

MUTUAL FUNDS (MF) HOW TO FACE MARKET CHALLENGES SUCCESSFULLY

27 NOVEMBER 2015

AGENDA

A. MUTUAL FUNDS (MF) WORLDWIDE

B. MUTUAL FUNDS IN BULGARIA

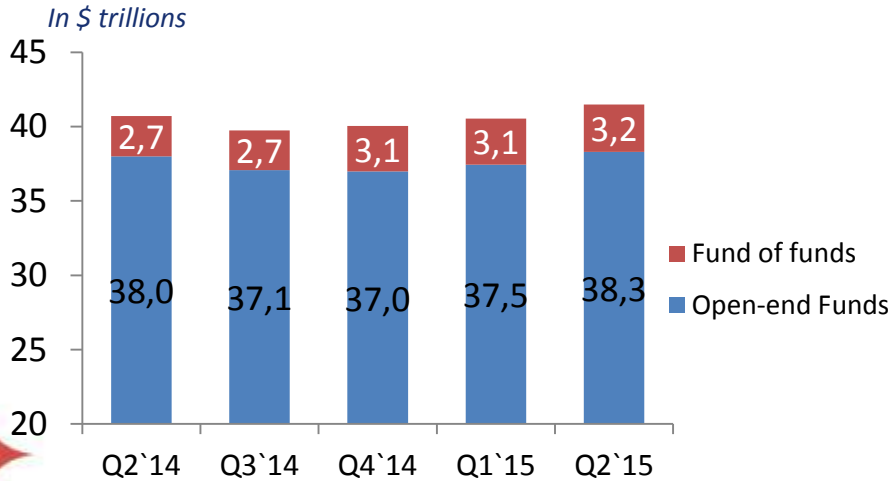
C. STEPS FOR SUCCESSFUL INVESTMENT IN MUTUAL FUNDS

D. MUTUAL FUNDS AT POSTBANK

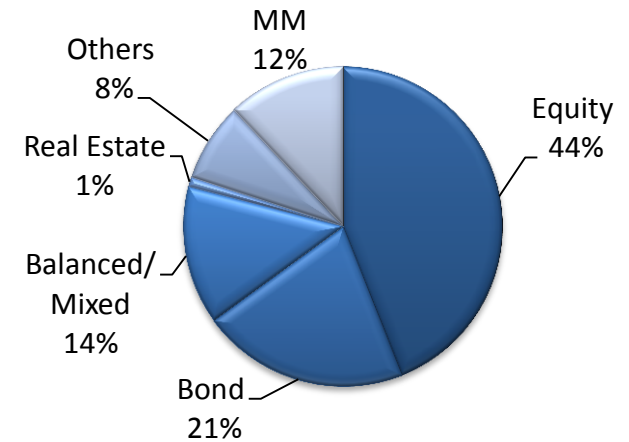
**E. SCENARIOS FOR INVESTMENT IN MF – UPTREND AND
DOWNTREND MARKET**

MUTUAL FUNDS WORLDWIDE (Q2`15)

