

FFBH Vostok

January 2021

Data as per 29 January 2021

NAV	
NAV	BGN 715,754
NAV per share	BGN 0.6583

Return (%)	
Monthly (MoM)*	0.79%
Annual (YoY)*	-16.75%
Year-to-date 2021*	0.79%
Since Inception (annualized)	-3.80%

Statistics (%)	
Standard Deviation*	15.80%
Monthly Alpha – MSCI Russia*	3.09%
Beta (β) – MSCI Russia*	0.54
R ² – MSCI Russia*	34.11%
Sharpe Ratio (0%)*	0.44

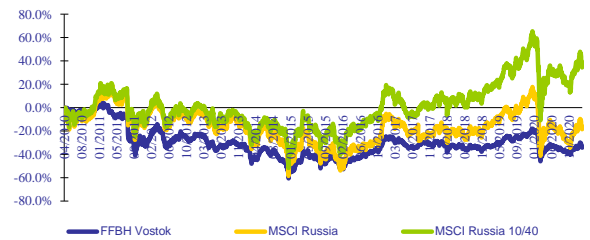
* see notes

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 2021, 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

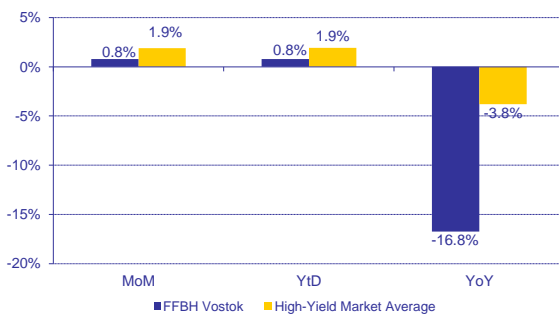
Fact sheet and fee information

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

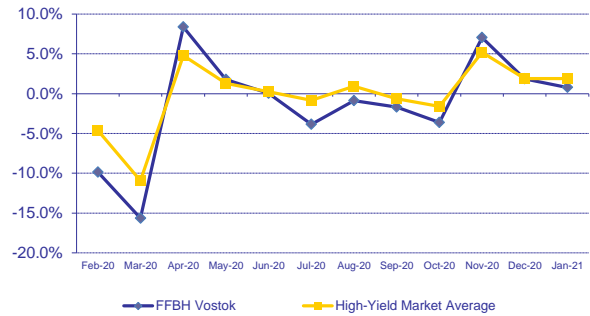
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	2.50%	

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

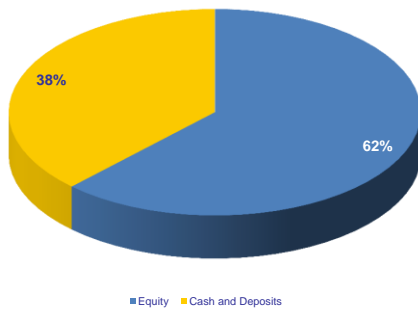


MoM return to HY market average*



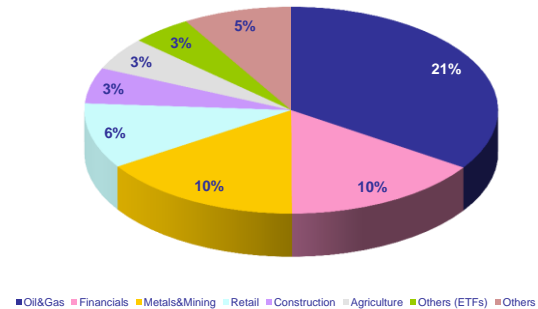
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



■ Equity ■ Cash and Deposits

Equity Portfolio (% of total assets)



■ Oil&Gas ■ Financials ■ Metals&Mining ■ Retail ■ Construction ■ Agriculture ■ Others (ETFs) ■ Others

