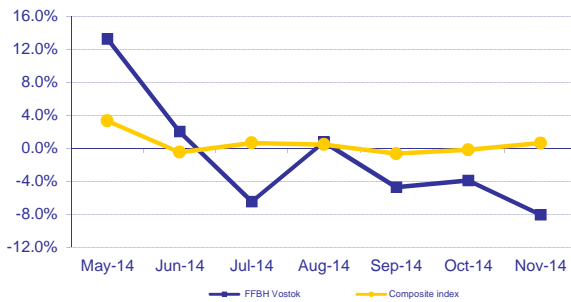


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

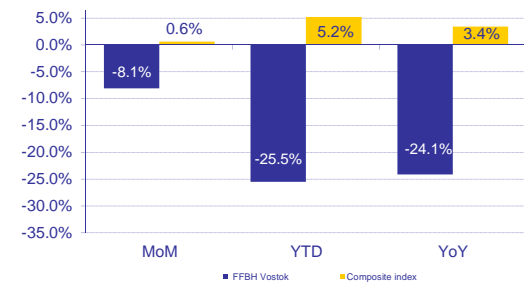
Fact sheet and fee information

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*

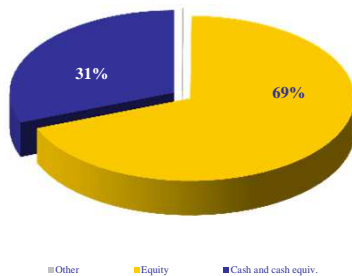


MoM, YoY and YtD return to composite index*



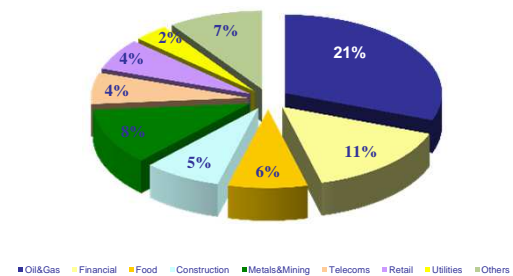
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

PORTFOLIO MANAGER'S COMMENT November 2014

MARKET OVERVIEW:

- Global indices posted new highs in November as MSCI World Index advanced by 1.8% MoM. Stock prices were supported by the easing in ECB and Chinese monetary policy as well as falling oil prices. Eastern Europe region did not follow suit as lingering Ukrainian conflict continued to keep investors on hold. MSCI Eastern Europe ex Russia Index finished down by 0.7% MoM in November.
- BSE-Sofia's SOFIX was down by 1.1% MoM in November mostly on financial stocks as Corporate Commercial Bank [6C9 BU, -99.7% MoM] headed for bankruptcy. Other important corporate event was a sell of 12% stake (treasury stocks plus subsidiaries' stakes) in Eurohold Bulgaria [4EH BU, +4% MoM] at a small premium to KJK Capital in order to support the expansion of its insurance business.
- RTS was down by 10.8% MoM in November entirely on FX as RUB plummeted 13.2% against US dollar. The larger part of depreciation came after an OPEC meeting in end-month left oil production quotas unchanged and Brent oil widened its monthly loss to 19%.
- Macrowise, we saw unexpected small acceleration in industrial production in Russia to 2.9% YoY (2.8% YoY in September) on military expenditure. Retail sales also were unexpectedly up by 1.7% YoY in October same as in September. Investments decline remained almost unchanged at -2.9% YoY in October (-2.8% YoY previous month). Despite stable demand-side data, economic development ministry estimated 0.7% YoY GDP growth in 10mo 2014 (0.8% YoY in 9mo 2014). Additionally, it downgraded 2015 GDP forecast to 0.8% YoY drop from 1.2% YoY growth previously on sanctions and lower oil price which also dampened investor mood.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- FFBH Vostok NAV/unit dropped 8.1% MoM in November on gloomy performance of Russian indices. During the period we continued to be more defensive than market and cash increased by 2% to 31% of assets.

FIB Avangard

- FIB Avangard NAV/unit declined by 2.2% MoM in November on drop in BSE indices mainly. Equity allocation was unchanged at 61% of assets with 44% of assets in Bulgarian equities.

FIB Classic

- FIB Classic lost 1.3% MoM in November. There were no major changes during the period.

FIB Garant

- FIB Garant NAV/unit was slightly down by 0.4% in November on decline in equities.

OUTLOOK & STRATEGY:

- Our base case is for positive finish of 2014 as global monetary policy remains loose. Investors currently bet that this will give enough time to underperforming European, Chinese and Japanese economies to get back on track. Eastern European capital markets direction in December shall be still dependent on Russian and Ukraine on tight economic relations. Still, we expect that regional index should manage to finish at higher levels in end-month on improving sentiment towards Europe as a whole.
- Bulgarian capital market is expected to finish the year on a positive note as usual in our base case. We expect that investor sentiment will start to improve gradually from current lows despite still heightened political risk. The payment of guaranteed deposits from Corporate Commercial Bank, which started on Dec 4, may act as turnaround signal for financials.
- Russia continues to be among avoided markets, especially in falling oil market. Expectations are that oil will fluctuate in the 75-80 USD/barrel band in mid-term or at least until some supply is indicated for removal from the market. That said, we deem that oil has found its bottom as OPEC announced that they will intervene below 65 USD/barrel. This should mean that downside for Russian stocks is limited as well but handling of Ukrainian conflict remains a major risk.
- In December we prefer to be more conservative towards Eastern Europe. Still, we continue proactively to look for opportunities in local and developed market stocks.

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 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: $\frac{1}{n} \sum R_i$, 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.