

FFBH Vostok

March 2019

Data as per 29 March 2019

NAV	
NAV	BGN 673,780
NAV per share	BGN 0.6710

Return (%)	
Monthly (MoM)*	1.34%
Annual (YoY)*	-2.12%
Year-to-date*	6.95%
Since Inception (annualized)	-4.36%

Statistics (%)	
Standard Deviation*	17.96%
Monthly Alpha – MSCI Russia*	0.10%
Beta (β) – MSCI Russia*	0.60
R ² – MSCI Russia*	29.69%
Sharpe Ratio (0%)*	0.24

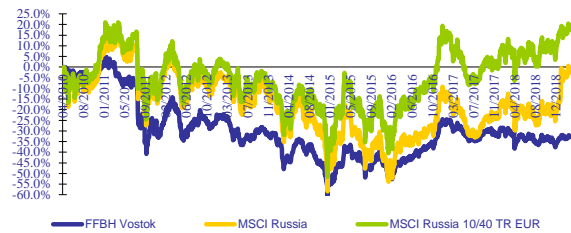
* see notes

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, bearing medium to high level of risk. The Fund may have up to 95% in equities and up to 50% invested in bonds.

We assume further recovery of the Russian economy in 2019, supported by several key rate cuts and relatively stable oil prices, and prefer higher allocation to equities and cyclical sectors. The portfolio remains comprised mainly of blue chip companies with leading and stable market positions.

FFBH Vostok vs. MSCI Russia 10/40 EUR



Source: Bloomberg, FFBH Asset Management

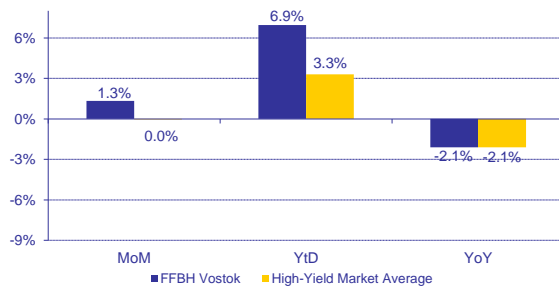
Fact sheet and fee information

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

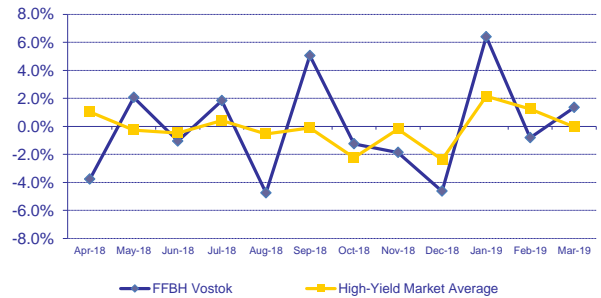
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	2.50%	

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

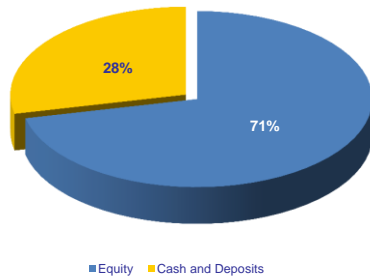


MoM return to HY market average*

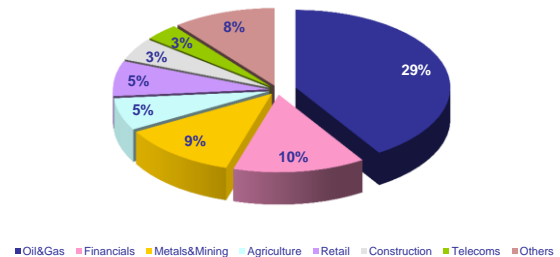


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Avangard

March 2019

Data as per 29 March 2019

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,630,883	Monthly (MoM)*	-0.36%	Standard Deviation*	7.92%
NAV per share	BGN 0.5635	Annual (YoY)*	-7.78%	Monthly Alpha – MSCI ACWI*	-1.36%
		Year-to-date*	1.86%	Beta (β) – MSCI ACWI*	0.27
		Since Inception (annualized)	-4.92%	R ² – MSCI ACWI*	30.88%
				Sharpe Ratio (0%)*	-0.03

