

FIB Avangard

August 2015

Data as per 31 August 2015

NAV	
NAV	BGN 1 218 279
NAV per share	BGN 0.5146

Return (%)	
Monthly (MoM)*	-2.67%
Annual (YoY)*	-9.03%
Year-to-date*	-3.03%
Since Inception (annualized)	-8.18%

Statistics (%)	
Standard Deviation*	10.69%
Monthly alpha – MSCI EM EE *	3.56%
Beta (β) – MSCI EM EE *	0.224
R ² – MSCI EM EE *	25.92%
Sharpe Ratio (0%)*	0.06

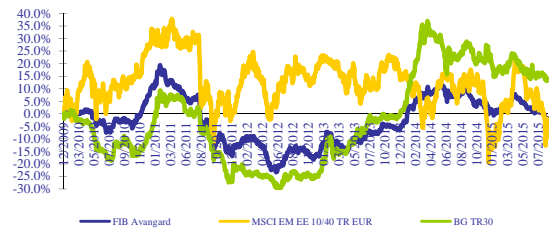
* see notes

Investment strategy

FIB Avangard is a high-yield, actively-managed, mutual fund, incepted 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

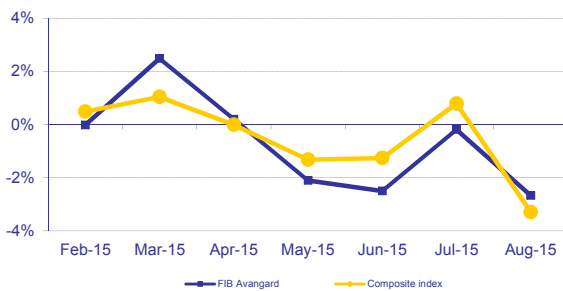
Fact sheet and fee information

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

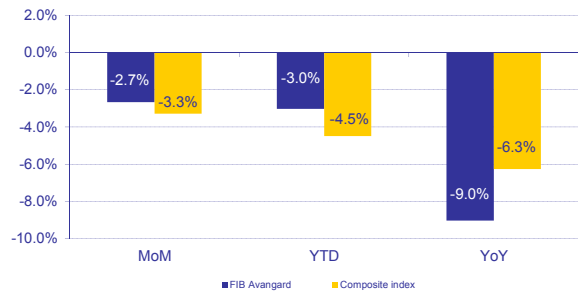
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	3.00%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

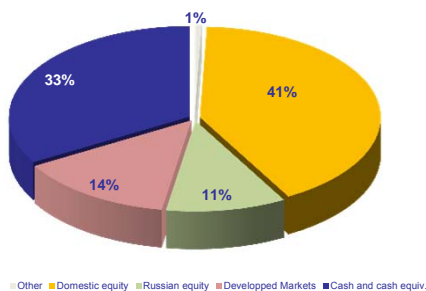


MoM, YoY and YtD return to composite index*



Source: BAAMC, FFBH Asset Management calculations

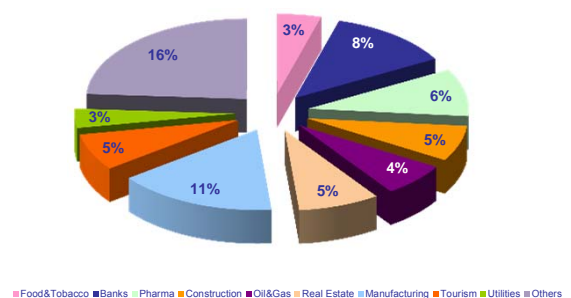
Asset Allocation



Other Domestic equity Russian equity Developed Markets Cash and cash equiv.

Source: FFBH Asset Management

Equity Portfolio



Food&Tobacco Banks Pharma Construction Oil&Gas Real Estate Manufacturing Tourism Utilities Others

Source: FFBH Asset Management

FIB Classic

August 2015

Data as per 31 August 2015

NAV

NAV	BGN 913 250
NAV per share	BGN 0.7770

Return (%)

Monthly (MoM)*	-2.28%
Annual (YoY)	-5.36%
Year-to-date	0.31%
Since Inception (annualized)	-3.19%

Statistics (%)

Standard Deviation*	6.38%
Monthly alpha – MSCI EM EE *	3.95%
Beta (β) – MSCI EM EE *	0.141
R ² – MSCI EM EE *	28.72%
Sharpe Ratio (0%)*	0.18

