

## FIB Avangard

November 2022

Data as per 30 November 2022

NAV	
NAV	BGN 1 928 435
NAV per share	BGN 0,4603

Return (%) / Statistics (%)	
Monthly (MoM)*	1,02%
Annual (YoY)*	-10,43%
Year-to-date 2022*	-11,79%
Since Inception (annualized)	-5,03%
Standard Deviation*	12,03%

TOP 5 POSITIONS	
FIB BONDS	5,24%
BULGARIAN REAL ESTATE FUND REIT	3,18%
ADVANCED MICRO DEVICES, INC.	3,18%
MICROSOFT CORP	2,99%
NOKIA OYJ	2,83%

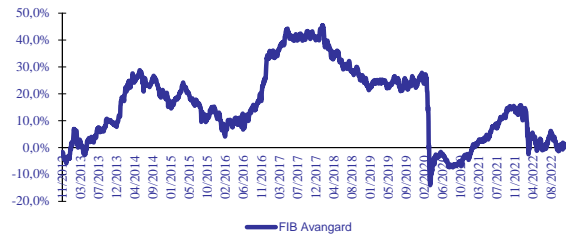
\* see notes

### 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 2022 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 Cummulative Return 10y



Source: FFBH Asset Management

### Fact sheet and fee information

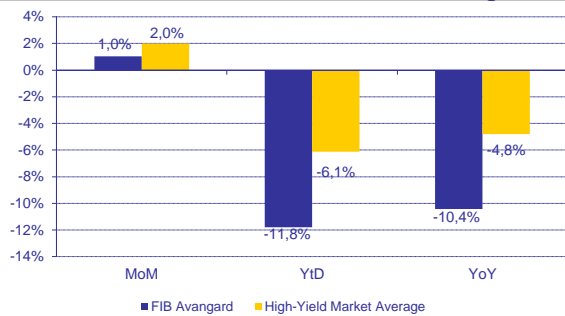
Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions	Every Business Day
Incorporation	Bulgaria

Subscription*	0,00%
Entry fee	0,00%

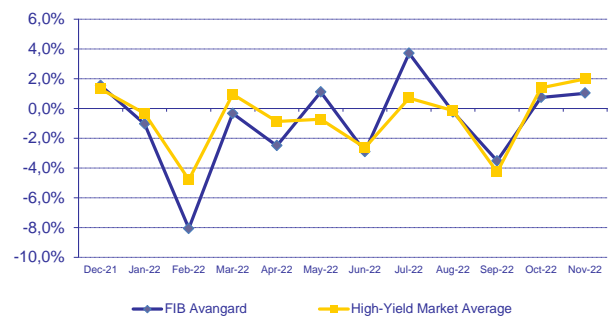
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

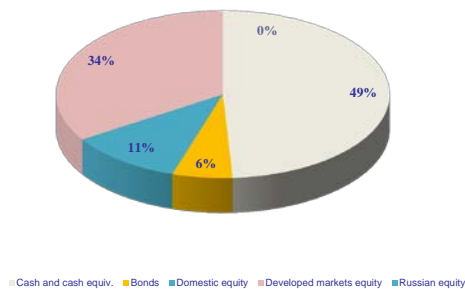


### MoM return to HY market average\*

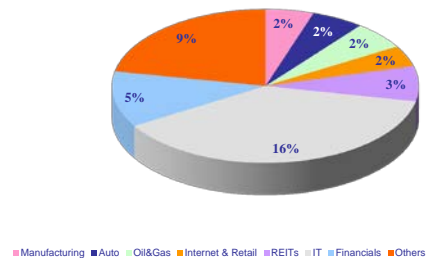


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Classic

November 2022

Data as per 30 November 2022

NAV	
NAV	BGN 3 392 866
NAV per share	BGN 0,7757

Return (%) / Statistics (%)	
Monthly (MoM)*	1,07%
Annual (YoY)	-12,03%
Year-to-date 2022*	-13,62%
Since Inception (annualized)	-1,68%
Standard Deviation*	7,32%

TOP 5 POSITIONS	
FIB BONDS	4,77%
AT&T INC	3,05%
APPLE INC	2,87%
REPUBLIC OF HUNGARY	2,80%
ENERGO-PRO AS	2,77%

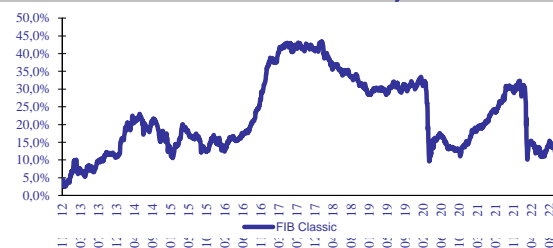
\* see notes

### 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 2022 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 government and corporate bonds.

