

## FFBH Vostok

April 2019

Data as per 30 April 2019

NAV	
NAV	BGN 703,639
NAV per share	BGN 0.7007

Return (%)	
Monthly (MoM)*	4.43%
Annual (YoY)*	6.22%
Year-to-date*	11.69%
Since Inception (annualized)	-3.86%

Statistics (%)	
Standard Deviation*	17.91%
Monthly Alpha – MSCI Russia*	0.56%
Beta (β) – MSCI Russia*	0.61
R <sup>2</sup> – MSCI Russia*	29.92%
Sharpe Ratio (0%)*	0.34

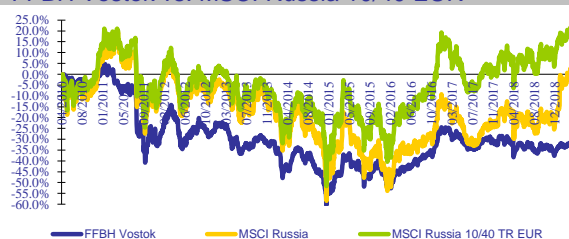
\* see notes

### 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

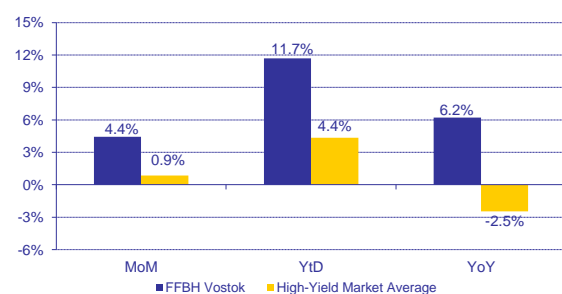


Source: Bloomberg, FFBH Asset Management

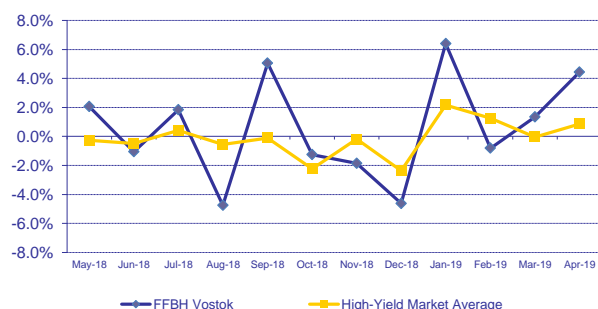
### Fact sheet and fee information

Type	Open-end equity fund	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, YoY and YtD return to HY market average\*

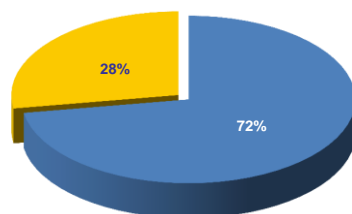


### MoM return to HY market average\*



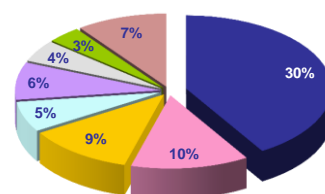
Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



■ Equity ■ Cash and Deposits

### Equity Portfolio (% of total assets)



■ Oil&Gas ■ Financials ■ Metals&Mining ■ Agriculture ■ Retail ■ Construction ■ Telecoms ■ Others

Source: FFBH Asset Management

## FIB Avangard

April 2019

Data as per 30 April 2019

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,625,848	Monthly (MoM)*	-0.11%	Standard Deviation*	7.89%
NAV per share	BGN 0.5629	Annual (YoY)*	-8.49%	Monthly Alpha – MSCI ACWI*	-3.31%
		Year-to-date*	1.74%	Beta (β) – MSCI ACWI*	0.27
		Since Inception (annualized)	-4.90%	R <sup>2</sup> – MSCI ACWI*	30.45%
				Sharpe Ratio (0%)*	0.01

