

FFBH Vostok

July 2019

Data as per 31 July 2019

NAV	
NAV	BGN 769,184
NAV per share	BGN 0.7555

Return (%)	
Monthly (MoM)*	2.23%
Annual (YoY)*	11.38%
Year-to-date*	20.42%
Since Inception (annualized)	-2.97%

Statistics (%)	
Standard Deviation*	17.62%
Monthly Alpha – MSCI Russia*	0.74%
Beta (β) – MSCI Russia*	0.60
R ² – MSCI Russia*	30.92%
Sharpe Ratio (0%)*	0.32

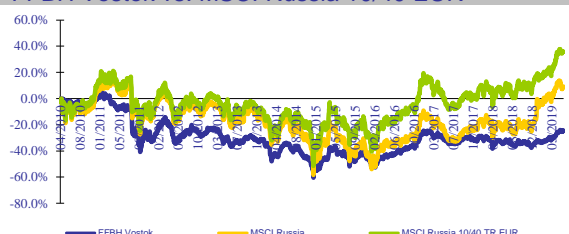
* see notes

Investment objective overview

FFBH Vostok is a high-yield, actively managed, open-end mutual fund with regional focus on Russia & CIS, incepted 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

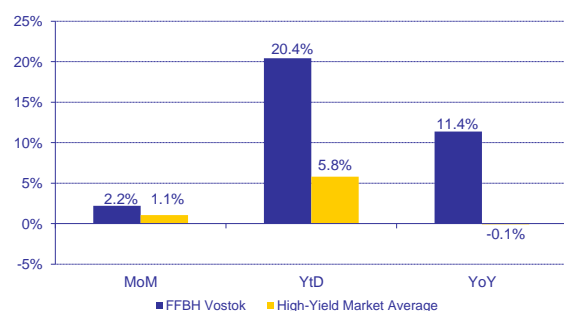


Source: Bloomberg, FFBH Asset Management

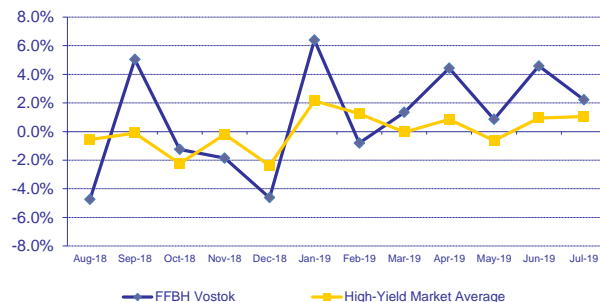
Fact sheet and fee information

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*

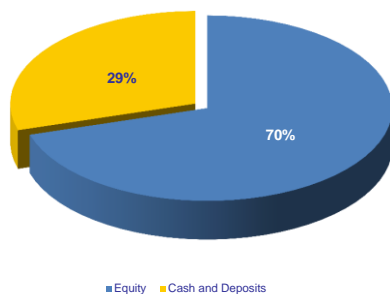


MoM return to HY market average*

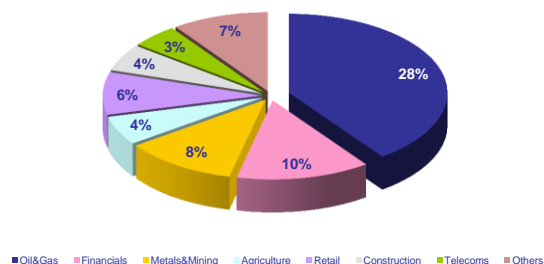


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Avangard

July 2019

Data as per 31 July 2019

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,642,167	Monthly (MoM)*	-0.42%	Standard Deviation*	7.50%
NAV per share	BGN 0.5685	Annual (YoY)*	-4.81%	Monthly Alpha – MSCI ACWI*	-0.59%
		Year-to-date*	2.76%	Beta (β) – MSCI ACWI*	0.26
		Since Inception (annualized)	-4.71%	R ² – MSCI ACWI*	32.56%
				Sharpe Ratio (0%)*	0.09

