

FIB Avangard

June 2015

Data as per 30 June 2015

NAV	
NAV	BGN 1 264 552
NAV per share	BGN 0.5297

Return (%)	
Monthly (MoM)*	-2.50%
Annual (YoY)*	-6.00%
Year-to-date*	-0.19%
Since Inception (annualized)	-8.01%

Statistics (%)	
Standard Deviation*	10.66%
Monthly alpha – MSCI EM EE *	1.85%
Beta (β) – MSCI EM EE *	0.221
R ² – MSCI EM EE *	24.97%
Sharpe Ratio (0%)*	0.24

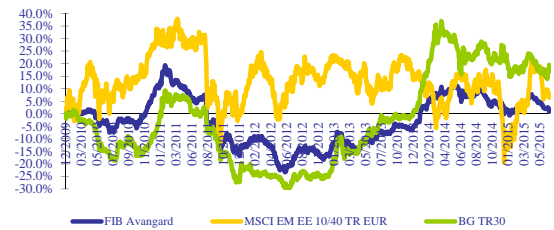
* see notes

Investment strategy

FIB Avangard is a high-yield, actively-managed, mutual fund, inceptioned 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 2015 includes high allocation to liquid and financially stable Bulgarian companies, some allocation to developed markets blue chips on valuations and easy global monetary policy.

FIB Avangard vs. MSCI EM EE 10/40



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

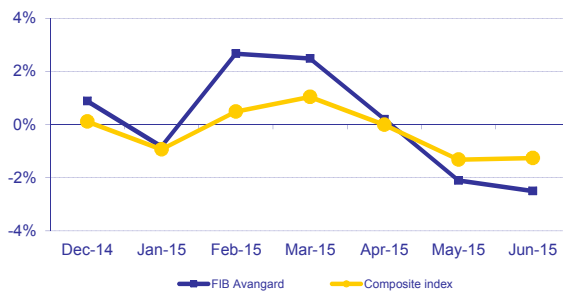
Fact sheet and fee information

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

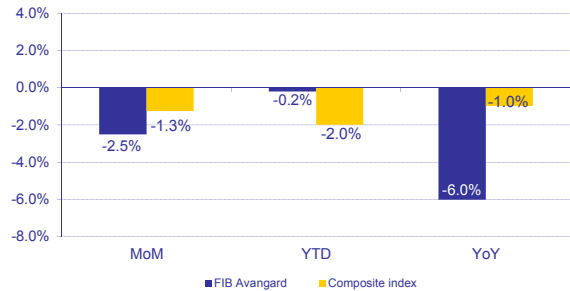
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	3.00%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

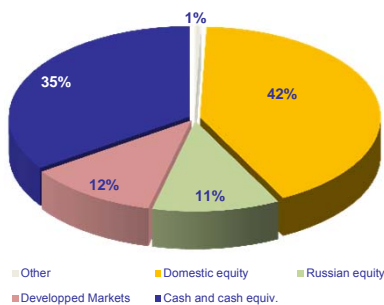


MoM, YoY and YtD return to composite index*



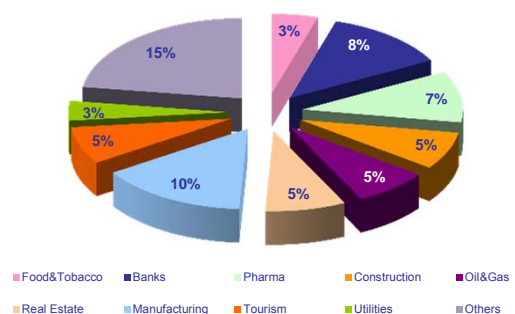
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

June 2015

Data as per 30 June 2015

NAV

NAV	BGN 931 935
NAV per share	BGN 0.7929

Return (%)

Monthly (MoM)*	-0.79%
Annual (YoY)	-2.43%
Year-to-date	2.37%
Since Inception (annualized)	-3.00%

Statistics (%)

Standard Deviation*	6.34%
Monthly alpha – MSCI EM EE *	3.56%
Beta (β) – MSCI EM EE *	0.141
R ² – MSCI EM EE *	28.83%
Sharpe Ratio (0%)*	0.33

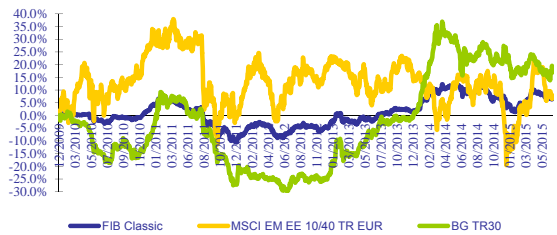
* see notes

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 2015 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 European 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

