

FFBH Vostok

June 2020

Data as per 30 June 2020

NAV	
NAV	BGN 708,781
NAV per share	BGN 0.6634

Return (%)	
Monthly (MoM)*	0.05%
Annual (YoY)*	-10.23%
Year-to-date 2020*	-14.89%
Since Inception (annualized)	-3.94%

Statistics (%)	
Standard Deviation*	17.31%
Monthly Alpha – MSCI Russia*	1.98%
Beta (β) – MSCI Russia*	0.62
R ² – MSCI Russia*	40.92%
Sharpe Ratio (0%)*	0.19

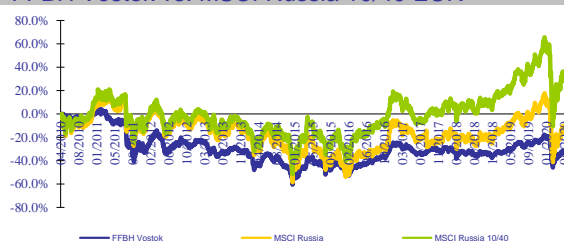
* see notes

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 2020, 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

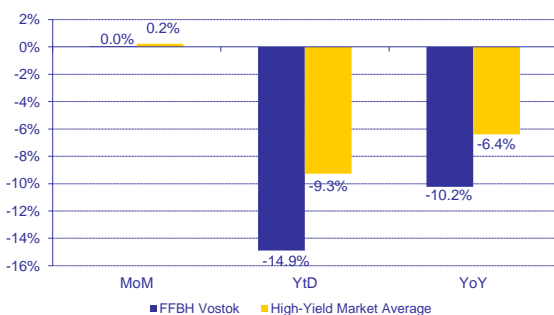


Source: Bloomberg, FFBH Asset Management

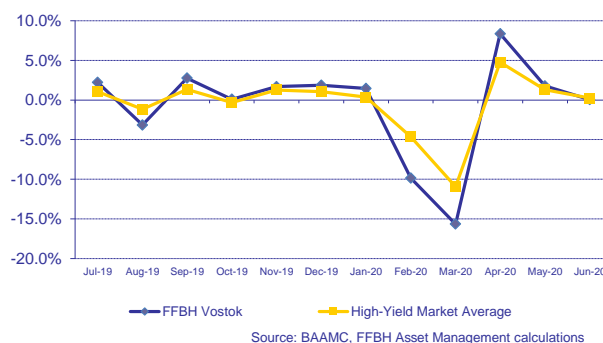
Fact sheet and fee information

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*

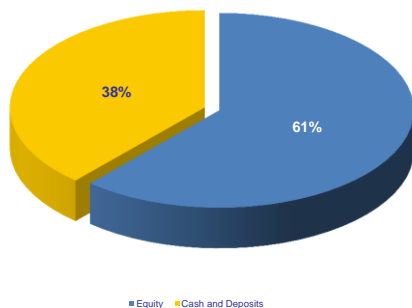


MoM return to HY market average*



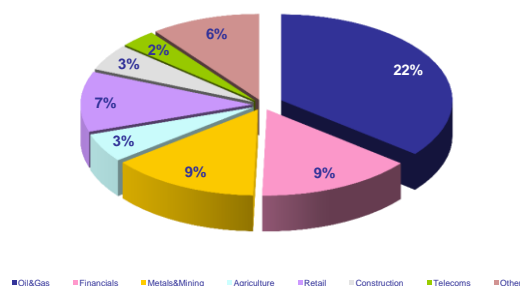
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



■ Equity ■ Cash and Deposits

Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Avangard

June 2020

Data as per 30 June 2020

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,062,232	Monthly (MoM)*	-0.22%	Standard Deviation*	11.78%
NAV per share	BGN 0.4384	Annual (YoY)*	-23.21%	Monthly Alpha – MSCI ACWI*	-1.92%
		Year-to-date 2020*	-22.96%	Beta (β) – MSCI ACWI*	0.46
		Since Inception (annualized)	-6.33%	R ² – MSCI ACWI*	48.61%
				Sharpe Ratio (0%)*	-0.30