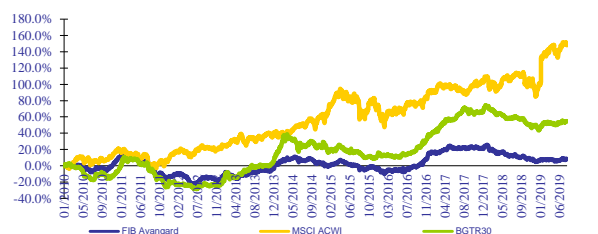
* see notes

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

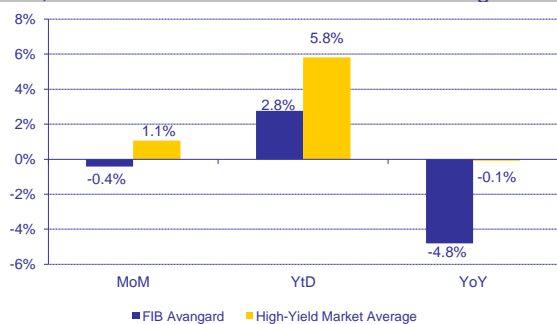


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

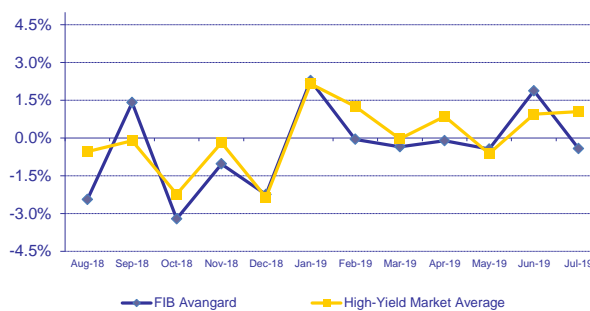
Fact sheet and fee information

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*

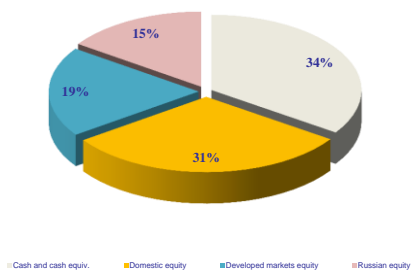


MoM return to HY market average*

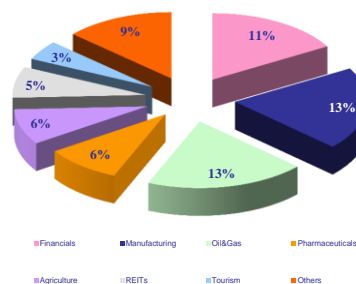


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Classic

July 2019

Data as per 31 July 2019

NAV	
NAV	BGN 1,443,665
NAV per share	BGN 0.8982

Return (%)	
Monthly (MoM)*	0.28%
Annual (YoY)	-2.53%
Year-to-date	2.45%
Since Inception (annualized)	-0.91%

Statistics (%)	
Standard Deviation*	4.67%
Monthly Alpha – MSCI ACWI*	0.11%
Beta (β) – MSCI ACWI*	0.11
R ² – MSCI ACWI*	13.54%
Sharpe Ratio (0%)*	0.46

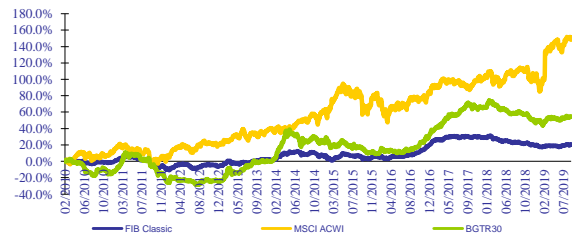
* see notes

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

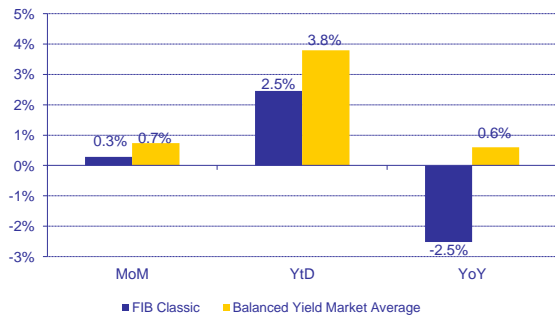
Fact sheet and fee information

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

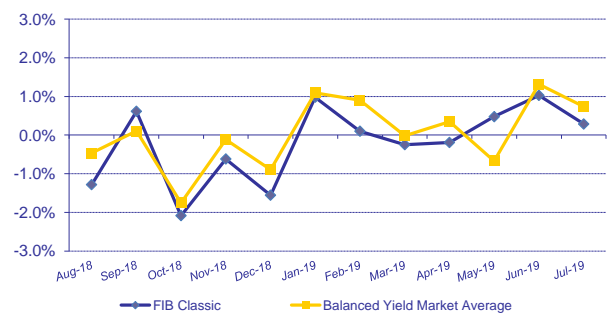
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.35%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.35%	0.00%
Management fee (annual % of average AUM)	2.50%	

