

FFBH Vostok

March 2017

Data as per 31 March 2017

NAV	
NAV	BGN 831,457
NAV per share	BGN 0.7253

Return (%)	
Monthly (MoM)*	0.54%
Annual (YoY)*	32.45%
Year-to-date*	-1.17%
Since Inception (annualized)*	-4.51%

Statistics (%)	
Standard Deviation*	19.95%
Monthly alpha – MSCI Russia *	-0.44%
Beta (β) – MSCI Russia *	0.555
R ² – MSCI Russia *	76.31%
Sharpe Ratio (0%)*	n.m.

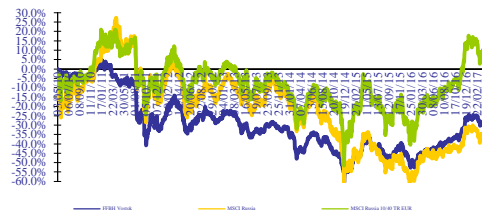
* Stats based on standard deviation are not published during the first year of existence; for methodologies see notes

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.

FFBH Vostok vs. MSCI Russia 10/40 EUR

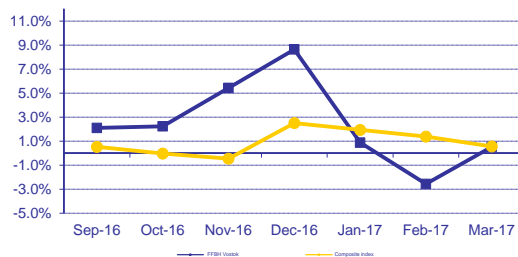


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

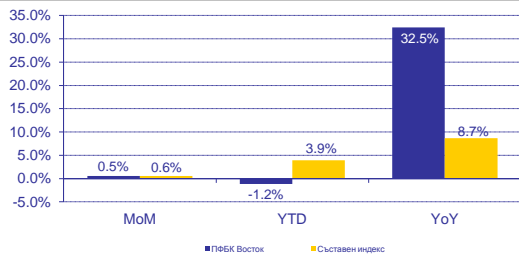
Fact sheet and fee information

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*

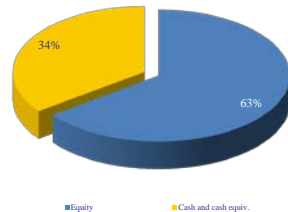


MoM, YoY and YtD return to composite index*



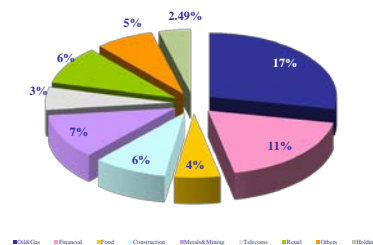
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Avangard

March 2017

Data as per 31 March 2017

NAV	
NAV	BGN 1,530,270
NAV per share	BGN 0.6318

Return (%)	
Monthly (MoM)*	3.61%
Annual (YoY)*	27.96%
Year-to-date*	4.41%
Since Inception (annualized)	-4.79%

Statistics (%)	
Standard Deviation*	9.36%
Monthly alpha – MSCI World *	1.71%
Beta (β) – MSCI World *	- 0.050
R ² – MSCI World *	0.78%
Sharpe Ratio (0%)*	0.58

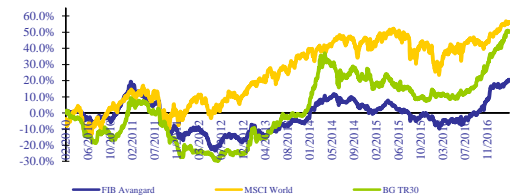
* see notes

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 World



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

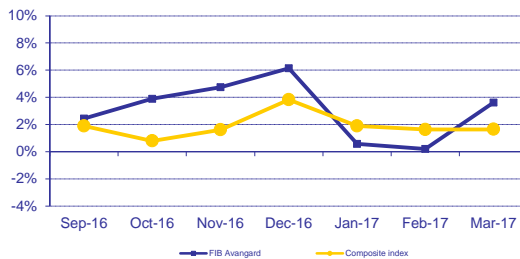
Fact sheet and fee information

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

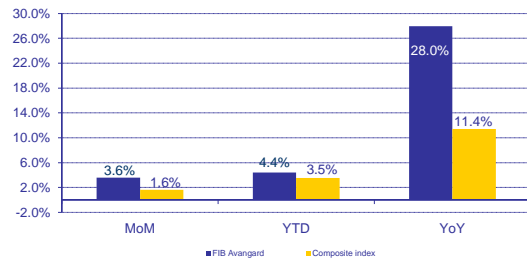
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	3.00%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