Source: FFBH Asset Management

FIB Avangard

January 2021

Data as per 29 January 2021

NAV	
NAV	BGN 1,070,690
NAV per share	BGN 0.4540

Return (%)	
Monthly (MoM)*	3.90%
Annual (YoY)*	-19.45%
Year-to-date 2021*	3.90%
Since Inception (annualized)	-5.81%

Statistics (%)	
Standard Deviation*	11.69%
Monthly Alpha – MSCI ACWI*	3.66%
Beta (β) – MSCI ACWI*	0.46
R ² – MSCI ACWI*	45.18%
Sharpe Ratio (0%)*	-0.07

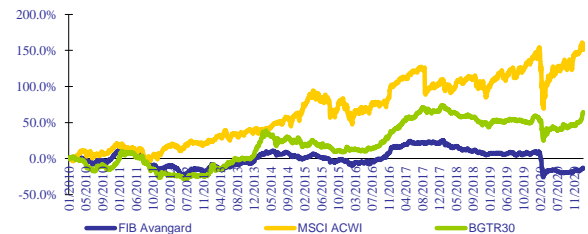
* see notes

Investment strategy

FIB Avangard is a high-yield, actively managed, mutual fund, inceptioned 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 2021 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

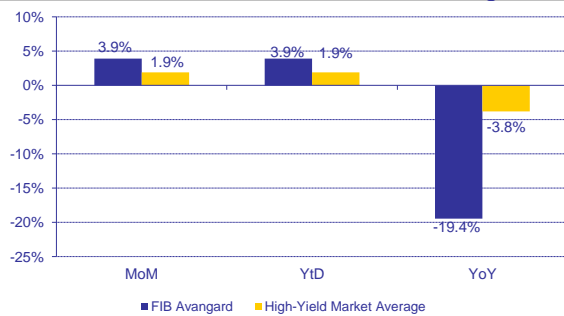
Fact sheet and fee information

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

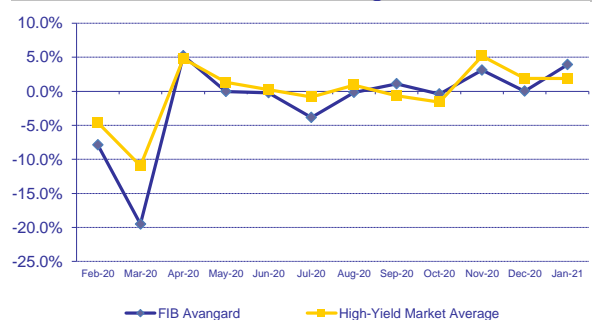
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.50%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.50%	0.00%
Management fee (annual % of average AUM)	3.00%	

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

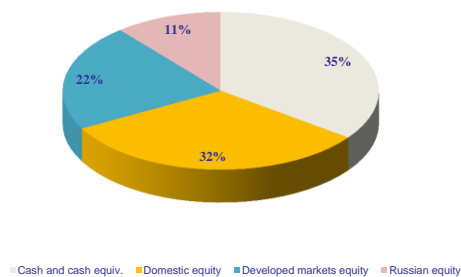


MoM return to HY market average*

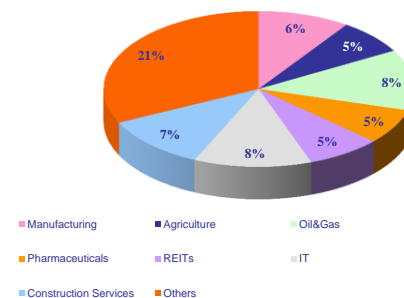


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Classic

January 2021

Data as per 29 January 2021

NAV	
NAV	BGN 1,189,276
NAV per share	BGN 0.8019

Return (%)	
Monthly (MoM)*	2.61%
Annual (YoY)	-10.19%
Year-to-date 2021*	2.61%
Since Inception (annualized)	-1.66%

Statistics (%)	
Standard Deviation*	5.88%
Monthly Alpha – MSCI ACWI*	2.37%
Beta (β) – MSCI ACWI*	0.21
R ² – MSCI ACWI*	36.66%
Sharpe Ratio (0%)*	0.15