\* 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

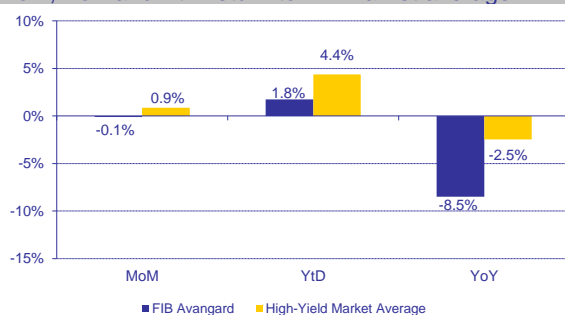


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

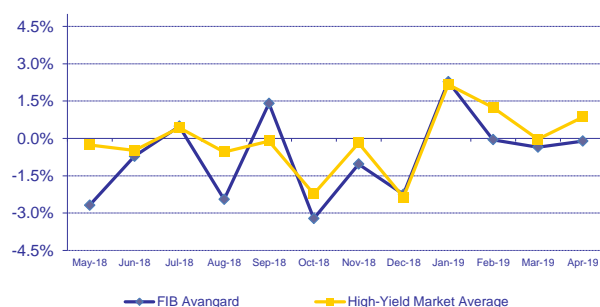
### Fact sheet and fee information

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\*

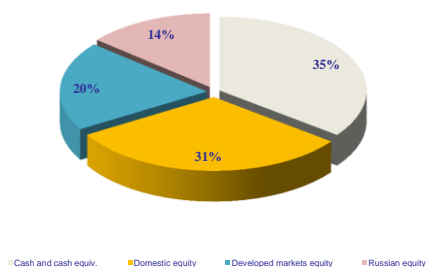


### MoM return to HY market average\*

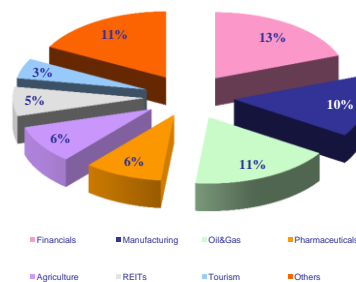


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Classic

April 2019

Data as per 30 April 2019

NAV	
NAV	BGN 1,417,812
NAV per share	BGN 0.8823

Return (%)	
Monthly (MoM)*	-0.20%
Annual (YoY)	-5.51%
Year-to-date	0.64%
Since Inception (annualized)	-1.09%

Statistics (%)	
Standard Deviation*	4.99%
Monthly Alpha – MSCI ACWI*	-3.40%
Beta (β) – MSCI ACWI*	0.11
R <sup>2</sup> – MSCI ACWI*	12.49%
Sharpe Ratio (0%)*	0.28

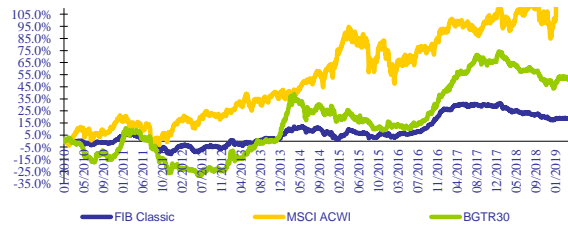
\* see notes

### 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

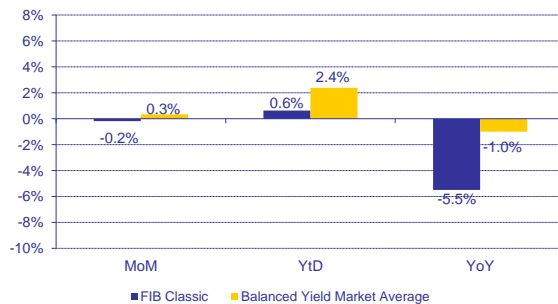
### Fact sheet and fee information

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

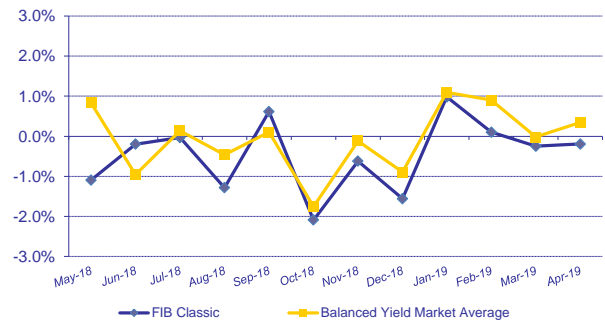
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.35%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.35%	0.00%
Management fee (annual % of average AUM)	2.50%	