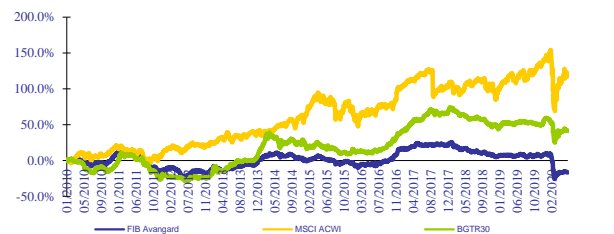
* see notes

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 2020 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

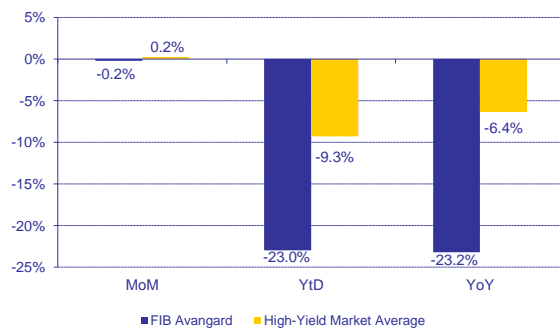


Source: Bloomberg, BSE-Sofia, FFBH Asset Management

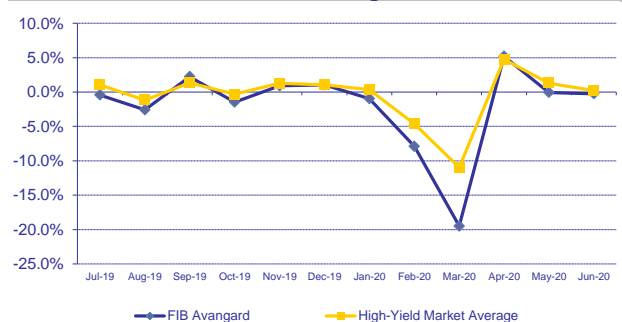
Fact sheet and fee information

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*

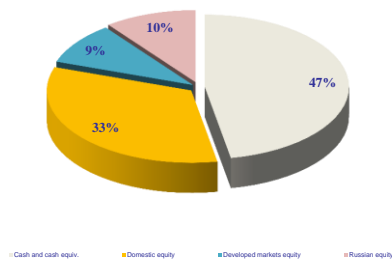


MoM return to HY market average*

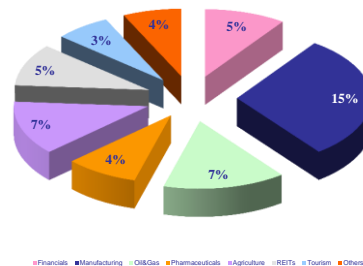


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Classic

June 2020

Data as per 30 June 2020

NAV		Return (%)		Statistics (%)	
NAV	BGN 1,168,213	Monthly (MoM)*	-0.21%	Standard Deviation*	5.86%
NAV per share	BGN 0.7922	Annual (YoY)	-11.55%	Monthly Alpha – MSCI ACWI*	-1.91%
		Year-to-date 2020*	-11.88%	Beta (β) – MSCI ACWI*	0.20
		Since Inception (annualized)	-1.83%	R ² – MSCI ACWI*	37.67%
				Sharpe Ratio (0%)*	0.01

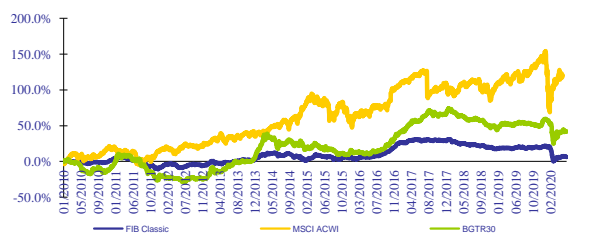
* see notes

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 2020 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