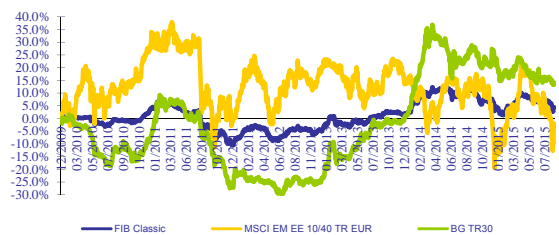
* see notes

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

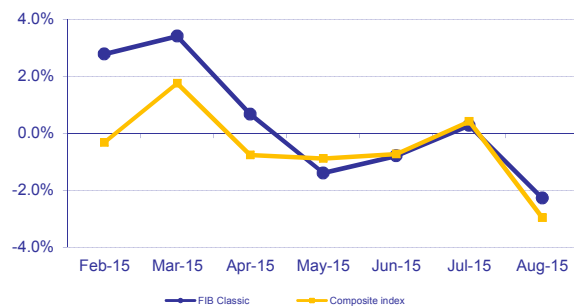


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

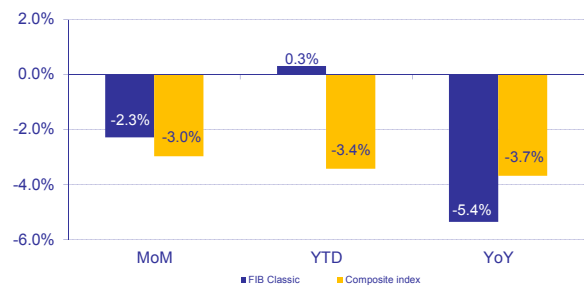
Fact sheet and fee information

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*

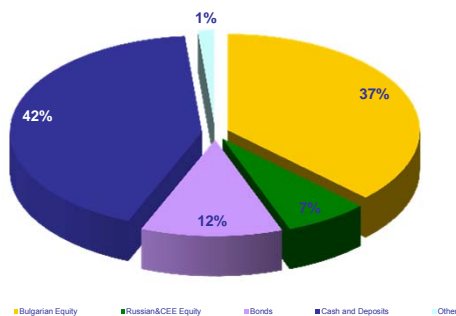


MoM, YoY and YtD return to composite index*



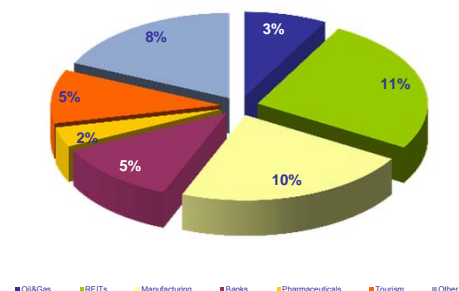
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

August 2015

Data as per 31 August 2015

NAV	
NAV	BGN 1 027 438
NAV per share	BGN 1.2038

Return (%)	
Monthly (MoM)*	-0.38%
Annual (YoY)*	0.17%
Year-to-date*	1.05%
Since Inception (annualized)*	2.41%

Statistics (%)	
Standard Deviation*	2.47%
Sharpe Ratio (0%)*	1.54
Interest rates (%)	
Sofibor (3 month)	0.52%
Sofibor (12 month)	1.70%

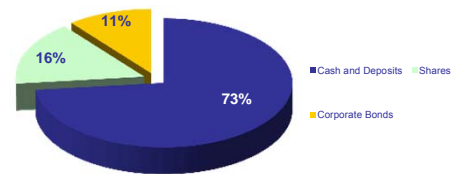
* see notes

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	0.54%
Eurobond	2.00%	26/03/2022	EUR	2.16%
Eurobond	2.95%	03/09/2024	EUR	2.84%
Eurobond	2.63%	26/03/2027	EUR	3.16%
Eurobond	3.13%	26/03/2035	EUR	3.98%

Source: Bloomberg

Asset Allocation



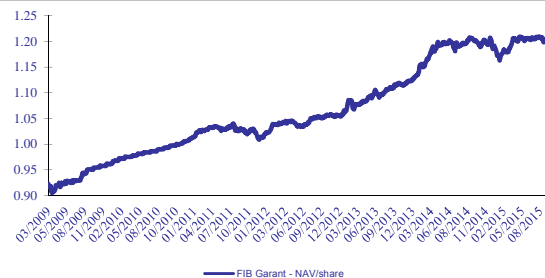
Source: FFBH Asset Management

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 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