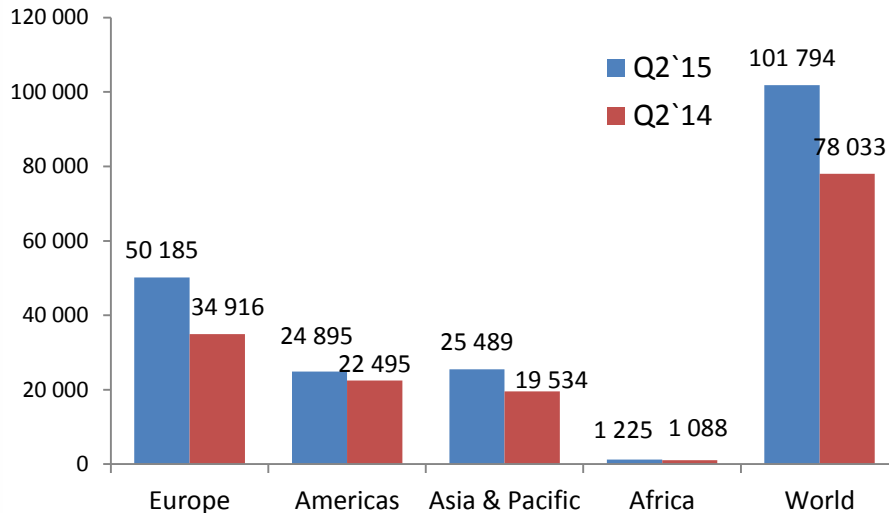
WORLDWIDE ASSETS OF OPEN-END FUNDS



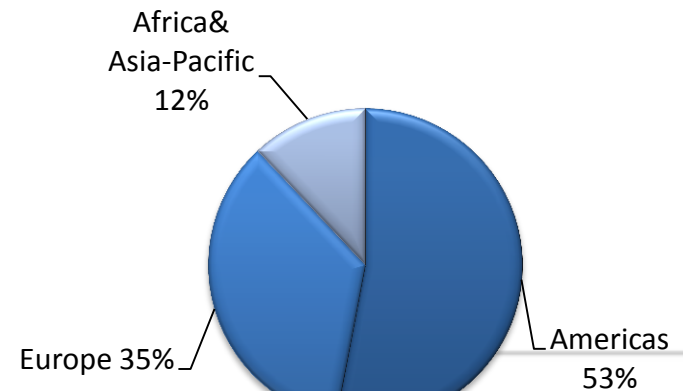
% OF WORLDWIDE OPEN-END FUND ASSETS



WORLDWIDE NUMBER OF MFs*



% OF WORLDWIDE ASSETS OF MF BY REGION



*Data excluding Fund of Funds

Source: Investment Company Institute; IIFA

MUTUAL FUNDS TRENDS

Global Mutual Fund Trends

- Over the past two decades, the global mutual fund industry has boomed
- Assets in mutual funds (open-end funds) have increased more than nine fold for the period 1993 – Q2`2015
 - US\$4.0 trillion in 1993
 - US\$38.3 trillion in Q2`15

Luxembourg is a major financial hub in Europe

- Luxembourg is a leading center for investment funds (UCITS – undertaking for collective investment)
- 36.3% out of EUR 8.2 billion European UCITS Industry, in terms of Net Assets (data as of Q2`15, source: EFAMA)
- Luxembourg has ~10% global market share of funds` assets (data as of Q2`15, source: ICI)

**USD 38.3 TRILLION
NET ASSETS AS
OF Q2`15 AND**

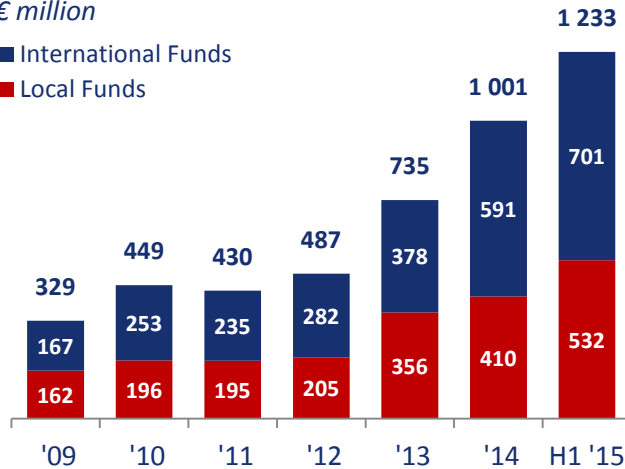


MUTUAL FUNDS IN BULGARIA

MUTUAL FUNDS ASSETS

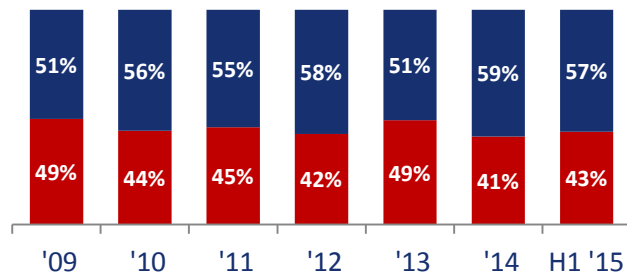
In € million

■ International Funds
■ Local Funds



In %

■ International Funds
■ Local Funds



Source: BNB

MUTUAL FUNDS TRENDS

LOCAL MUTUAL FUNDS (# 106)