* Minimum subscription is BGN 50

MoM, YoY and YtD return to BY market average*

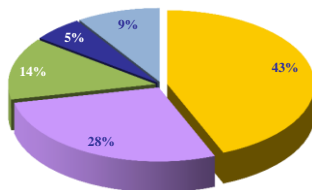


MoM return to BY market average*



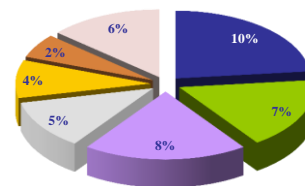
Source: BAAMC, FFBH Asset Management calculations

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

July 2019

Data as per 31 July 2019

NAV	
NAV	BGN 1,081,158
NAV per share	BGN 1.2526

Return (%)	
Monthly (MoM)*	-0.06%
Annual (YoY)*	-2.40%
Year-to-date*	-0.20%
Since Inception (annualized)*	1.94%

Statistics (%)	
Standard Deviation*	2.02%
Sharpe Ratio (0%)*	0.49
Interest rates (%)	
3 months	-0.12%
12 months	0.16%

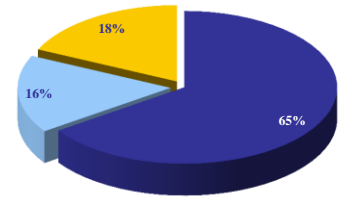
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Treasury	3.000%	12/02/2021	EUR	-0.37%
Eurobond	2.000%	26/03/2022	EUR	-0.22%
Eurobond	1.875%	21/03/2023	EUR	-0.09%
Eurobond	2.950%	03/09/2024	EUR	-0.02%
Eurobond	3.000%	21/03/2028	EUR	0.37%
Eurobond	3.125%	26/03/2035	EUR	1.46%

Source: Bloomberg

Asset Allocation



■ Cash and Deposits ■ Shares ■ Corporate Bonds

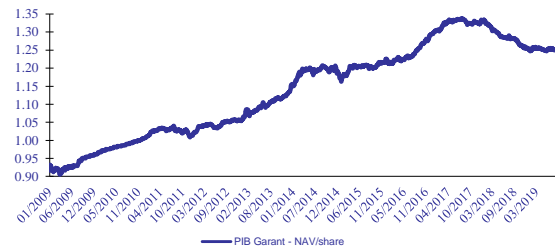
Source: FFBH Asset Management

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

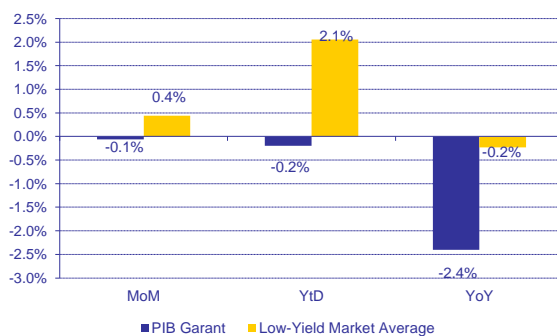
Fact sheet and fee information

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

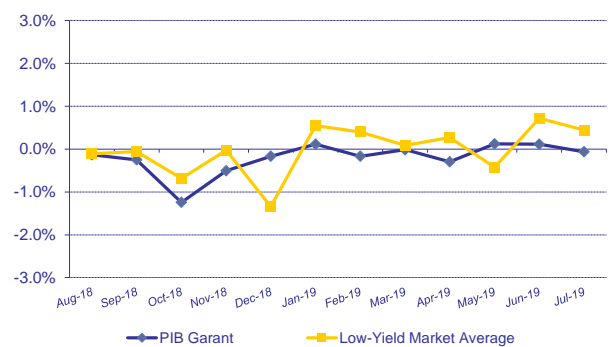
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.15%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.15%	0.00%
Management fee (annual % of average AUM)		1.50%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to LY market average*



MoM return to LY market average*



Source: BAAMC, FFBH Asset Management calculations

PORTFOLIO MANAGER'S COMMENT July 2019

MARKET OVERVIEW:

In July 2019 started the earnings season in the US confirming the expectations for slowing earnings growth mostly in the technology and materials sectors. Around 50% of reporting companies issued profit warnings or lower EPS expectations. The US continued its political pressure in regions of traditional importance such as the Middle East and Asia. The EU selected occupants for the key executive and legislative positions within the Union after a compromise between the main political groups. Greece held early parliamentary elections, lost by the ruling populist coalition in favor of the traditional right-wing party. The Conservatives in the UK elected as a new leader and Prime minister Mr. Boris Johnson promising exit out of the EU in November with or without a deal. Economic news-flow was again dominated by emerging changes in central banks' policies in response to worsening economic data and expected global economic slowdown. The ECB signaled its willingness to lower the benchmark deposit facility rate in September. The Federal Reserve lowered its benchmark interest rate by 0.25% without projecting a prolonged easing cycle for the time being. Growth in Asia-Pacific economies continued to slow as well, leading to interest rate cuts by a number of central banks in the region. The IMF lowered its global economic growth forecast for 2019 to 3.2% citing the trade tensions between the US and China, Brexit and low inflation.

