

FFBH Vostok

January 2017

Data as per 31 January 2017

NAV	
NAV	BGN 773,842
NAV per share	BGN 0.7404

Return (%)	
Monthly (MoM)*	0.88%
Annual (YoY)*	43.57%
Year-to-date*	0.88%
Since Inception (annualized)*	-4.32%

Statistics (%)	
Standard Deviation*	20.17%
Monthly alpha – MSCI Russia *	1.93%
Beta (β) – MSCI Russia *	0.555
R ² – MSCI Russia *	76.37%
Sharpe Ratio (0%)*	n.m.

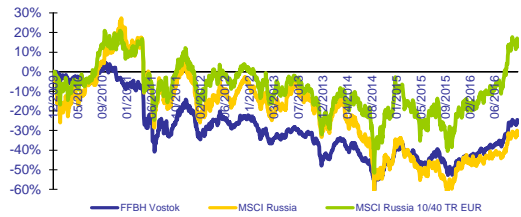
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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 2017 – stock picking state independent "blue-chip" companies, benefiting from weak Russian ruble.

FFBH Vostok vs. MSCI Russia 10/40 EUR

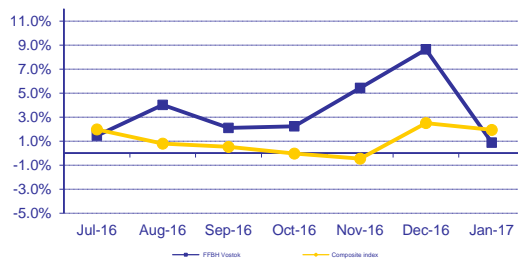


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

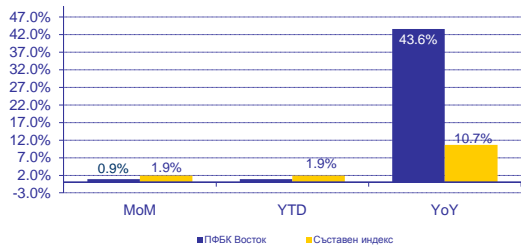
Fact sheet and fee information

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*

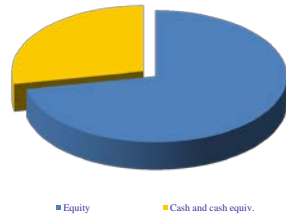


MoM, YoY and YtD return to composite index*



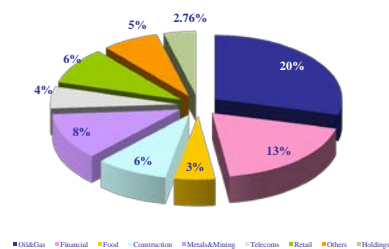
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Avangard

January 2017

Data as per 31 January 2017

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,369,118	Monthly (MoM)*	0.57%	Standard Deviation*	9.41%
NAV per share	BGN 0.6085	Annual (YoY)*	23.45%	Monthly alpha – MSCI EM EE *	0.68%
		Year-to-date*	0.57%	Beta (β) – MSCI EM EE *	0.174
		Since Inception (annualized)	-5.25%	R ² – MSCI EM EE *	22.63%
				Sharpe Ratio (0%)*	0.61

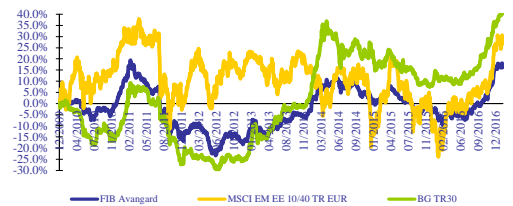
* see notes

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 World equity with focus on Bulgarian 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 2017 includes 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



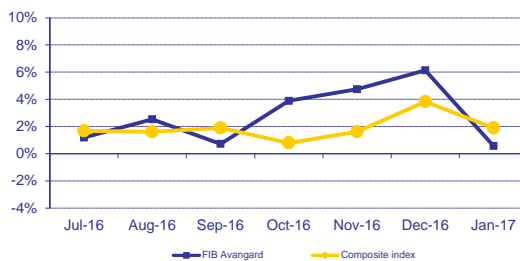
Source: Bloomberg, BSE-Sofia, FFBH Asset Management

Fact sheet and fee information

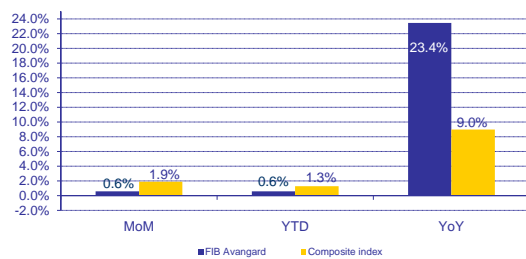
Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
FSC Classification	High-yield fund	Entry fee	0.50%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.50%	0.00%
Subscriptions/ Redemptions	Every 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*