\* Minimum subscription is BGN 50

### MoM, YoY and YtD return to BY market average\*

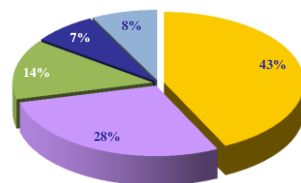


### MoM return to BY market average\*



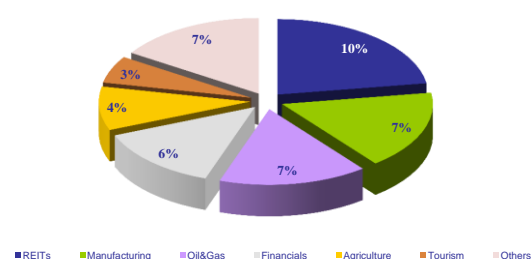
Source: BAAMC, FFBH Asset Management calculations

### 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

April 2019

Data as per 30 April 2019

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,081,892	Monthly (MoM)*	-0.30%	Standard Deviation*	2.17%
NAV per share	BGN 1.2505	Annual (YoY)*	-3.85%	Sharpe Ratio (0%)*	0.40
		Year-to-date*	-0.37%	Interest rates (%)	
		Since Inception (annualized)*	1.97%	3 months	-0.12%
				12 months	0.16%

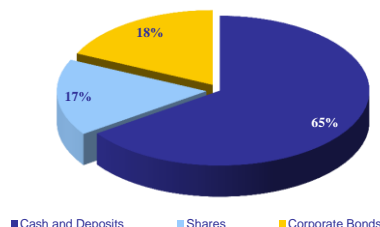
\* see notes

### Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Treasury	3.000%	12/02/2021	EUR	-0.20%
Eurobond	2.000%	26/03/2022	EUR	-0.11%
Eurobond	1.875%	21/03/2023	EUR	0.05%
Eurobond	2.950%	03/09/2024	EUR	0.18%
Eurobond	3.000%	21/03/2028	EUR	0.87%
Eurobond	3.125%	26/03/2035	EUR	1.92%