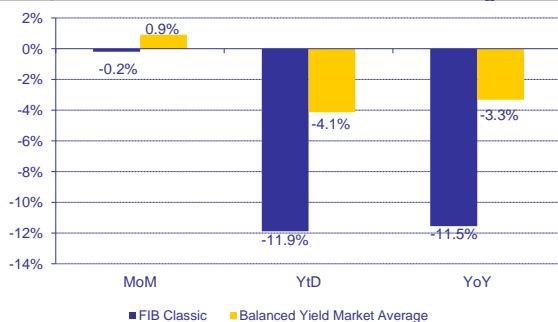
Source: Bloomberg, BSE-Sofia, FFBH Asset Management

Fact sheet and fee information

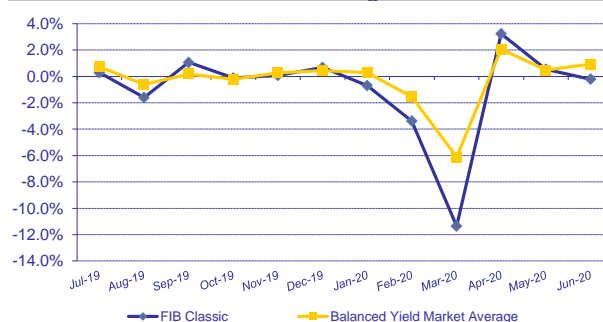
Type	Open-end equity fund	Subscription*	up to BGN 100,000	more than BGN 100,000
Classification	Balanced fund	Entry fee	0.35%	0.00%
Manager	FFBH Asset Management	Holding Period	up to 24 months	over 24 months
Custodian	First Investment Bank	Redemption fee	0.35%	0.00%
Subscriptions/ Redemptions	Every Business Day	Management fee (annual % of average AUM)		2.50%
Incorporation	Bulgaria			

* Minimum subscription is BGN 50

MoM, YoY and YtD return to BY market average*

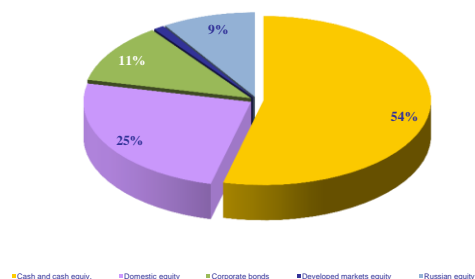


MoM return to BY market average*

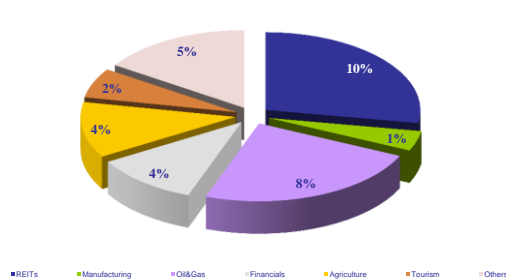


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Garant

June 2020

Data as per 30 June 2020

NAV	
NAV	BGN 992,456
NAV per share	BGN 1.1894

Return (%)	
Monthly (MoM)*	0.19%
Annual (YoY)*	-5.10%
Year-to-date 2020*	-4.62%
Since Inception (annualized)*	1.38%

Statistics (%)	
Standard Deviation*	2.56%
Sharpe Ratio (0%)*	- 0.07
Interest rates (%)	
3 months	-0.15%
12 months	0.03%

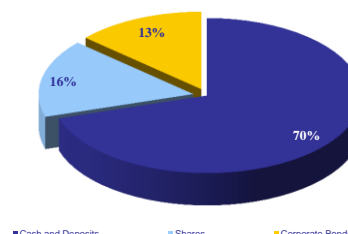
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Treasury	3.000%	12/02/2021	EUR	-0.27%
Eurobond	2.000%	26/03/2022	EUR	-0.06%
Eurobond	1.875%	21/03/2023	EUR	-0.07%
Eurobond	2.950%	03/09/2024	EUR	0.07%
Eurobond	3.000%	21/03/2028	EUR	0.18%
Eurobond	3.125%	26/03/2035	EUR	1.26%