### FIB Classic Cumulative Return 10y



Source: FFBH Asset Management

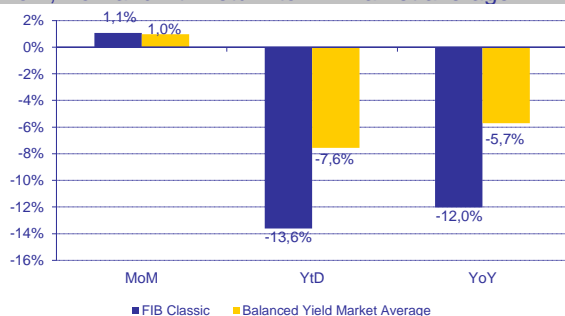
### Fact sheet and fee information

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

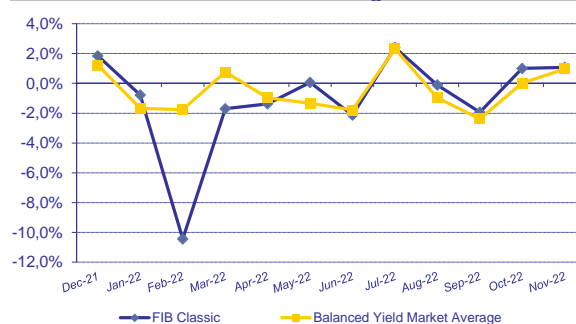
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

\* Minimum subscription is BGN 50

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

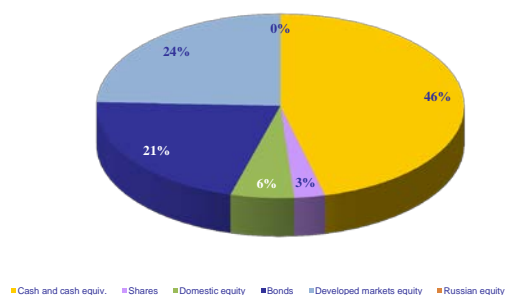


### MoM return to BY market average\*

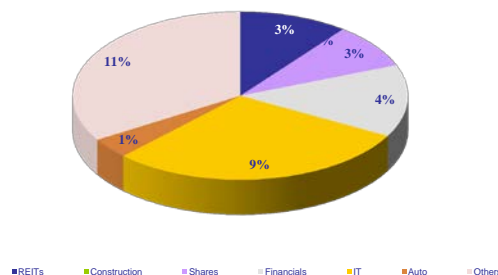


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Garant

November 2022

Data as per 30 November 2022

NAV	
NAV	BGN 2 441 654
NAV per share	BGN 1,1345

\* see notes

Return (%) / Statistics (%)	
Monthly (MoM)*	2,25%
Annual (YoY)*	-7,18%
Year-to-date 2021*	-7,34%
Since Inception (annualized)*	0,84%
Standard Deviation*	3,31%

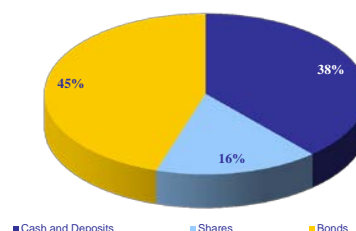
TOP 5 POSITIONS	
REPUBLIC OF ROMANIA	7,75%
REPUBLIC OF CROATIA	6,86%
REPUBLIC OF BULGARIA	6,02%
FIB BONDS	5,80%
ENERGO-PRO AS	3,86%

Yield on selected Bulgarian treasuries (%) / Interest rates (%)

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	1,875%	21/03/2023	EUR	2,08%
Eurobond	2,950%	03/09/2024	EUR	2,77%
Eurobond	2,625%	26/03/2027	EUR	3,93%
Eurobond	0,375%	23/09/2030	EUR	5,15%
Eurobond	1,375%	23/09/2050	EUR	4,70%
3 months			BGN	0,02%
12 months			BGN	0,03%