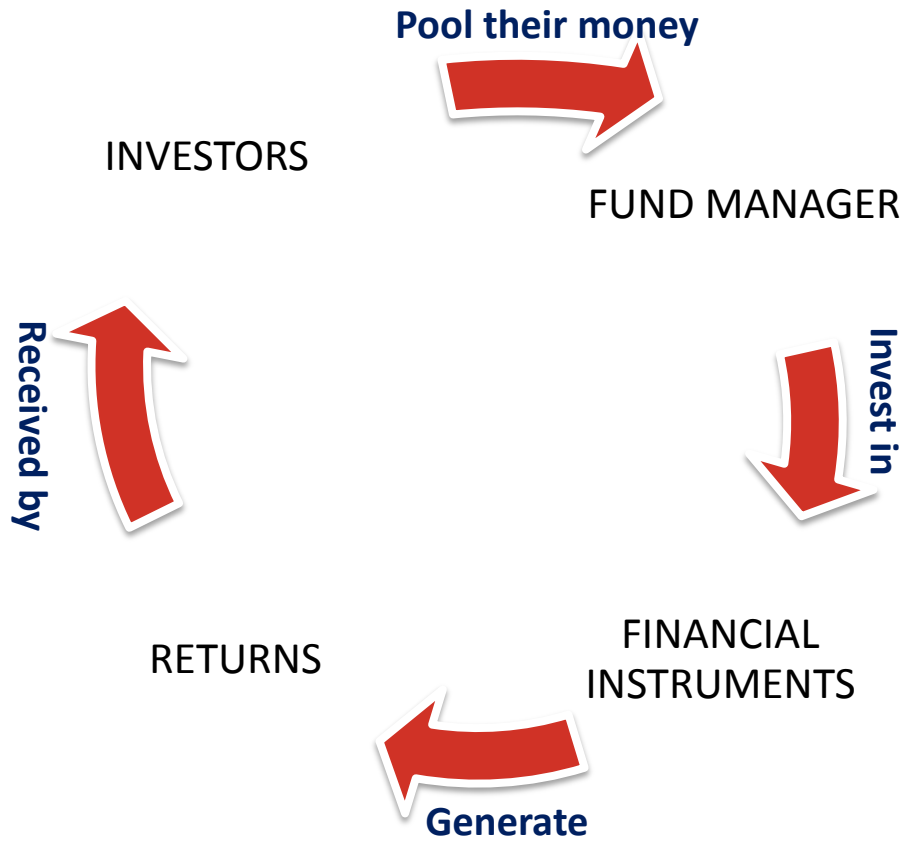
International Funds (# 571)

Assets of MF 2.40% of GDP in 2014

> 30% CAGR for the last 5.5 years

INVESTMENT OPTIONS

MUTUAL FUND INVESTMENT BENEFITS



- ❖ DIVERSIFICATION
- ❖ POSITIONING
- ❖ ECONOMIES OF SCALE
- ❖ FLEXIBILITY
- ❖ PROFESSIONAL MANAGEMENT

STEPS FOR SUCSSEFUL MF INVESTMENT

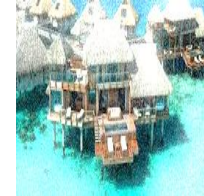
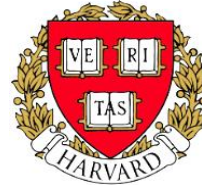
DEFINE FINANCIAL GOALS + RISK PROFILE

1. DEFINE FINANCIAL GOALS

❖ FINANCIAL GOALS ARE UNIQUE



PORSCHE



❖ MUTUAL FUND COMBINATION TO MEET OBJECTIVES

Financial goals definition, while strictly keeping in mind the time horizon of the goals you've set

2. INVESTMENT RISK PROFILE

❖ CRUCIAL FOR SUCCESSFUL INVESTMENT



❖ ANSWER THE QUESTION HONESTLY AND BE WELL FAMILIAR

Higher Risk, higher probability to put in stake part or whole of your investment portfolio



STEPS FOR SUCSSEFUL MF INVESTMENT

FUND SELECTION + FUND MONITORING

- 3. FUND SELECTION** - plenty of options to decide from:
- ❖ **LOCAL AND/OR INTERNL. MUTUAL FUNDS WITH ACCESS TO ASSET CLASSES/GEOGRAPHIC COVERAGE/SECTORS**

★★★★★
Morningstar Rating™

- ❖ **DECISION DEPENDS ON YOUR RISK PROFILE + OWN GOALS = MUTUAL FUND PROFILE**
Historical performances should not be an investor's main driver, as they do not guarantee future results