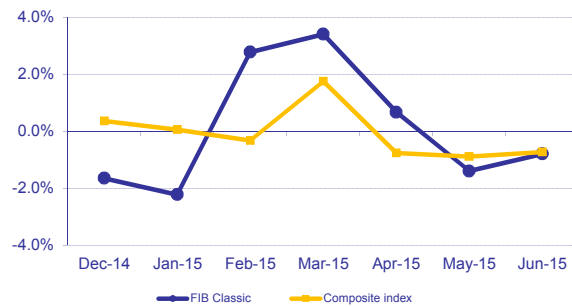


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

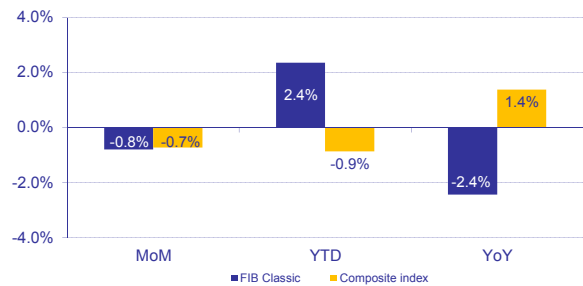
Fact sheet and fee information

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*

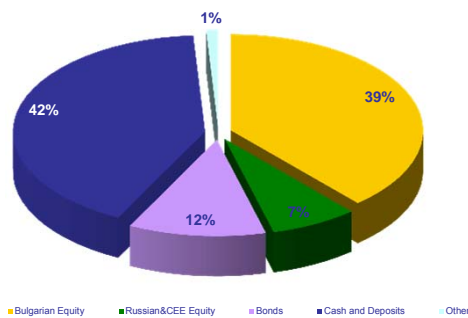


MoM, YoY and YtD return to composite index*



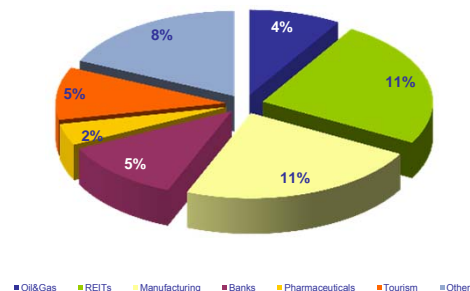
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

June 2015

Data as per 30 June 2015

NAV	
NAV	BGN 1 033 190
NAV per share	BGN 1.2064

Return (%)	
Monthly (MoM)*	0.48%
Annual (YoY)*	1.15%
Year-to-date*	1.27%
Since Inception (annualized)*	2.50%

Statistics (%)	
Standard Deviation*	2.46%
Sharpe Ratio (0%)*	1.64
Interest rates (%)	
Sofibor (3 month)	0.53%
Sofibor (12 month)	1.80%

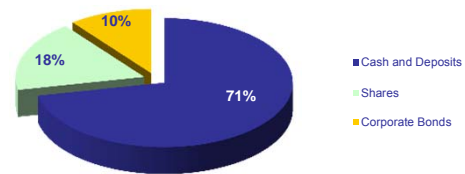
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	1.50%	30/01/2016	BGN	0.55%
Eurobond	4.25%	09/07/2017	EUR	0.91%
Eurobond	2.00%	26/03/2022	EUR	2.63%
Eurobond	2.95%	03/09/2024	EUR	3.16%
Eurobond	2.63%	26/03/2027	EUR	3.49%
Eurobond	3.13%	26/03/2035	EUR	4.37%

Source: Bloomberg

Asset Allocation



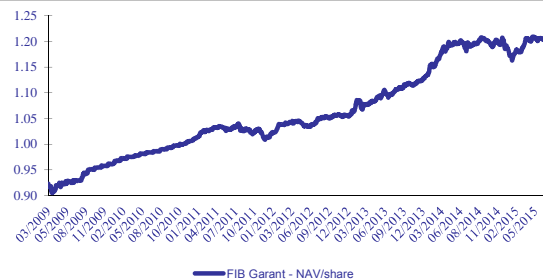
Source: FFBH Asset Management

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 2015 investment strategy includes significant allocation to equities on valuations and sentiment 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