Source: Bloomberg

Asset Allocation



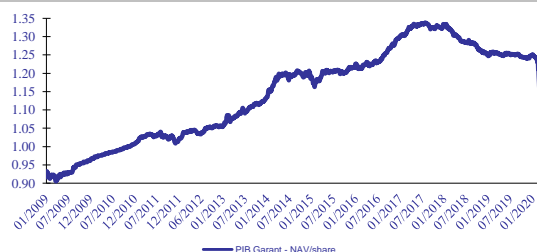
Source: FFBH Asset Management

Investment objective

FIB Garant is a conservative mutual fund, incepted 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 2020 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

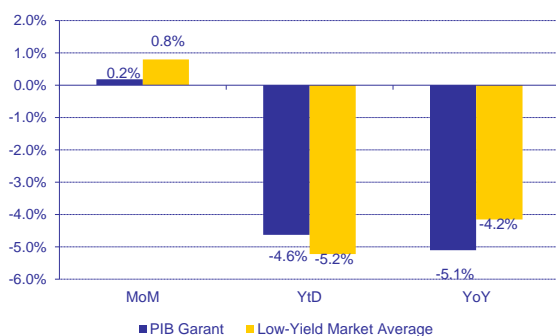
Fact sheet and fee information

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

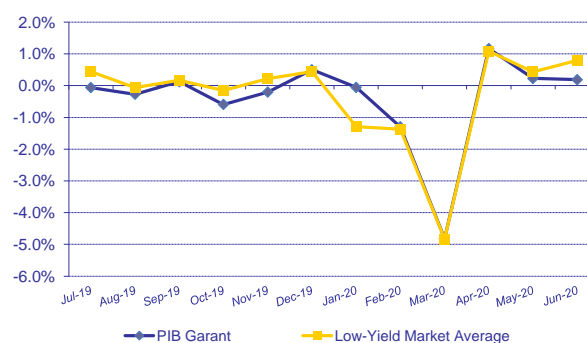
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.15%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.15%	0.00%
Management fee (annual % of average AUM)		1.50%

* 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 June 2020

MARKET OVERVIEW:

In June 2020 the financial markets continued to recover but were not able to hold their highs. The gradual loosening of social distancing measures and the restarting of the economic activity were positively evaluated by the investors but lead to increasing number of infections mostly in the US. Expectedly fears appeared related to a second wave of the pandemic and the increased uncertainty. The President came under pressure in view of its handling of the COVID19 crisis and the increased social and racial tensions. The labor market began to recover from the drastic decline and the economy regained part of the jobs in the leisure and hospitality industry. The Federal Reserve confirmed its intention to maintain the monetary stimulus in the foreseeable future as well as its expectations for an economic decline through the year end.

The economic activity in the European Union declined further. In Germany the ruling coalition adopted a stimulus package amounting to 130 billion euros for supporting the households, communities and their energy related expenditures and in addition lowered the VAT rate until the end of the year. German industrial production and exports showed double digit declines as a result of the border closures and transportation limitations. The ECB increased the size and the term of its pandemic related asset purchases and released its quarterly economic projections for a 8.7% decline in economic growth in 2020 and for an inflation rate of 0.30%.

Geopolitical tensions between the US and China remained high as a result of the adopted new security legislation in Hong Kong, viewed by many as limiting the freedom of the autonomous region, as well as the disapproval by the US of the China's handling of the COVID19 pandemic.

US: S&P 500 and NASDAQ 100 increased by 1.84% MoM and 6.29 % MoM in USD, respectively, with similar increases registered in EUR (0.63% MoM and 5.03% MoM, respectively). The GDP fell by 5.0% in Q1 2020; the core inflation decreased substantially to 1.2% YoY in May; the unemployment rate fell slightly to 13.3% in May. The capital markets saw an optimistic start of the month and reached their February levels, followed by correction and consolidation. The Federal Reserve confirmed its expectations to maintain the monetary stimulus in the foreseeable future and projected 6.5% decline in GDP for 2020, unemployment rate of 9.3% and core inflation rate of 1.0%. As a result of the asset purchases the balance sheet of the FED reached 7.2 trillion dollars. The financing of the fiscal economic stimulus measures points to new record government debt issuance in the coming months and increase of the budget deficit. The government bond market remained stable and the 10y Treasury yield closed around 0.65%. The US dollar declined against the major currencies and closed around 1.1234 against the euro.