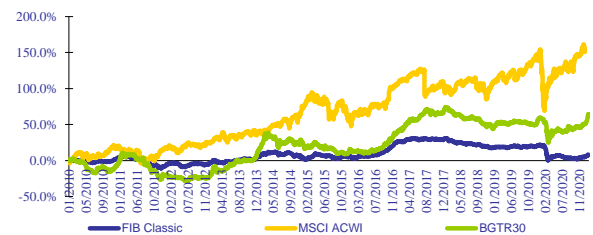
* see notes

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 2021 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

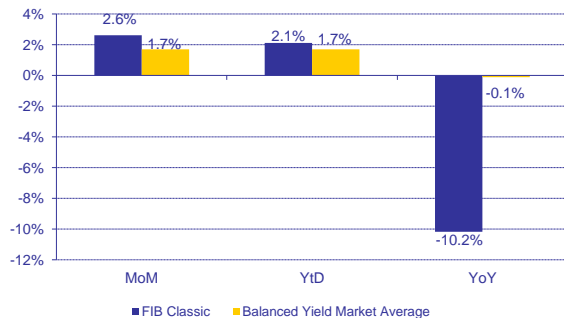
Fact sheet and fee information

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

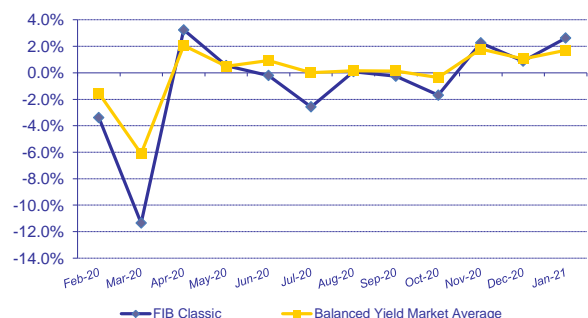
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.35%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.35%	0.00%
Management fee (annual % of average AUM)	2.50%	

* Minimum subscription is BGN 50

MoM, YoY and YtD return to BY market average*

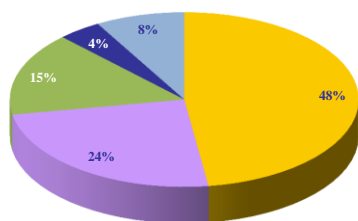


MoM return to BY market average*



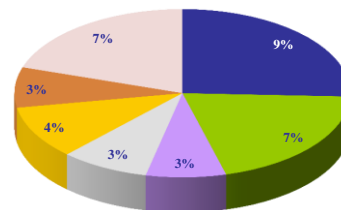
Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



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

Equity Portfolio (% of total assets)



■ REITs ■ Oil&Gas ■ Communications Equipment ■ Financials ■ IT ■ Pharmaceuticals ■ Others

Source: FFBH Asset Management

FIB Garant

January 2021

Data as per 29 January 2021

NAV	
NAV	BGN 1,007,335
NAV per share	BGN 1.2127

Return (%)	
Monthly (MoM)*	1.28%
Annual (YoY)*	-2.70%
Year-to-date 2021*	1.28%
Since Inception (annualized)*	1.47%

Statistics (%)	
Standard Deviation*	2.60%
Sharpe Ratio (0%)*	0.00
Interest rates (%)	
3 months	0.01%
12 months	0.15%

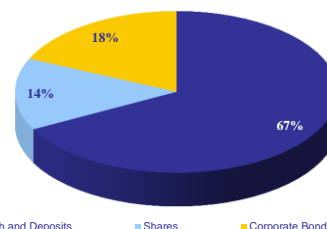
* see notes

Yield on selected Bulgarian treasuries (%)

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	2.000%	26/03/2022	EUR	-0.39%
Eurobond	1.875%	21/03/2023	EUR	-0.32%
Eurobond	2.950%	03/09/2024	EUR	-0.22%
Eurobond	2.625%	26/03/2027	EUR	-0.10%
Eurobond	0.375%	23/09/2030	EUR	0.30%
Eurobond	1.375%	23/09/2050	EUR	1.30%