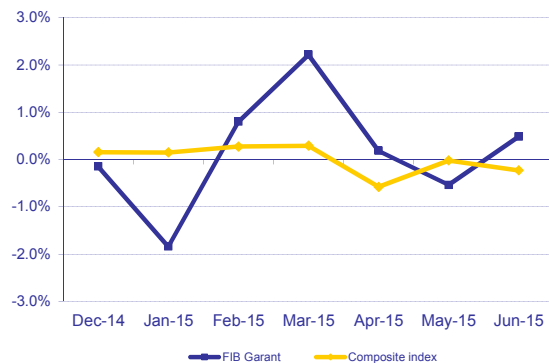
Fact sheet and fee information

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

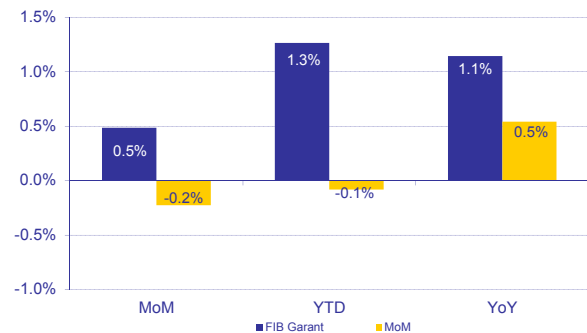
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.15%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.15%	0.00%
Management fee (annual % of average AUM)	1.50%	

* 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

FFBH Vostok

June 2015

Data as per 30 June 2015

NAV	
NAV	BGN 523 588
NAV per share	BGN 0.5760

Return (%)	
Monthly (MoM)*	-5.46%
Annual (YoY)*	-11.32%
Year-to-date*	26.12%
Since Inception (annualized)*	-10.05%

Statistics (%)	
Standard Deviation*	21.16%
Monthly alpha – MSCI Russia *	-0.68%
Beta (β) – MSCI Russia *	0.666
R ² – MSCI Russia *	74.74%
Sharpe Ratio (0%)*	n.m.

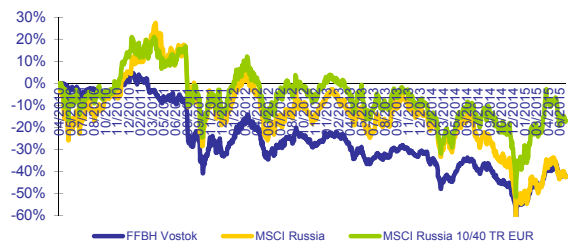
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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 conservative allocation to equities in start 2015 – stock picking state independent "blue-chip" companies, benefiting on cheap Russian ruble.

FFBH Vostok vs. MSCI Russia 10/40 EUR

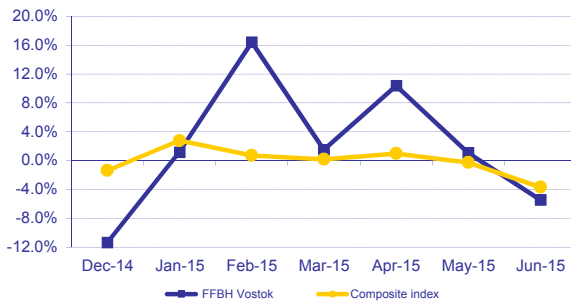


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

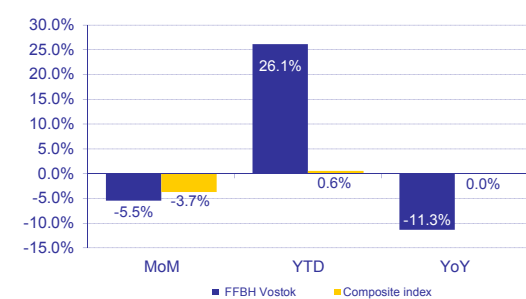
Fact sheet and fee information

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*

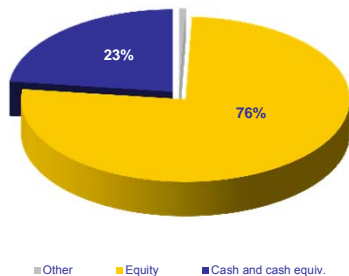


MoM, YoY and YtD return to composite index*



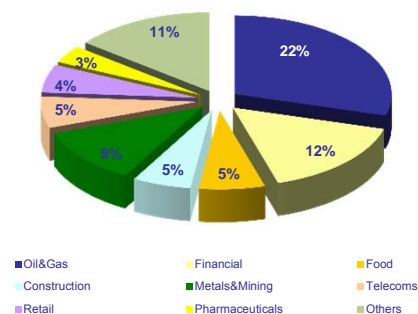
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