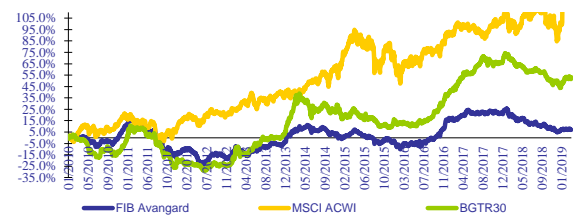
* see notes

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 level of risk. Its portfolio is allocated into global equity with regional focus on Bulgaria. Tactically, most of its funds might be invested in capital markets outside Bulgaria that are expected to be among top performing world regions.

FIB Avangard's investment strategy for 2019 includes allocation to export-oriented, financially stable and dividend-paying Bulgarian companies and allocation to developed markets blue chips based on favourable macroeconomic conditions and attractive valuations. We will increase exposure to companies with competitive positions in disruptive industries. The overall risk of the portfolio will be mitigated through sector and company diversification.

FIB Avangard vs. MSCI ACWI

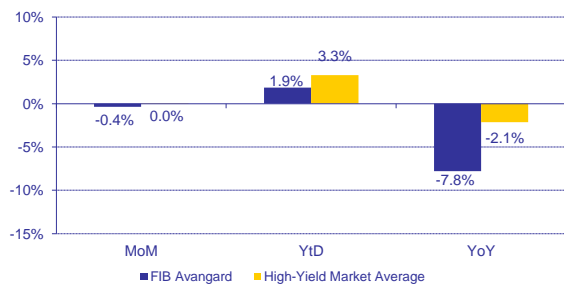


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

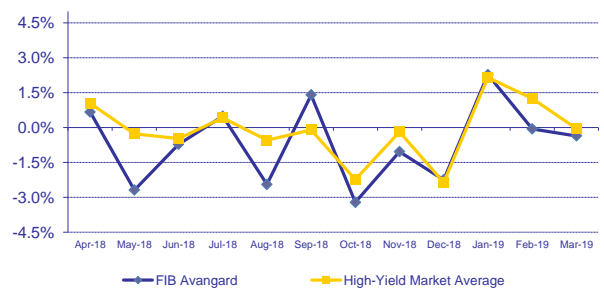
Fact sheet and fee information

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, YoY and YtD return to HY market average*

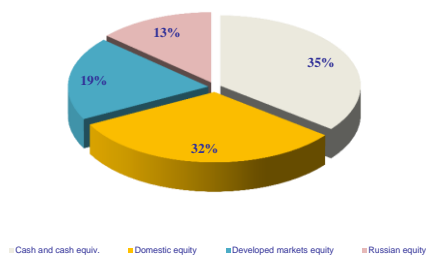


MoM return to HY market average*

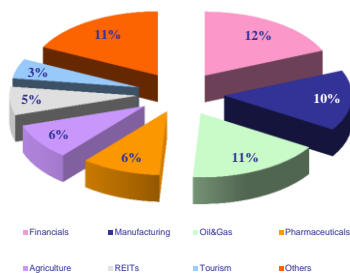


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Classic

March 2019

Data as per 29 March 2019

NAV	
NAV	BGN 1,420,612
NAV per share	BGN 0.8840

Return (%)	
Monthly (MoM)*	-0.24%
Annual (YoY)	-5.36%
Year-to-date	0.84%
Since Inception (annualized)	-1.08%

Statistics (%)	
Standard Deviation*	5.01%
Monthly Alpha – MSCI ACWI*	-1.25%
Beta (β) – MSCI ACWI*	0.11
R ² – MSCI ACWI*	12.87%
Sharpe Ratio (0%)*	0.25