Source: Bloomberg

Asset Allocation



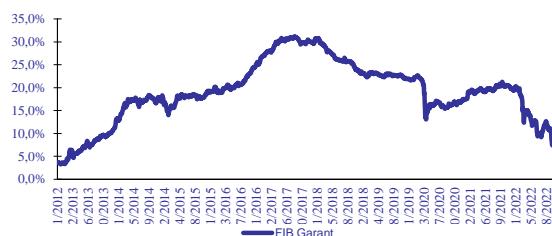
Source: FFBH Asset Management

### 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 2022 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 Cumulative Return 10y



Source: FFBH Asset Management

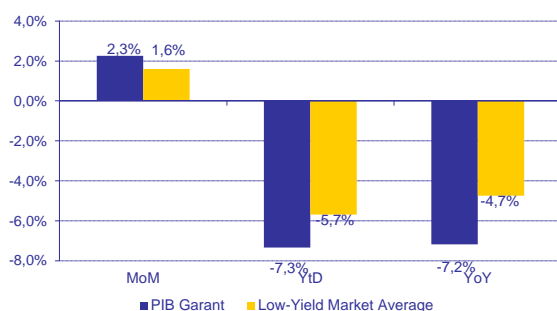
### Fact sheet and fee information

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

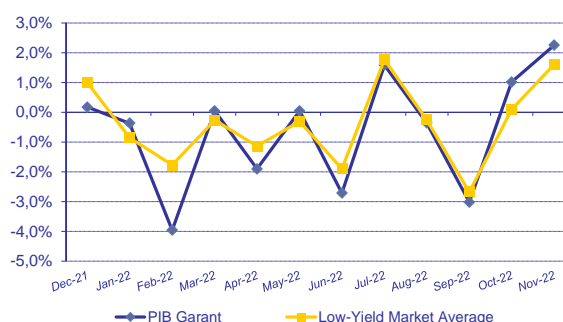
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

\* 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

## FFBH Vostok

November 2022

Data as per 30 November 2022

NAV	
NAV	BGN 466 400
NAV per share	BGN 0,4211

Return (%) / Statistics (%)	
Monthly (MoM)*	-2,86%
Annual (YoY)*	-44,20%
Year-to-date 2022*	-45,63%
Since Inception (annualized)	-6,62%
Standard Deviation*	21,50%

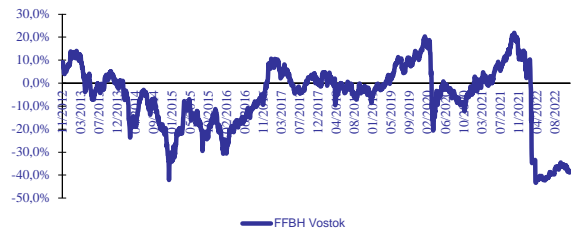
TOP 5 POSITIONS	
ADVANCED MICRO DEVICES, INC.	3,76%
APPLE INC	2,99%
0	0,00%
0	0,00%
0	0,00%

\* 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 90% in equities and up to 50% invested in bonds.

### FFBH Vostok Cummulative Return 10y



Source: FFBH Asset Management

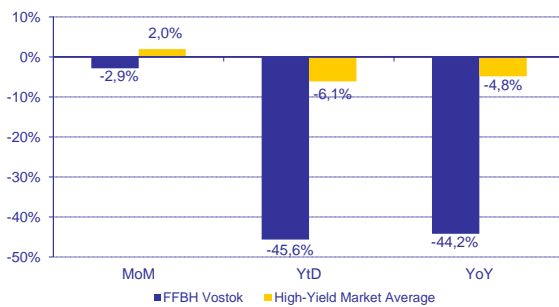
### Fact sheet and fee information

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

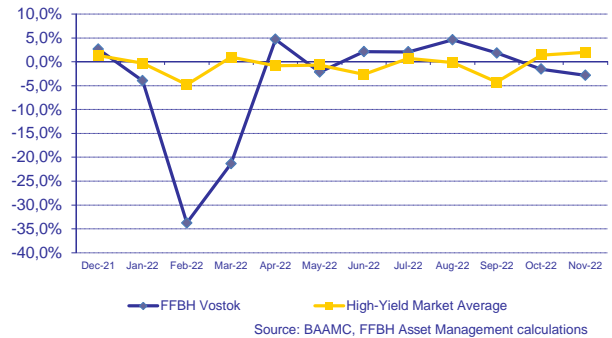
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