4. FUND MONITORING

- ❖ **PERFORMANCE MONITORING IN ORDER TO TRACK YOUR EXPECTATIONS**



No daily monitoring like stocks or even valid for FX.
Quarterly review might be sufficient
Mutual fund performance vs. benchmark

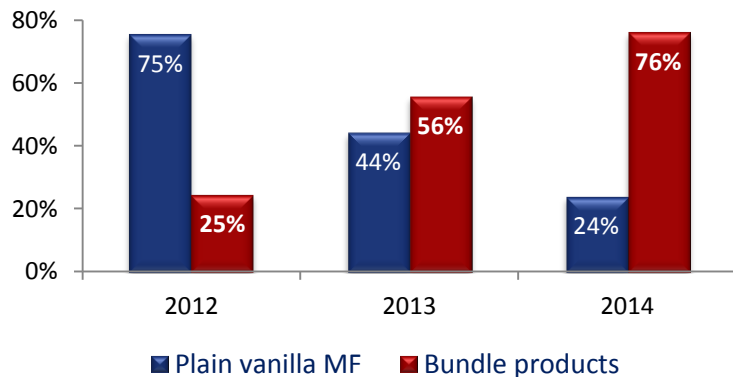


POSTBANK AND DISTRIBUTION OF (LF) AND (LF) FUND OF FUNDS

CLIENT CATEGORIES - POSTBANK



PRODUCT TYPE



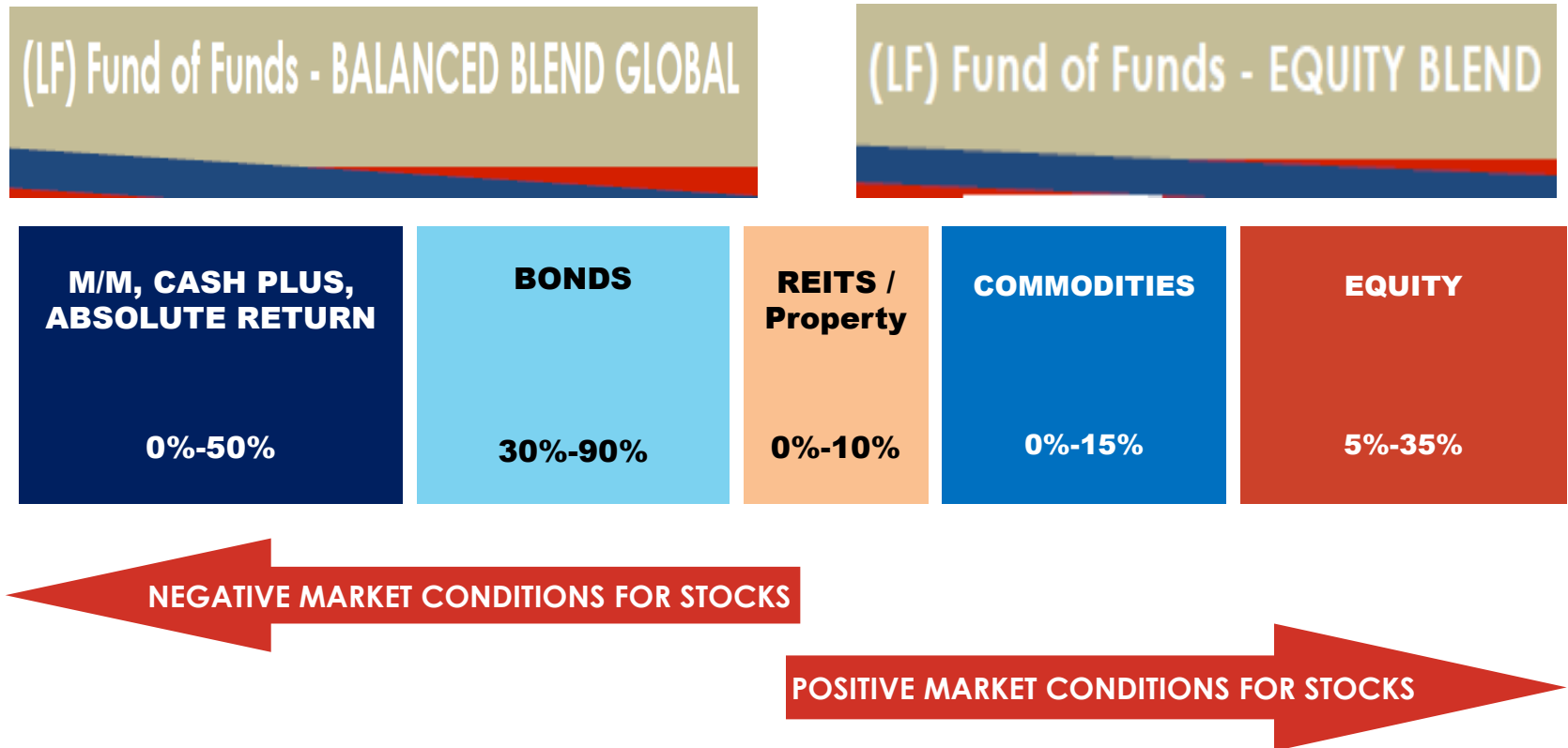
POSTBANK

- ❖ LFs & LF Fund of Funds launched in 2008
- ❖ Organized by Luxembourg-based Eurobank Fund Management Company