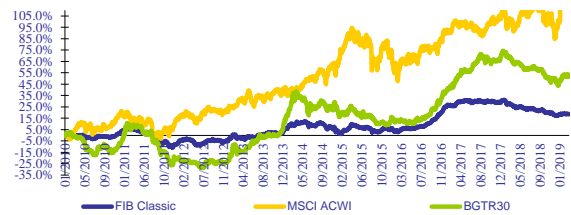
* see notes

Investment strategy

FIB Classic is a balanced mutual fund, inception on Nov 11, 2007, whose investment objective is to achieve medium to high long-term growth of its assets, bearing medium level of risk. The Fund invests in equities and bonds, as the equity-bond proportion depends on the stage of the economic cycle and macro conditions in covered regions and the expected central banks' monetary policy decisions.

FIB Classic's investment strategy for 2019 remains equity-focused, which includes holding equity allocation close to the fund's limits. Equities will be concentrated in Bulgaria and Western Europe with preference to dividend-paying value companies. Bond portfolio would comprise of domestic and foreign corporate bonds.

FIB Classic vs. MSCI ACWI



Source: Bloomberg, BSE-Sofia, FFBH Asset Management

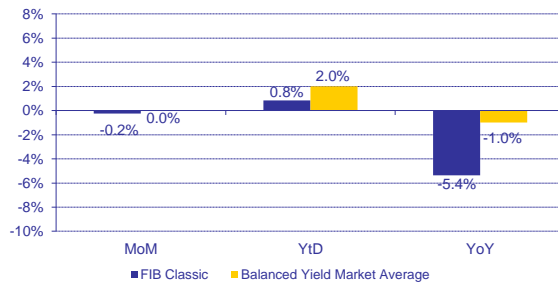
Fact sheet and fee information

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

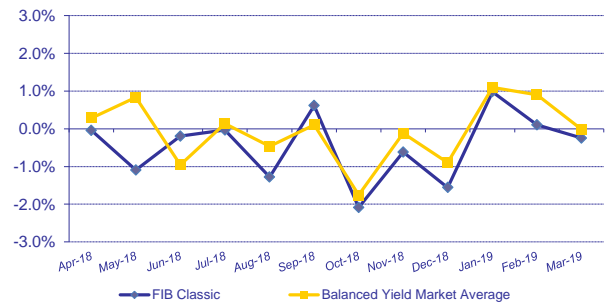
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.35%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.35%	0.00%
Management fee (annual % of average AUM)	2.50%	

* Minimum subscription is BGN 50

MoM, YoY and YtD return to BY market average*

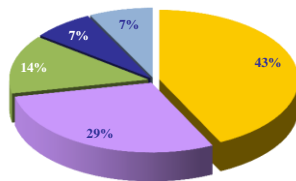


MoM return to BY market average*



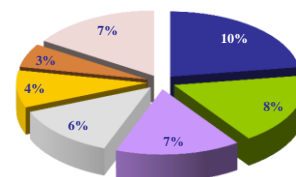
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



■ Cash and cash equiv. ■ Domestic equity ■ Corporate bonds ■ Developed markets equity ■ Russian equity

Equity Portfolio (% of total assets)



■ REITs ■ Manufacturing ■ Oil&Gas ■ Financials ■ Agriculture ■ Tourism ■ Others

Source: FFBH Asset Management

FIB Garant

March 2019

Data as per 29 March 2019

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,085,678	Monthly (MoM)*	-0.02%	Standard Deviation*	2.18%
NAV per share	BGN 1.2542	Annual (YoY)*	-3.73%	Sharpe Ratio (0%)*	0.43
		Year-to-date*	-0.07%	Interest rates (%)	
		Since Inception (annualized)*	2.01%	3 months	-0.12%
				12 months	0.16%