PORTFOLIO MANAGER'S COMMENT June 2015

MARKET OVERVIEW:

- MSCI World Index finished down by 4% QoQ in Q2 in EUR on rising stakes of "Grexit". Still, YtD return remained positive (+10% YtD) on signs of acceleration of global economy. As expected Europe underperformed in end of second quarter on break-up of negotiations with Greece. Regional MSCI index lost 4.5% in Q2, thus shrinking YtD return to 10.7%. Emerging Europe was the worst performer globally in June, solely on developments with our southern neighbours and despite evidences for acceleration in EU economy. MSCI Emerging Europe ex Russia index slid by 5.7% MoM in June and finished down by 4.6% QoQ in Q2. YtD return of the index was +6% as per end-June.
- BSE was an outlier among SEE countries gaining 0.4% MoM in June (Sofix) but earlier losses held QoQ performance at -5.6%. Last month we noticed the usual summer drop in liquidity and lack of important corporate news. Volatility was low despite troublesome negotiations between Greece and its creditors as valuation discounts of BSE to other Emerging Europe peers have already priced most of the risks.
- Russian capital markets continued to lose ground in June (-4.0% MoM) on retreat of Russian rouble (-6.0% MoM). In June oil price dropped (Brent, -5.5% MoM in EUR) while Russian central bank lowered its key rate to 11.5% (12.5% before) and hinted that it will continue to ease monetary policy. Still, Russia remained one of the best performing markets in 2015 with 3% QoQ gain in Q2.
- Ministry of Economic Development estimated that Russian GDP accelerated its contraction to 4.9% YoY in May after 4.2% YoY in April. This was mainly due to weaker investments which fell 7.6% YoY in May versus 4.8% YoY decline in April. Consumption demonstrated no sign of additional weakness as retail sales improved to -9.2% YoY from -9.6% YoY in April while unemployment rate was down by 0.2pp to 5.6%.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- FFBH Vostok performed almost in line with its benchmark and dropped by 5.7% MoM in June. Still, it gained 5.5% QoQ in the second quarter on stronger interest in Russian shares. In June we increased investments in defensive pharma sector. It did not yield much change in equity allocation, which remained at 76% of assets in end-month.

FIB Avangard

- FIB Avangard NAV/unit declined by 2.5% MoM and 4.3% QoQ on Europe underperformance. During period we accepted a tender offer for Energo-Pro Grids [2EG BU] and reinvested part of the proceeds in Bulgarian financial sector on its valuation and underperformance. Overall, equity allocation was slightly down to 65% of assets (67% in May). Bulgarian allocation was 42% of assets.

FIB Classic

- FIB Classic dropped 0.8% MoM in June on decline in foreign investments. Q2 performance was negative 1.5% QoQ. There were no major changes during period.

FIB Garant

- FIB Garant NAV/unit was up by 0.5% MoM in June and 0.1% QoQ in Q2. Equity allocation was 1pp down to 18% of assets.

OUTLOOK & STRATEGY:

- Early July should be a volatile period for global stocks and bonds on Greece. Global indices direction shall depend heavily on the results of Greek referendum which may be the last step towards the country's exit of Eurozone. After the miss of a payment to IMF in end-June, the next important date in Greece debt schedule is July 20th when it owes €3.5bn to ECB. If the country defaults on this, liquidity support, provided to Greek banks through ELA mechanism, would most probably be withdrawn, leading to a collapse of the financial sector. Elsewhere, Q2 reporting period starts in mid-month with expectations that results of US companies will be negatively influenced by expensive dollar. Considering the above together we expect to see higher than normal volatility in Europe, incl. Eastern European markets, with equal probability for market gains or losses.



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- As witnessed in June, we expect that demand for BSE' financial sector companies shall remain suppressed until Greek drama is over. In end-period Q2 unconsolidated financial reports are due which shall be important for industrial companies in the light of their recent outperformance.
- We expect that Russian indices shall continue to move in line with oil price in July. The ex-dates for most blue chip companies are coming due in July which shall increase turnover in these stocks. An important event for the region is negotiations for restructuring of Ukraine external debt as debt payments in September are closing in. Overall, we expect that in the short run Russian equity performance shall be mostly dependent on external events.
- We expect to remain defensive in the near-term but shall watch for "buy the dips" events across our equity universe. We should be more conservative towards out bonds allocation on unfavourable outlook for yield curves in the short run.

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

FIB Classic: Composite Index is composed of 18 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: $\sum (1/n \cdot R_i)$, 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.