Source: Bloomberg

Asset Allocation



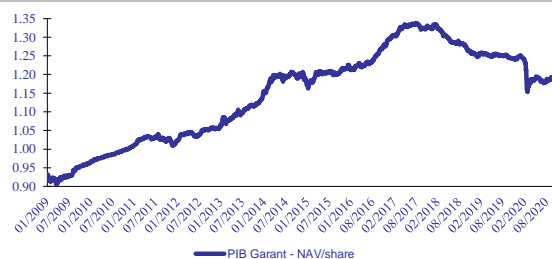
Source: FFBH Asset Management

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 2021 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

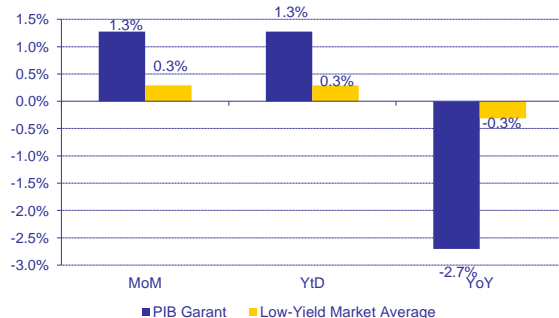
Fact sheet and fee information

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

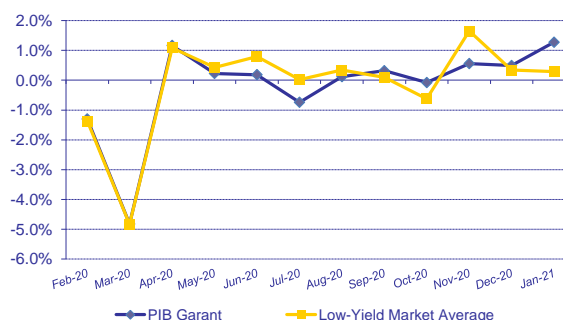
Subscription*	up to BGN 100,000	more than BGN 100,000
Entry fee	0.15%	0.00%
Holding Period	up to 24 months	over 24 months
Redemption fee	0.15%	0.00%
Management fee (annual % of average AUM)	1.50%	

* 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 January 2021

MARKET OVERVIEW:

In January 2021 the financial markets resumed their uptrend and consolidated around their highs as a result of the development of several COVID19 vaccines and the continued vaccination of the population. The virus mutated into a couple of more contagious variants and the first problems related to delayed production, distribution and administering of the vaccines emerged in many countries. The global economic growth fell in Q4 2020 due to the pandemic related restriction measures. The IMF raised its economic outlook and now expects the global economy to grow by 5.5% in 2021 and by 4.2% in 2022. China appears to be the only major economy to have grown in 2020 by 2.3% despite the contracting domestic consumption.

In the US the transition of power led to protests and insurrection whereas immediately after assuming power the President signed a number of executive orders reversing previous or introducing new policies related to the pandemic, students and mortgage loans, climate change, immigration, healthcare system, oil and gas drilling and others. He presented a draft of American Rescue Plan including 1.9 trillion dollars stimulus for supporting the households and businesses such as direct payments to citizens, increases in federal unemployment benefits and federal minimum wage, state and local government aid, funds towards COVID-19 testing and a national vaccine program. The Plan needs to be approved by the US Senate.

In Europe the member-states extended the restrictive measures due to the increasing number of infections leading to protests by the citizens and the affected sectors and businesses. Serious problems emerged related to the vaccine quantity, distribution and administering in many member-states. Italy plunged into political crisis after one of the small political parties decided to pull its support for the current governing coalition.

US: S&P 500 decreased by 1.11% MoM and NASDAQ 100 increased by 0.29% MoM in USD, with similar changes in EUR (decrease of 0.46% MoM and increase of 0.95% MoM). The GDP rose by 4.0% in Q4 2020; but declined by 3.5% in 2020. The core inflation remained stable at 1.6% YoY in December. The unemployment rate was stable at 6.7% in December.