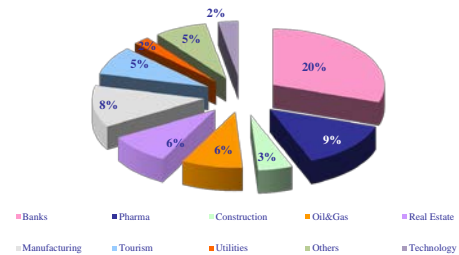
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

January 2017

Data as per 31 January 2017

NAV	
NAV	BGN 1,278,984
NAV per share	BGN 0.9400

Return (%)	
Monthly (MoM)*	0.80%
Annual (YoY)	20.95%
Year-to-date	0.80%
Since Inception (annualized)	-0.67%

Statistics (%)	
Standard Deviation*	5.71%
Monthly alpha – MSCI EM EE *	0.91%
Beta (β) – MSCI EM EE *	0.102
R ² – MSCI EM EE *	21.04%
Sharpe Ratio (0%)*	0.99

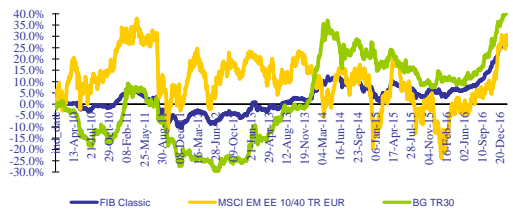
* see notes

Investment strategy

FIB Classic is a balanced mutual fund, inception 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 equities and bonds.

FIB Classic's investment strategy for 2017 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 acceptable 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

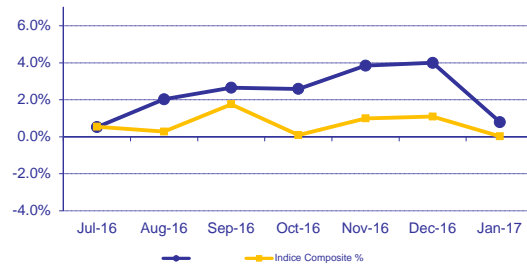
Fact sheet and fee information

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

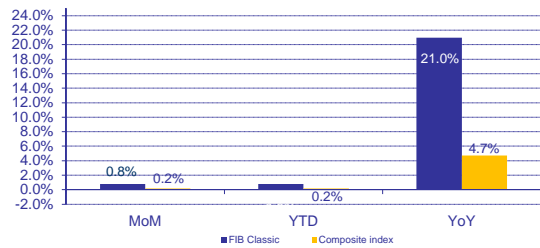
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.35%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.35%	0.00%
Management fee (annual % of average AUM)		2.50%

* Minimum subscription is BGN 50

MoM return comparison to composite index*

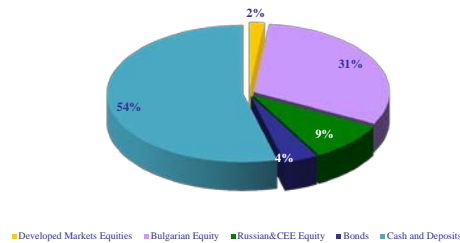


MoM, YoY and Ytd return to composite index*

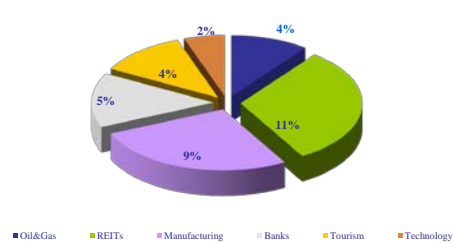


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio



Source: FFBH Asset Management

Source: FFBH Asset Management

FIB Garant

January 2017

Data as per 31 January 2017

NAV	
NAV	BGN 1,000,003
NAV per share	BGN 1.3058

* see notes

Return (%)	
Monthly (MoM)*	0.79%
Annual (YoY)*	7.75%
Year-to-date*	0.79%
Since Inception (annualized)*	2.94%

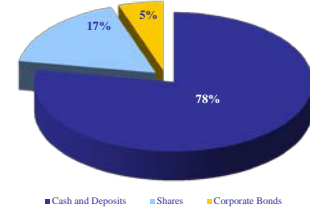
Statistics (%)	
Standard Deviation*	2.47%
Sharpe Ratio (0%)*	1.80
Interest rates (%)	
Sofibor (3 month)	0.13%
Sofibor (12 month)	0.75%

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	4.50%	17-02-17	EUR	-0.16%
Eurobond	4.25%	09-07-17	EUR	-0.49%
Eurobond	2.00%	26-03-22	EUR	0.81%
Eurobond	2.95%	03-09-24	EUR	1.64%
Eurobond	2.63%	26-03-27	EUR	2.17%
Eurobond	3.13%	26-03-35	EUR	3.19%

Source: Bloomberg

Asset Allocation



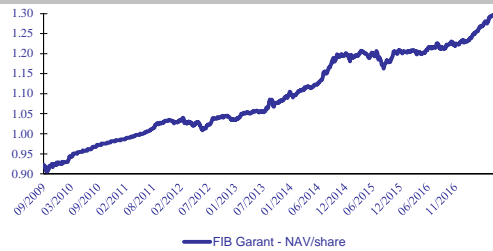
Source: FFBH Asset Management

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 2017 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