Source: Bloomberg

### Asset Allocation



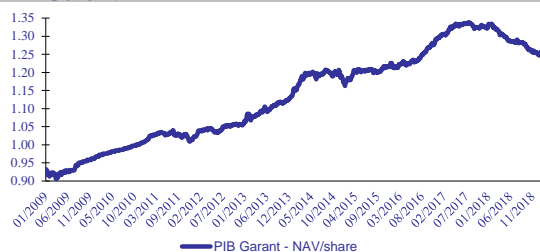
Source: FFBH Asset Management

### 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

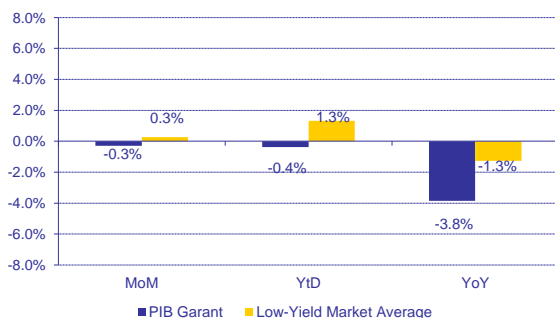


Source: FFBH Asset Management

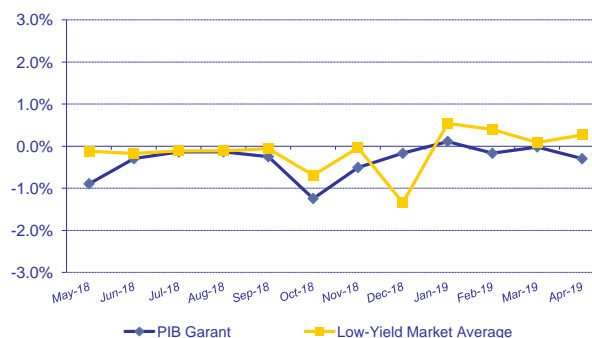
### Fact sheet and fee information

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 April 2019

### MARKET OVERVIEW:

In April 2019 the world witnessed a couple of terrorist acts on religious grounds and a deepening political crisis in Venezuela. The Mueller Report on Russian interference in 2016 US presidential elections didn't confirm any direct involvement of acting President Donald Trump. Spain held parliamentary elections and populist and nationalist parties were able to increase their parliamentary presence. Official campaign was launched for the European parliamentary elections in May 2019. The IMF lowered its economic forecasts for a third time in six months to 3.3% global economic growth in 2019. Trade tensions between developed countries and China subsided and agreement is expected to be reached in May 2019. Corporate Q1 earnings reflected slowing economic activity whereas most companies reaffirmed their full year expectations. Central banks maintained a neutral policy stance stimulating the ongoing capital markets recovery and relatively stable interest rates and exchange rates around the world.

**US: S&P 500 and NASDAQ 100 increased by 3.93% MoM and 5.46 % MoM in USD, respectively, with similar increases registered in EUR (3.96% MoM and 5.49% MoM, respectively).** US economic growth was higher than expected - 3.2% in the first quarter of 2019, core inflation slowed towards FED's target rate (2.0% YoY in March), the unemployment rate was stable at 3.8% in March. The last FOMC meeting didn't change the monetary policy. US 10y Treasury yield rose to 2.50% due to increased investors' risk appetite. The US Dollar continued to appreciate gradually and the Dollar Index rose to 12 month high. US equity indices reached new record highs following better than expected Q1 earnings.

**EUROPE: MSCI Europe increased by 3.23% MoM,** whereas economic growth in the Eurozone increased to 1.2% in the first quarter of 2019. Unemployment rate fell to 7.7% in March, core inflation decreased to 0.8% YoY in March. On its policy meeting the ECB didn't change the monetary policy and fell short of giving more details on the new LTRO for European banks. 10y German Bund yield was stable around 0.00%. German exports fell more than expected due to the trade uncertainties surrounding China and the German Economy Ministry lowered its economic growth forecast to 0.5% for 2019.

**RUSSIA: MSCI Russia increased in March by 3.79%/3.82% MoM in USD; EUR terms respectively** supported by better than expected first quarter earnings and substantial dividend increases by financial and energy companies. Brent oil price rose to USD 72.06 (increase of 7.22% MoM). Oil market recovery was influenced by agreed cuts in OPEC+ oil production and US imposed export sanctions on Venezuela as well as expiration of export waivers for Iranian oil to countries like China, India and Turkey. The CBR left the key rate unchanged at 7.75% in April, inflation increased to 4.6% in March and the unemployment fell to 4.7%.

**BULGARIA: SOFIX decreased by 1.51% and BGTR30 fell by 0.39%,** indices were unable to follow the mood of the international capital markets despite positive first quarter earnings. Partially this was due to some institutional investor's sales. Macroeconomic situation remained stable, with Q1'19 GDP growth of 3.20% YoY, HICP March inflation (2.8% YoY) and unemployment continuing to decline on a seasonally-adjusted basis (to 4.6% in March).

### OUTLOOK:

International capital markets already recovered from the deep correction in late 2018 and some even reached new highs. This situation leaves them at risk for declines depending on incoming economic data and companies' first quarter results. Such seasonality is usually typical for the second quarter. Central bank's monetary policies remain stimulating and there are no new fiscal stimulus measures at present. 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 continues to underperform European markets leading to neutral investors' expectations.

### PORTFOLIO ALLOCATIONS:

Mutual fund	Return MoM, %	Equity allocation, %	MoM change in allocation
FFBH Vostok	4.43%	72.43%	No significant changes
FIB Avangard	-0.11%	64.61%	No significant changes
FIB Classic	-0.20%	43.34%	No significant changes
FIB Garant	-0.30%	16.58%	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 ( $\beta$ ) – 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 ( $\beta$ ) – 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 ( $\beta$ ) – 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.

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