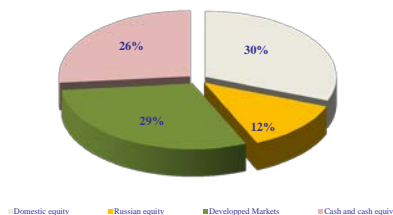


MoM, YoY and YTD return to composite index*



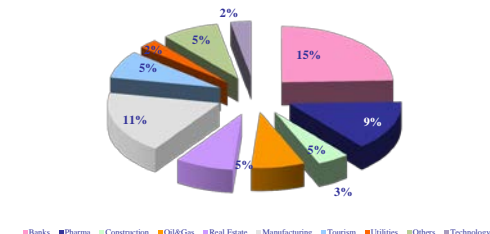
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Classic

March 2017

Data as per 31 March 2017

NAV	
NAV	BGN 1,490,515
NAV per share	BGN 0.9649

Return (%)	
Monthly (MoM)*	2.74%
Annual (YoY)	22.14%
Year-to-date	3.46%
Since Inception (annualized)	-0.38%

Statistics (%)	
Standard Deviation*	5.67%
Monthly alpha – MSCI World *	1.41%
Beta (β) – MSCI World *	-0.033
R2 – MSCI World *	0.92%
Sharpe Ratio (0%)*	0.96

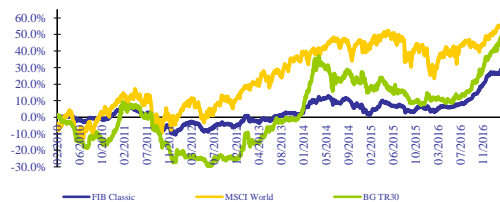
* see notes

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 World



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

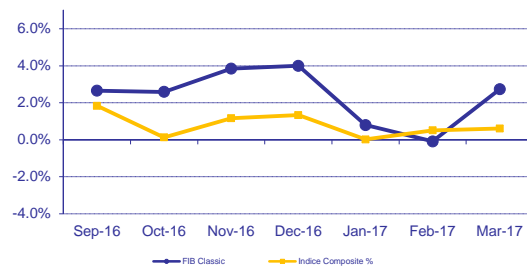
Fact sheet and fee information

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

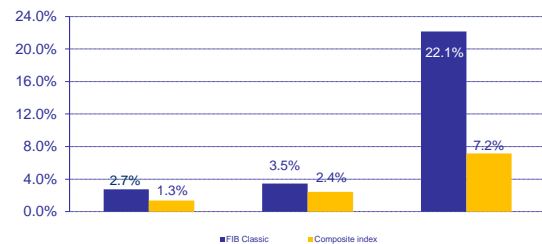
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.35%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.35%	0.00%
Management fee (annual % of average AUM)	2.50%	

* Minimum subscription is BGN 50

MoM return comparison to composite index*

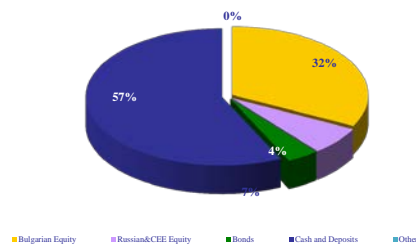


MoM, YoY and YtD return to composite index*



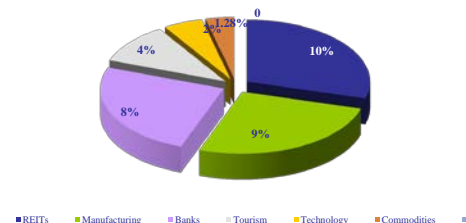
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Source: FFBH Asset Management

Equity Portfolio



Source: FFBH Asset Management

FIB Garant

March 2017

Data as per 31 March 2017

NAV	
NAV	BGN 1,121,857
NAV per share	BGN 1.3220

* see notes

Return (%)	
Monthly (MoM)*	0.95%
Annual (YoY)*	7.80%
Year-to-date*	2.03%
Since Inception (annualized)*	3.03%

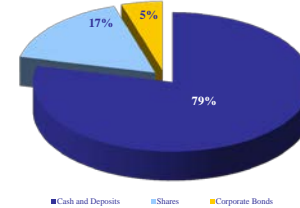
Statistics (%)	
Standard Deviation*	2.45%
Sharpe Ratio (0%)*	1.86
Interest rates (%)	
Sofibor (3 month)	0.10%
Sofibor (12 month)	0.72%

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yy)	Currency	Yield
Treasury	4.50%	09-07-17	EUR	-0.48%
Eurobond	4.25%	17-02-19	EUR	-0.04%
Eurobond	2.00%	26-03-22	EUR	0.72%
Eurobond	2.95%	03-09-24	EUR	1.53%
Eurobond	2.63%	26-03-27	EUR	2.12%
Eurobond	3.13%	26-03-35	EUR	3.15%