- ❖ Strong focus on retail clients
- ❖ Competitive bundle products launched in 2010

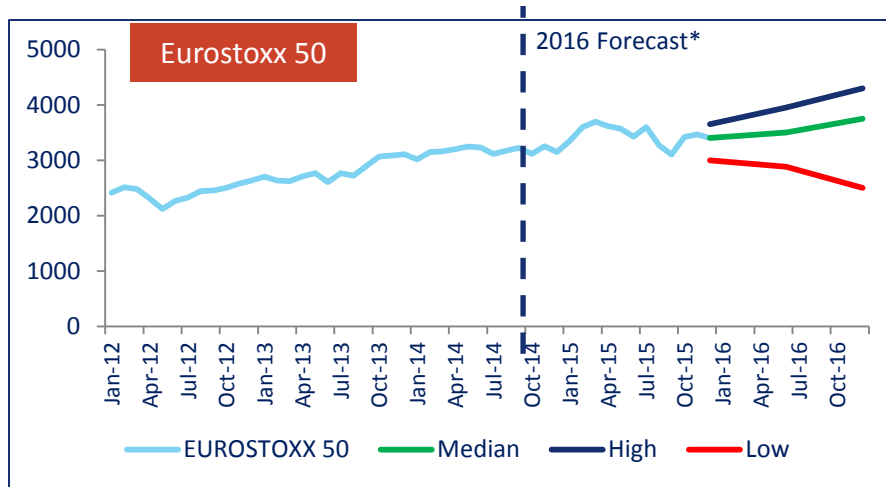
EUROBANK FUND MANAGEMENT COMPANY

- ❖ “Umbrella fund” - composed of several sub-funds with separate assets and liabilities
- ❖ 41 LFs & LF Fund of Funds, currently
- ❖ Registered in Luxembourg as per EU Directive (UCITS IV)
- ❖ Fund Selection Expertise
- ❖ Diversification/Liquidity / Flexibility

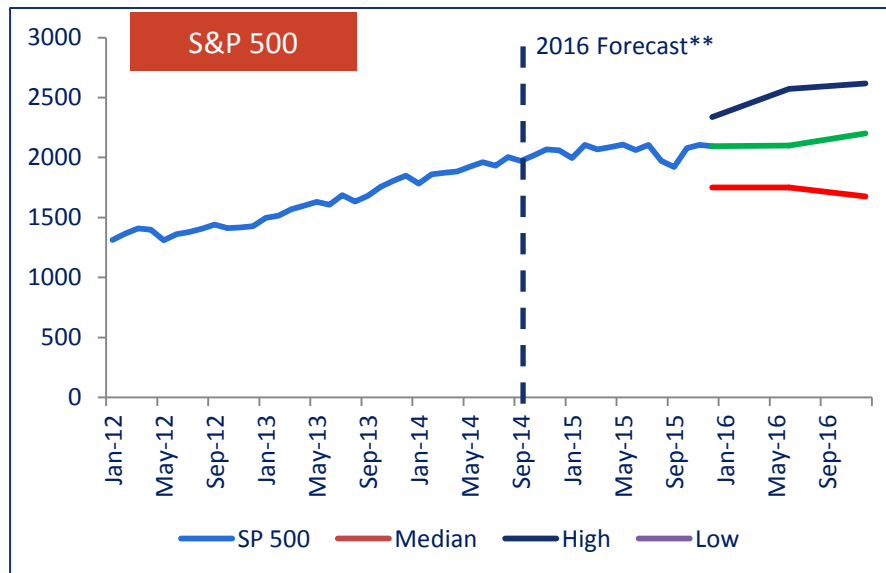
BENEFITS OF LF FUND OF FUNDS DYNAMIC ALLOCATION