After the noticeable rebound in Q3 2020 the economy slowed its growth. The financial results for Q4 2020 published by the companies were better than expected especially for the financial and technology sectors as well as the sectors benefiting from the pandemic. The labor market slowed further whereas initial jobless claims rose and the job creation fell substantially. The Federal Reserve left the federal funds rate unchanged at its regular meeting and confirmed the pace of monthly asset purchases to at least 120 billion dollars. In its statement the Federal Reserve noted that the pace of the recovery and employment has moderated in recent months and the path of the economy will depend significantly on the course of the virus, including progress on vaccinations.

The government bond market fell and the 10y Treasury yield increased to 1.07%. The US dollar appreciated against the major currencies and closed around 1.2136 against the euro.

EUROPE: MSCI Europe decreased by 0.79% MoM. The GDP in the Eurozone fell by 0.7% in Q4 2020 and declined by 6.8% in 2020. The core inflation was stable at 0.2% YoY in December. The unemployment rate decreased to 8.3% in December.

The European economies continued to operate under substantial restrictions due to the pandemic. The economic activity slowed and the manufacturing and services PMI indices remained in contraction territory. Germany lowered sharply its 2021 growth forecast from 4.4% to 3.0%. At its monthly meeting the European Central Bank left its monetary policy unchanged. The ECB noted that the coronavirus pandemic is still posing serious risks to the Eurozone economy and in this environment ample monetary stimulus remains essential. The ECB continues to stand ready to adjust all of its instruments as appropriate.

The demand for risk-free assets decreased and the 10y German Bund yield rose, closing around -0.52%.

RUSSIA: MSCI Russia decreased by 2.81% MoM in USD and decreased by 2.16% in EUR. The GDP rose by 13.0% in Q3 2020, but declined by 3.4% compared to Q3 2019. The inflation rate increased to 4.2% YoY in December. The unemployment rate fell to 5.9% in December. The Brent oil price rose to USD 55.04 per barrel (increase of 6.21% MoM).

The OPEC+ countries decided to ease the agreed production cuts from 7.2 million barrels per day to 7.125 million barrels per day in February and 7.05 million barrels per day in March. The organization expects global oil demand in 2021 to increase by 5.9 million barrels per day year over year to average 95.9 barrels per day. These forecasts assume a healthy recovery in economic activities including industrial production, an improving labour market and higher vehicle sales. The main expectations are related primarily to the transportation and industrial fuels.

The Russian currency depreciated and closed around 75.75 rubbles per dollar.

BULGARIA: SOFIX increased by 11.59% and BGTR30 increased by 8.35%. The GDP rose by 4.3% in Q3 2020, but declined by 5.2% compared to Q3 2019. The inflation rate (HICP) fell to 0.0% YoY in December. The seasonally-adjusted unemployment fell to 4.8% in December.

The economy continued to operate under restrictions whereas the preventive measures led to positive results in the pandemic management. The capital market rose and there was strong demand for companies related to an upcoming acquisition in the energy sector, the construction and manufacturing sectors. The stock exchange reported increased amount of capital attraction and trading volumes in 2020. The first IPO of a local technology company on the "SME Growth Market beam" was successfully completed and oversubscribed.

OUTLOOK:

The global economy continues to recover from the pandemic related decline. The recovery depends on the path of the virus and the vaccination process. The financial markets are expecting strong corporate financial results and the beginning of a new cycle in the economic growth where the technology sector and the cyclical sectors remain preferred by the investors. The governments and central banks are firmly committed to maintaining the fiscal and monetary stimulus aiming at sustainable economic recovery.

PORTFOLIO ALLOCATIONS:

Mutual fund	Return MoM, %	Equity allocation, %	MoM change in allocation
FFBH Vostok	0.79%	62.19%	No significant changes
FIB Avangard	3.90%	64.91%	No significant changes
FIB Classic	2.61%	36.77%	No significant changes
FIB Garant	1.28%	14.40%	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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