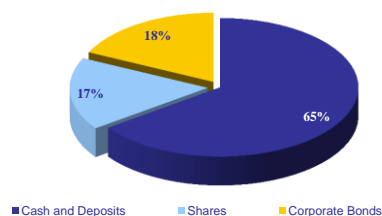
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Treasury	3.000%	12/02/2021	EUR	-0.10%
Eurobond	2.000%	26/03/2022	EUR	-0.07%
Eurobond	1.875%	21/03/2023	EUR	0.04%
Eurobond	2.950%	03/09/2024	EUR	0.23%
Eurobond	3.000%	21/03/2028	EUR	1.13%
Eurobond	3.125%	26/03/2035	EUR	2.21%

Source: Bloomberg

Asset Allocation



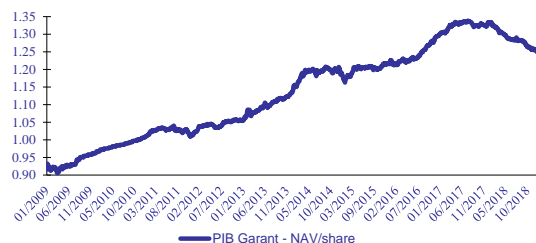
Source: FFBH Asset Management

Investment objective

FIB Garant is a conservative mutual fund, inception on Nov 11, 2007, whose investment objective is to achieve medium long-term growth of its assets, bearing low level of risk. The Fund invests mainly in fixed-income and money market instruments, but it may have up to 20% exposure to equity used to improve its risk-return profile.

FIB Garant's 2019 investment strategy includes significant allocation to Bulgarian equities on valuations and sentiment improvement on the BSE. At certain points investments in foreign large cap dividend-paying blue chips can be made but currency risk should be controlled. Low local deposit rates would also lead to an increase in the Fund's exposure to foreign corporate and sovereign bonds.

FIB Garant

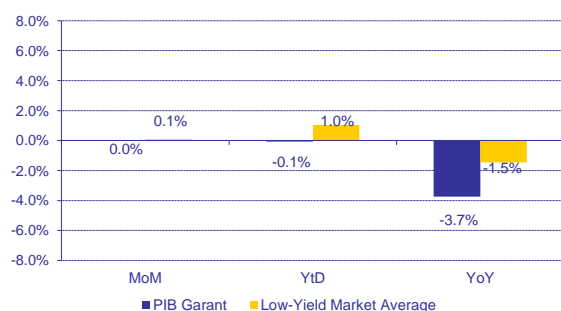


Source: FFBH Asset Management

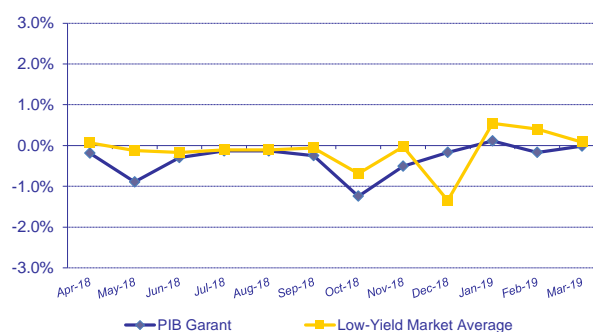
Fact sheet and fee information

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, YoY and YtD return to LY market average*



MoM return to LY market average*



Source: BAAMC, FFBH Asset Management calculations

PORTFOLIO MANAGER'S COMMENT March 2019

MARKET OVERVIEW:

In March 2019 the trade negotiations between the US and China entered a constructive period where both parties emphasized the goal of reaching beneficial agreement within reasonable time frame. Central bank's meetings in developed economies acknowledged the evident synchronized global economic slowdown and announced policy measures or amended forecasts and interest rate policy expectations. The Brexit process in fact stalled, whereas a short delay was agreed upon, based on acceptance of the previously negotiated deal. The probability of a hard Brexit increased as well as the risks for the British economy. World capital markets recovered further after the decrease end last year, especially in the US where they posted the best quarter for the last 10 years. Commodities markets did perform similarly as well.