EUROPE: MSCI Europe increased by 2.88% MoM, whereas the economic growth in the Eurozone fell by 3.1% in Q1 2020. The unemployment rate was stable at 7.3% in April and the core inflation decreased to 0.8% YoY in May. The European capital markets followed the general market sentiment during the month but posted substantial gains from their lows. The demand for risk-free assets decreased and the 10y German Bund yield rose, closing around -0.45%. The ECB increased its pandemic related asset purchases by 600 billion euro, extended the term to at least June 2021 and kept its regular asset purchase program unchanged.

RUSSIA: MSCI Russia decreased by 2.31% MoM in USD and decreased by 3.46% in EUR terms respectively. The Brent oil price continued to recover closing at USD 41.27 per barrel (increase of 8.12% MoM). The OPEC+ countries extended the agreed production cuts by 9.7 million barrels per day in July and by 7.7 million barrels per day from August until September but these measures cannot offset the decrease in the demand. Under these circumstances the price of oil remains low and puts pressure on the oil companies globally. The CBR lowered substantially the base rate by 100 bps to 4.50% due to the falling inflation rate end the pandemic and confirmed its intention to pursue this policy in the future. The constitutional amendments introduced by the President were approved by significant majority and high turnout rate at the referendum. The macroeconomic data confirmed decrease in the economic growth in Q1 2020 to 1.6%, the inflation rate stabilized slightly at 2.9% in May and the unemployment rate rose to 6.1% in May. The Russian currency depreciated and closed around 71.18 rubbles per dollar.

BULGARIA: SOFIX increased by 0.12% and BGTR30 increased by 0.16%. The IMF forecasts decline in the GDP growth of 4.00% in 2020 as well as unemployment rate of 8.00%. The government accelerated the process of joining the ERM in order to gain access to various stimulus measures within the EU. Q1 earnings confirmed the declined economic activity and the negative expectations for the rest of the year. The stock exchange witnessed a successful IPO of a local IT company and a capital increase of a commercial bank. The macroeconomic data confirmed Q1 2020 GDP growth of 2.4% YoY. The HICP May inflation rate decreased to 1.0% YoY. The unemployment on a seasonally-adjusted basis increased to 6.2% in May.

OUTLOOK:

The expectations of investment analysts for the global economic development in 2020 worsened substantially as a consequence of the possible adverse effects of the COVID19 pandemic. Expectations are for double digit decline of economic growth in the coming quarters and strong decreases in sales for most economic sectors, directly affected by the quarantine measures. Labour markets are in shock after the dramatic increase in jobless claims and net loss of jobs. European economies remain overexposed to such risks. Financial markets reacted positively at the fresh monetary, fiscal and supranational stimulus, designed to underpin the recovery of the affected sectors after the situation comes under control. Companies will have to adapt to supply and demand changes, related to the economic slowdown, inventory build-up and orders backlog globally. Risk-free assets continue to experience strong demand as a safe haven for investors in an environment of uncertainty and high risk.

PORTFOLIO ALLOCATIONS:

Mutual fund	Return MoM, %	Equity allocation, %	MoM change in allocation
FFBH Vostok	0.05%	61.31%	No significant changes
FIB Avangard	-0.22%	52.67%	Increased equity exposure to the technology sector
FIB Classic	-0.21%	34.56%	Increased equity exposure to the technology sector, reduced equity exposure to the real estate sector and fixed-income exposure to government bonds
FIB Garant	0.19%	16.26%	Increased equity exposure to the technology sector, reduced fixed-income exposure to government bonds

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

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.