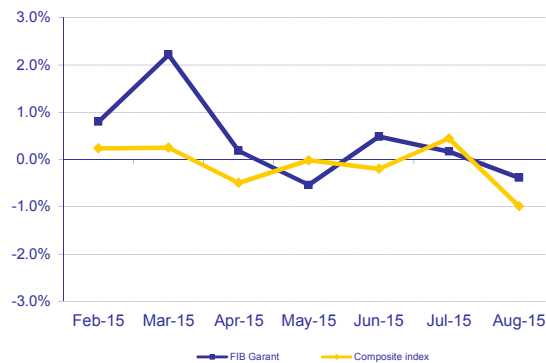


Source: FFBH Asset Management

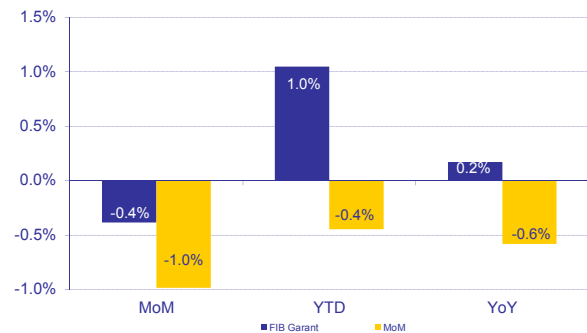
Fact sheet and fee information

Type	Open-end equity fund	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

August 2015

Data as per 31 August 2015

NAV	
NAV	BGN 495 219
NAV per share	BGN 0.5393

Return (%)	
Monthly (MoM)*	-5.69%
Annual (YoY)*	-11.90%
Year-to-date*	18.07%
Since Inception (annualized)*	-10.85%

Statistics (%)	
Standard Deviation*	21.69%
Monthly alpha – MSCI Russia *	0.75%
Beta (β) – MSCI Russia *	0.673
R ² – MSCI Russia *	76.20%
Sharpe Ratio (0%)*	n.m.

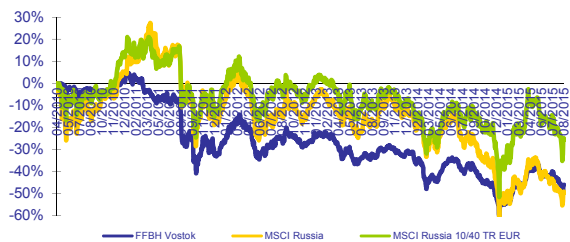
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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

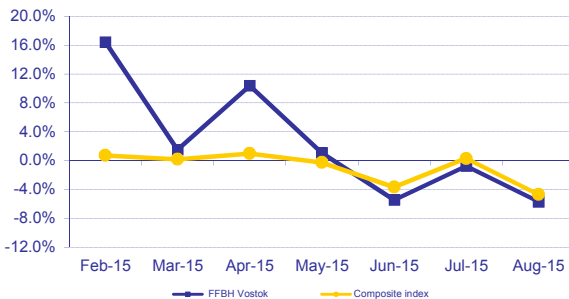


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

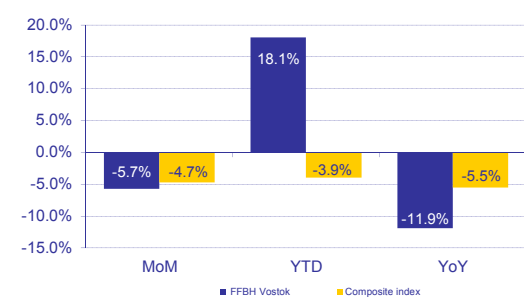
Fact sheet and fee information

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*

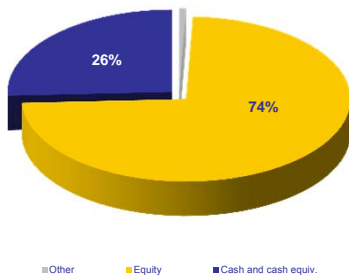


MoM, YoY and YtD return to composite index*



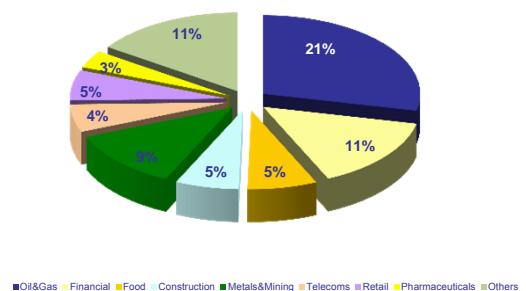
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