US: S&P 500 and NASDAQ 100 increased by 1.31% MoM and 2.32 % MoM in USD, respectively, with larger increases registered in EUR (4.03% MoM and 5.06% MoM, respectively). US economic growth fell to 2.1% in the second quarter of 2019, core inflation stabilized around to 2.1% YoY in June, unemployment rate increased slightly to 3.7% in June. US capital markets recovery continued at a slower pace reflecting the expectations for interest rate cuts. In fixed income markets the 10y Treasury yield initially increased after the strong declines in previous months but finished unchanged around 2.01%. The US dollar appreciated further and closed around 1.1077 against the euro. The Federal Reserve lowered its benchmark interest rate by 0.25% (less than some expectations for a 0.50% cut) without projecting a prolonged easing cycle. Financial markets digested this preventive action as correction of the last rate increase in December 2018 widely deemed as premature. The monetary policy faces the delicate task of maintaining economic stimulus in front of possible recession where the inflation rate is close to target and the economy is close to full employment. Verbal interference by the President and the pressure by the investment community make the situation of the FED more complicated. Important factors for the economic outlook remain the trade relations with China and the EU, continued efforts for increased regulation in the technology sector and the global economic effect of the US foreign policy on oil and commodities prices.

EUROPE: MSCI Europe increased by 0.25% MoM, whereas economic growth in the Eurozone fell to 1.1% in the second quarter of 2019. Unemployment rate fell to 7.5% in June and core inflation decreased to 0.9% YoY in July. The ECB signaled its willingness to lower the benchmark deposit facility rate as early as September in response to increased economic slowdown expectations resulting to renewed decline in 10y German Bund yield to record negative value of -0.43%. Main European economies (Germany, France) continue to experience substantial economic slowdown resulting in flight to quality and risk aversion by investors even at negative yields. Some analysts consider these developments as an early indicator of more significant correction in risk assets valuations. Quarterly corporate earnings are similar to the US reflecting the dependence of European companies on Chinese economic growth and economic situation in the US.

RUSSIA: MSCI Russia decreased by 2.03% MoM in USD and increased by **0.60% in EUR terms respectively** following the general direction in emerging markets. Brent oil price increased to USD 65.05 (increase of 1.09% MoM). Oil prices were mainly influenced by the tensions between the US and Iran as well as the outcome of the OPEC+ meeting in early July. Oil production cuts agreed upon in December 2018 were extended to early 2020. The CBR lowered again its key rate to 7.25% in July, confirming its easing cycle based on stable inflation and slowing growth. Low natural gas and other commodity prices remain a challenge compressing the free cash flow of large companies. Challenges represent also economic sanctions imposed by the US and the EU as well as the future of important cross border infrastructure projects. Economic growth slowed significantly in Q1 to 0.5%, inflation fell to 4.6% in June and the unemployment fell to 4.4% in June.

BULGARIA: SOFIX decreased by 1.21% and BGTR30 decreased by 0.23%, opposite to the moderate recovery in world capital markets. Relatively good news was the high amount of dividends approved by the AGM's of major local companies. In general stock indices stay within a tight range of 5% - 6% this year and there is no significant investors' demand. Macroeconomic situation remained stable, with Q1'19 GDP growth of 3.50% YoY, HICP June inflation (2.3% YoY) and unemployment continuing to decline on a seasonally-adjusted basis (to 4.4% in June).

OUTLOOK:

International capital markets are reacting positively to the global monetary policy stimulus, prospects of trade conflicts and geopolitical tensions resolution. Equities and high-yield bonds remain attractive asset classes compared to low-yielding government bonds used by investors mainly as capital protection tool. Nevertheless episodes of sharp market fluctuations can be observed as an early warning signal of deeper market correction. 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 remains in narrow range and is unable to synchronise with global financial markets suffering from low liquidity.

PORTFOLIO ALLOCATIONS:

Mutual fund	Return MoM, %	Equity allocation, %	MoM change in allocation
FFBH Vostok	2.23%	70.01%	No significant changes
FIB Avangard	-0.42%	64.99%	No significant changes
FIB Classic	0.28%	42.27%	No significant changes
FIB Garant	-0.06%	16.45%	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.

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.