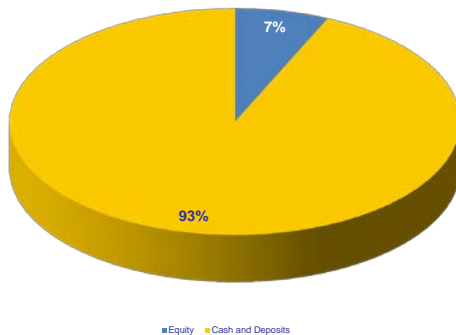


### MoM return to HY market average\*

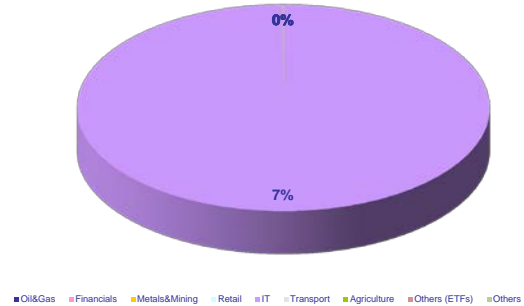


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## #Marketing Communication

### Targeted Markets' Key Statistics - November 2022

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Oct-22	3 872,0	Nov-22	4 080,1	5,4%
Nasdaq 100	Oct-22	11 405,6	Nov-22	12 030,1	5,5%
2Y US Treasury Yield	Oct-22	4,487	Nov-22	4,329	-0,16
10Y US Treasury Note Yield	Oct-22	4,050	Nov-22	3,611	-0,44
USD index (DX)	Oct-22	111,42	Nov-22	105,9	-5,0%
Consumer Sentiment	Oct-22	59,9	Nov-22	56,8	-3,1
GDP (QoQ)	Q2	-1,6%	Q3 (P)	2,9%	4,5%
Core CPI (MoM)	Sep-22	0,6%	Oct-22	0,3%	-0,3%
Core PPI (MoM)	Sep-22	0,2%	Oct-22	0,0%	-0,2%
Unemployment	Sep-22	3,5%	Oct-22	3,7%	0,2%
Core Retail Sales (MoM)	Sep-22	0,1%	Oct-22	1,3%	1,2%
Manufacturing PMI	Sep-22	49,9	Oct-22	50,4	0,5
ISM Non Manufacturing	Sep-22	56,7	Oct-22	54,4	-2,3

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Oct-22	412,2	Nov-22	440,0	6,8%
DAX	Oct-22	13 253,7	Nov-22	14 298,8	7,9%
2Y German Bund Yield	Oct-22	1,949	Nov-22	2,075	0,13
10Y German Bund Yield	Oct-22	2,150	Nov-22	1,886	-0,26
EUR.USD	Oct-22	0,9883	Nov-22	1,0423	5,5%
ZEW Economic Sentiment	Oct-22	-59,7	Nov-22	-38,1	21,6
GDP (QoQ)	Q2	0,2%	Q3 (P)	2,1%	1,9%
CPI (MoM)	Sep-22	1,2%	Oct-22	1,5%	0,3%
PPI (MoM)	Sep-22	1,6%	Oct-22	-2,9%	-4,5%
Unemployment	Sep-22	6,6%	Oct-22	6,5%	-0,1%
Retail Sales (MoM)	Sep-22	0,4%	Oct-22	-1,8%	-2,2%
Manufacturing PMI	Oct-22	46,4	Nov-22	47,1	0,7
Industrial Production (MoM)	Aug-22	1,5%	Sep-22	0,9%	-0,6%

Bulgaria / BSE	Previous	Prev. Value	Current	Curr.Value	Change
SOFIX	Oct-22	589,5	Nov-22	603,4	2,4%

### Scoring second positive moth in row, despite FED & ECB tough rhetoric:

We are quickly approaching the end of what has been an unique year for financial markets. Both economic and monetary policy uncertainty remain high, and the Fed just forward with a fourth consecutive 75 basis point rate hike at the November 2 FOMC meeting. This marks 375 bps of rate hikes in less than 4 months, with more presumably to come. However, the Committee did open the door for a slowdown in the pace of future rate hikes. While not completely unexpected, Chair Powell made it clear that a pause in rate hikes is not under consideration at this point.