UPTREND SCENARIO AND LF MUTUAL FUNDS



*Reuters Poll on Eurostoxx 50, of 27 financial institutions;

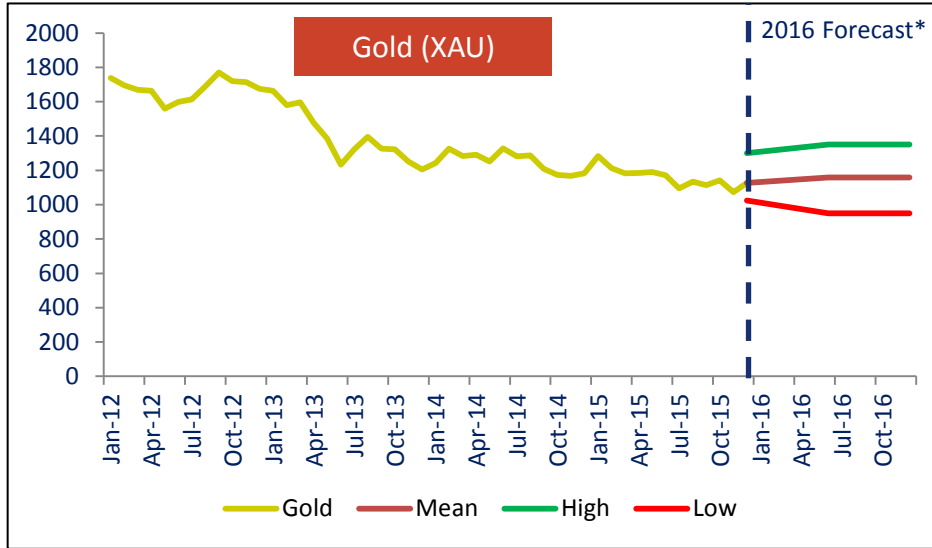


**Reuters Poll on S&P 500 of 22 financial institutions

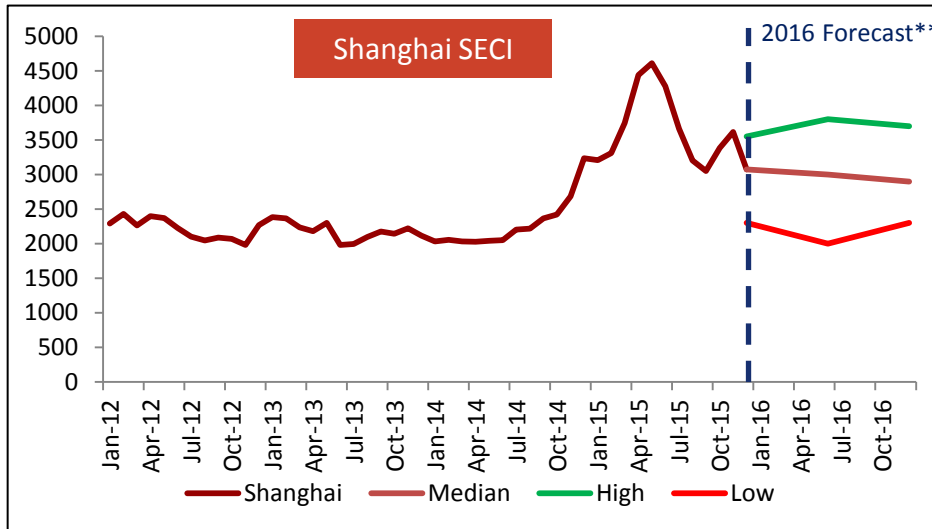
(LF) Equity- GLOBAL EQUITIES FUND

(LF) Fund of Funds - EQUITY BLEND

DOWNTREND SCENARIO AND LF MUTUAL FUNDS



*Reuters Poll on Gold (XAU) of 38 financial institutions



**Reuters Poll on Shanghai Stock Exchange Composite Index of 16 financial institutions

(LF) Fund of Funds - BALANCED BLEND GLOBAL

THANK YOU!