US: S&P 500 and NASDAQ 100 increased by 1.79% MoM and 3.96 % MoM in USD, respectively, with bigger increases registered in EUR (3.88% MoM and 6.09% MoM, respectively). US economic growth slowed down significantly to 2.2% in the fourth quarter of 2018, core inflation remained stable (2.1% YoY in February), unemployment rate increased gradually to 3.8% in February. The FOMC March meeting produced changed monetary policy forecasts and expectations for the next possible rate hike after the end of 2019 leading to USD appreciation and decline in fixed income yields. US 10y Treasury yield fell to 2.41% MoM.

EUROPE: MSCI Europe increased by 1.62% MoM, whereas economic growth in the Eurozone slowed to 1.1% in the fourth quarter of 2018. Unemployment rate fell to 7.8% in February, core inflation decreased to 0.8% YoY in March. On it's policy meeting the ECB acknowledged the economic slowdown and increased economic risks and left it's monetary stance unchanged to at least December 2019. The ECB also announced new LTRO for European banks starting in September 2019 and ending in March 2021. As a result 10y German Bund yield went back into negative territory and remained around -0.07%.

RUSSIA: MSCI Russia increased in March by 0.90%/2.97% MoM in USD; EUR terms respectively without clear direction for the month. Brent oil price rose to USD 67.58 (increase of 1.88% MoM). Oil market recovery was influenced by agreed cuts in OPEC+ oil production and US imposed export sanctions on Venezuela. The CBR left the key rate unchanged at 7.75% in March, inflation increased to 4.4% in February and the unemployment was stable at 4.9%.

BULGARIA: SOFIX decreased by 0.26% and BGTR30 was flat, indices didn't find clear direction whereas some trading activity was related to changes in SOFIX components, possible domestic/foreign acquisitions announced by local companies and dividends declared for 2018. Macroeconomic situation remained stable, with Q4'18 GDP growth of 3.16% YoY, HICP February inflation (2.4% YoY) and unemployment continuing to decline on a seasonally-adjusted basis (to 4.7% for February).

OUTLOOK:

Capital markets are expected to consolidate after the sharp correction in late 2018 strongly dependent on companies' first quarter results in view of the global economic slowdown especially in China. In medium-term economies appear to be in the late stage of the cycle increasing the chances of recession and market downturn. The Russian economy remains influenced by geopolitical factors with low economic growth, strong dependency on oil prices and exports, but with sound fiscal and monetary policies. Bulgarian capital market will expect the financial results of the companies for the first quarter and probably will follow general investors' risk appetite.

PORTFOLIO ALLOCATIONS:

Mutual fund	Return MoM, %	Equity allocation, %	MoM change in allocation
FFBH Vostok	1.34%	71.39%	No significant changes
FIB Avangard	-0.36%	64.40%	Increase in Exchange Traded Products exposure to financials
FIB Classic	-0.24%	43.55%	Increase in Exchange Traded Products exposure to financials
FIB Garant	-0.02%	16.98%	No significant changes

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 ACWI is the difference between the monthly return of NAV per share of FIB Avangard and the monthly return of MSCI All Country World Index.

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

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

FIB Classic: R2 – MSCI ACWI has been calculated using the weekly returns of NAV per share of FIB Classic and MSCI All Country 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.

Returns of all indices presented in the bulletin or used in the calculations above are converted in BGN.

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: High-yield market average is calculated through equal weighting of the returns of all high-yield mutual funds, offered on the Bulgarian market by asset management companies - members of the Bulgarian Association of Asset Management Companies (BAAMC).

FIB Classic: Balanced yield market average is calculated through equal weighting of the returns of all balanced mutual funds, offered on the Bulgarian market by asset management companies - members of BAAMC.

FIB Garant: Low-yield market average is calculated through equal weighting of the returns of all conservative mutual funds, offered on the Bulgarian market by asset management companies - members of BAAMC. Money market funds are not included in the calculation.

FFBH Vostok: High-yield market average is calculated through equal weighting of the returns of all high-yield mutual funds, offered on the Bulgarian market by asset management companies - members of BAAMC.

Returns are calculated using the net asset values of the mutual funds reported on the web site of BAAMC on the first working day of the month, following the month of performance presentation.

The market average points 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.

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