PORTFOLIO MANAGER'S COMMENT August 2015

MARKET OVERVIEW:

- Global equity markets posted sharp declines in August, perturbed by slowing economic growth and devaluation of yuan in China. The latter caused commodity prices decline to lowest levels since 2007 and depreciation of currencies of commodity exporters. Still, some declines were recouped as capital markets volatility increased chances that monetary tightening would be delayed in the US. In the end MSCI World index lost almost 8.5% MoM in EUR terms and shrank its YtD gain to 3.5%. Eastern Europe outperformed but still dropped by 5% MoM in August as risk appetite abated everywhere.
- Sofix declined by 3% MoM in August in line with regional trends. Liquidity continued to be poor and turnover even dropped by 40% MoM despite healthy consolidated reports by holding companies. Q2 reporting season ended as it started showing rising sales and stable margins for most of exporters but less inspiring domestic demand stories, except on Speedy [OSP BU, -1.5% MoM]. Apart from financial reports, August was a quiet month for corporate news.
- Brent oil had lost 19% MtD in USD terms till Aug 24 before rebounding and finishing up 4% MoM in August. These sharp moves in oil and other commodities increased the volatility of Russian shares and MSCI Russia Index lost 7% MoM in USD pressed by a 5% depreciation of the ruble against USD-EUR basket.
- In August Rosstat released preliminary Q2 GDP figures which confirmed that recession deepened and economy contracted by 4.6% YoY (-2.2% YoY in Q1). July macro data showed that in the start of Q3 the economy remained near the bottom of the cycle. Industrial production was little changed falling by 4.7% in July from -4.8% YoY in June. Demand side also remained under line as retail sales were down by 9.2% YoY in real terms in July (-9.4% YoY in June). Positively, unemployment rate kept on declining, this time to 5.3% (5.4% in June) which may act as a support for consumption in the end of 2015 when inflation pressure subsides.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- FFBH Vostok performed better than its benchmark, due to its more conservative investment strategy. Still, the fund could not overcome negative market sentiment and it was down by 5.7% MoM in August. There was no significant reshuffling in fund's equity allocation which was at 74% of assets in end-month.

FIB Avangard

- FIB Avangard NAV/unit was down by 2.7% MoM in August on declines in local and foreign allocations. We used global market declines to increase developed markets allocation to 14% of assets (13% in July). Overall equity allocation was little changed at 66% of assets.

FIB Classic

- FIB Classic lost 2.3% MoM in August on the poor performance of equities. There were no major changes during period.

FIB Garant

- FIB Garant NAV/unit was slightly down by 0.4% MoM in August. We continued to decrease equity allocation by further 1pp to 16% of assets.

OUTLOOK & STRATEGY:

- We expect that volatility continue into the first half of September as apart from Chinese macro indicators, investors would be waiting for the outcome from Sep 17 Fed meeting. In this environment we expect that Eastern European indices will perform in line with developed Europe but our base case scenario is for small gains on slight acceleration in EU economy.
- We expect some improvement in liquidity on BSE in September as investors return from vacation. Investor sentiment, however, might remain muted on possible increase in political risk with oncoming municipal elections in October. Still, non-demanding valuation for Bulgarian stocks should act as a support, if market moves down.

- We expect that Russian indices shall compensate for August losses, if oil price stabilizes. We note that Q2 financial reports are coming stronger than expected for now and could be an upside trigger, if external risks subside. On regional level private investors in Ukrainian external debt agreed with the offered restructuring plan which would write down 20% of outstanding par value and extend maturities. At the same time sides are moving towards permanent cease fire agreement in Eastern Ukraine which might decrease risk premiums for Russian equities.
- We expect to add developed Europe equity in near term on improving macro outlook. We should be more conservative towards BSE exposure and might decrease allocation. We should remain underweight in bonds on oncoming tightening in UK and the US.

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.

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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.