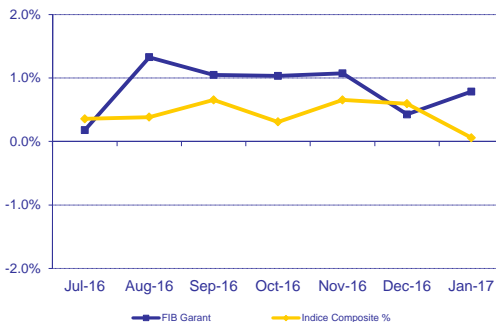
Fact sheet and fee information

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

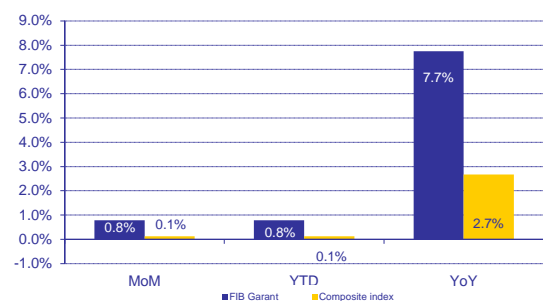
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.15%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.15%	0.00%
Management fee (annual % of average AUM)		1.50%

* 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

PORTFOLIO MANAGER'S COMMENT January 2016

MARKET OVERVIEW, OUTLOOK & STRATEGY:

- US stock ended the month up (DJIA + 0.6% in January) with the Dow inching above the 20 000 mark for the first time ever. Focus in January was on the new president's first legislative steps as well as the start of earnings season. Sector wise leaders during the month were basic materials and technology while laggards included energy and telecommunications.
- MSCI Europe was down 0.56% in January (bringing the YTD return to -0.4%). Government bonds were down during the month in line with increasing inflation expectations. Headline inflation came in at 1.8% y/y increase in January, almost reaching the ECB's medium term objective. However core inflation remained weak at just 0.9%. Italy was among the worst performers on the continent with the FTSEMIB down 2.6% while Italian government bond yields jumped. Eurozone unemployment came in at 9.6%, lowest since 2009, which boosted retail stocks amid renewed optimism for the strength of the European consumer. Politics will weigh on European stock in 2017 with elections in the Netherlands, France and Germany in the coming months. Despite the political uncertainty we are bullish on European stocks as we see inflation stabilising above 1%. Revenue growth is forecast at 2-3% with net income up between 7-10%. EU companies should benefit from US tax cuts as they have a 25% sales exposure to the region. Sector-wise we will focus on financials, autos, telecoms and healthcare given the attractive market multiples these sectors trade at.
- Russia's RTSI\$ lost 2% in January amid renewed tensions at the border with Ukraine. Discussion during the month centred around the proposed mandatory dividend distribution rule for majority state-owned companies. The final proposal of 25% net profit distribution came short of market expectations for a 50% payout requirement. Oil slipped 2.5% which pushed the ruble above 60 rubles per \$.
- The Bulgarian benchmark SOFIX gained 2.4% in January. Bulgarian stock exchange announced on a conference call that trading in international equities would roll out gradually over the coming months while trading in government bonds is expected to start in Q3/Q4. Annual financial reports sent a mixed message, with strong results from REITs and some banks while utilities disappointed investors. CEZ Group published a statement that as a result of interest towards its equity investments in Bulgaria it was evaluating its options without going into further details.
- We expect volatility to persist throughout 2017 and given the recent pick-up in equity prices we have boosted our cash allocation. Forecasts for world economic growth in 2017 are 3.5%, up from 3.1% in 2016. We are closely watching market developments and if the opportunity arises we might increase developed Europe & US equities as we will focus on value companies and dividend paying stocks.

PORTFOLIO ALLOCATIONS:

FFBH Vostok

- FFBH Vostok gained 0.88% during the last month. Equity allocated stood at 72.64%. In 2016 FFBH Vostok achieved a return of 37.65%, which makes it the best performing mutual fund in Bulgaria.

FIB Avangard

- FIB Avangard finished the month up 0.57%. Equity allocation was 78.23%. In 2016 FIB Avangard achieved a return of 18.39%.

FIB Classic

- FIB Classic ended the month up by 0.8%. Equity allocation was 40.84%. In 2016 FIB Classic achieved a return of 18.02%, which makes it the best performing mutual fund in Bulgaria in the balanced mutual fund category.

FIB Garant

- FIB Garant gained 0.79% during the last month. Equity allocation was 16.96%. In 2016 FIB Garant achieved a return of 5.73%, which makes it the best performing mutual fund in Bulgaria in the conservative mutual fund category.

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) 460 6400, WWW.FFBHAM.BG AND FIBANK BRANCHES, EXPLICITLY LISTED AT WWW.FFBHAM.BG.