In November, stocks and bonds rally as risk appetite improved following a weaker-than-anticipated US inflation print, buoying expectations that the FED might slow. Capital markets continued to recover: global equities rose by 7.8%, while global government bonds also rallied by 4.8%. There were no clear signs of a global recession – US hard data were notably robust. Chinese stocks rallied, amid rumors of zero-Covid policy easing.

EUR and GBP rebounded against the US dollar. Commodities were mixed as Brent Crude and WTI oil fell to \$85 and \$80 per barrel (respectively), though gold rose by 8%. European natural gas prices also jumped higher, but were still well below their summer highs.

Cryptocurrencies: although we are not invested in /or have any plans to do so/, it's worth saying a few words about them. FTX filed for bankruptcy /USD +30 Bn. MCap, at peak/. The founder hides on Bahamas, USD 3 Bn. missing from the books. Some other leading venues also have "credibility problems". The outcome - Bitcoin fell by almost 20% /Pick to Trough -73%/. Trillions of dollars have disappeared since last November, but the hope is still alive.

US companies wrapped up an earnings growth rate of 2.2% in Q3, helped by strong figures from the energy sector (based on 94% of S&P 500 companies). Not so bad, considering investors' battered expectations.

In the midterm elections, the Republican clean sweep failed to materialize, as the Democrats retained control of the Senate, but ceded control of the House. So, the deadlock continues /although the parties traded places/, which is good for the markets.

Eurozone shares advanced in November, extending the gains made in October. Shares were supported by hopes that inflation may be moderating in the Eurozone. Inflation, eased to 10.0% year-on-year in November, after 10.6% in October. Warmer autumn weather resulted in reduced energy demand, allaying fears of shortages, although energy costs remain the biggest component driving higher inflation.

#### Global bonds

November saw a robust recovery in bond markets in general. Government bond yields were broadly lower, and credit spreads tightened across global markets. This came as investors sensed that inflation may be peaking in the US, and that the Federal Reserve (Fed) can afford to ease back on its tightening policy. As a result, very positive credit market returns were observed, led by emerging markets high yield, US and sterling investment grade.

#### Commodities

The S&P GSCI Index recorded a negative performance in November, with price gains in industrial metals and precious metals failing to offset weaker prices for energy and agriculture. The index fell some 28% from its peak /March 8/ this year.

### Prospective - a pause or a slight give back is possible.

It is hard to say we could score three points /positive months/ in a row. Equities have gone too far. Bonds erased some losses, but both asset classes are vulnerable. Recession whisper talks persist. This might weigh on the final trading days, before Christmas. A pause or even a slight give back is possible.

### FFBH AM Mutual Funds Key Figures:

#### Portfolio Performance, Portfolio composition

	MoM, %	Equity Allocation, %	FI Allocation, %	Cash, %
<i>FIB Avangard</i>	1,02%	45,2%	5,8%	49,0%
<i>FIB Classic</i>	1,07%	24,9%	21,2%	46,1%
<i>FIB Garant</i>	2,25%	16,5%	45,0%	38,5%
<i>FFBH Vostok</i>	-2,86%	6,8%		93,2%

#### Regional Diversification /ex cash/

	US, North America %	Eurozone %	BGN %	Other %
<i>FIB Avangard</i>	24,8%	9,2%	16,3%	0,6%
<i>FIB Classic</i>	19,2%	14,6%	10,3%	9,8%
<i>FIB Garant</i>	4,4%	19,0%	14,2%	20,5%
<i>FFBH Vostok</i>	6,7%	-	-	-

#### Sector portfolio allocation changes /regional/

	<i>FIB Avangard</i>	<i>FIB Classic</i>	<i>FIB Garant</i>	<i>FFBH Vostok</i>
Technology	▲ US	▲ US	-	▲ US
Discretionary	▼ BSE	▼ BSE	-	-
Industrials	▼ BSE	-	-	-
Financials	-	-	-	-
Energy	-	-	-	-
Telecoms	-	-	-	-
Pharmaceuticals	-	-	-	-
REITs	-	-	-	-
Staples	-	-	-	-
Utility	-	-	-	-

## 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*: 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 using the MoM, YoY and YtD returns of each fund ( $R_i$ ,  $i=1$  to  $n$ ), based on formula:  $\sum (R_i)/n$ , where  $n$  is the number of mutual funds.

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