Source: Bloomberg

Asset Allocation



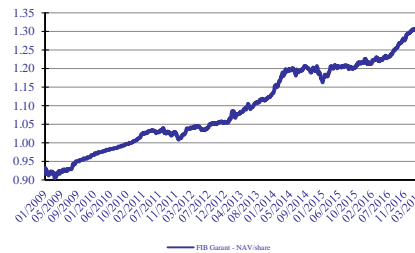
Source: FFBH Asset Management

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

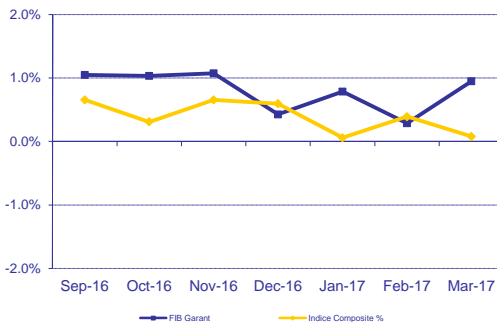
Fact sheet and fee information

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

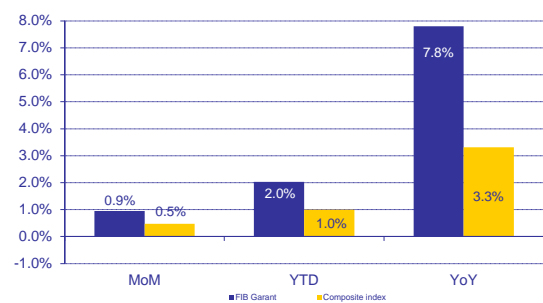
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.15%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.15%	0.00%
Management fee (annual % of average AUM)		1.50%

* 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 March 2017

MARKET OVERVIEW, OUTLOOK & STRATEGY:

- US stock ended the month down (DJIA - 0.6% in March) with investors cautious about a possible delay in the much anticipated fiscal stimulus implementation. On its March 15th meeting the FED decided to increase interest rates as anticipated by the markets. Focus now turns to the Q1 reports and the incoming economic data which will shape the future path of monetary policy.
- MSCI Europe was up 2.96% in March. Investors were relieved after the anti-establishment party in the Netherlands failed to win the parliamentary elections. This eased concerns over the upcoming French election with the CAC40 ending the month up 5.4%. The ECB delivered no major change in monetary policy with further tapering of bond purchases likely to be delayed until after the French elections. 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. Business surveys show that job growth in Europe is expanding at its fastest pace since 2011 which should boost consumer confidence in the region.
- Russia's RTSI\$ gained 1.18% in March after a somewhat surprising 0.25% rate cut by the Russian Central Bank. However no progress in improving relations with the West has been made this year. With economists' consensus that inflation will reach the Central Bank's 4% target by year-end 2017 more rate cuts will likely follow throughout the year. Oil lost 6.1% which failed to stop the ruble's rally against the US\$ with the Russian currency ending the month at a 1-year high.
- The Bulgarian benchmark SOFIX gained 3.7% in March. The parliamentary elections solidified GERB's leading position in Bulgarian politics with no major change in policy expected once a new government is formed. The possible change in GERB's coalition partners will likely make the new government less market friendly with a potential populist shift. Focus now turns to Q1 reports and coalition talks.
- 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 0.54% during the last month. Equity allocation stood at 65.65%. In 2016 FFBH Vostok achieved a return of 37.65%, which made it the best performing mutual fund in Bulgaria.

FIB Avangard

- FIB Avangard finished the month up 3.61%. Equity allocation was 73.86%. In 2016 FIB Avangard achieved a return of 18.39%.

FIB Classic

- FIB Classic ended the month up by 2.74%. Equity allocation was 42.09%. In 2016 FIB Classic achieved a return of 18.02%, which made it the best performing mutual fund in Bulgaria in the balanced mutual fund category.

FIB Garant

- FIB Garant gained 0.95% during the last month. Equity allocation was 16.51%. In 2016 FIB Garant achieved a return of 5.73%, which made 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 World is the difference between the monthly return of NAV per share of FIB Avangard and the monthly return of MSCI World Index.

FIB Classic: Monthly Alpha – MSCI World is the difference between the monthly return of NAV per share of FIB Classic and the monthly return of MSCI World 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 World has been calculated using the weekly returns of NAV per share of FIB Avangard and MSCI World Index over the last five years.

FIB Classic: Beta (β) – MSCI World has been calculated using the weekly returns of NAV per share of FIB Classic and MSCI World Index over the last five years.

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.

FIB Avangard: R2 – MSCI World has been calculated using the weekly returns of NAV per share of FIB Avangard and MSCI World Index over the last five years.

FIB Classic: R2 – MSCI World has been calculated using the weekly returns of NAV per share of FIB Classic and MSCI World Index over the last five years.

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.

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

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