

## FIB Avangard

January 2023

Data as per 31 January 2023

NAV	
NAV	BGN 1 803 198
NAV per share	BGN 0,4560

Return (%) / Statistics (%)	
Monthly (MoM)*	3,25%
Annual (YoY)*	-11,70%
Year-to-date 2023*	3,25%
Since Inception (annualized)	-5,03%
Standard Deviation*	12,03%

TOP 5 POSITIONS	
FIB BONDS	5,46%
BULGARIAN REAL ESTATE FUND REIT	3,46%
SALESFORCE.COM INC	3,36%
ADVANCED MICRO DEVICES, INC.	3,15%
NVIDIA CORP	3,12%

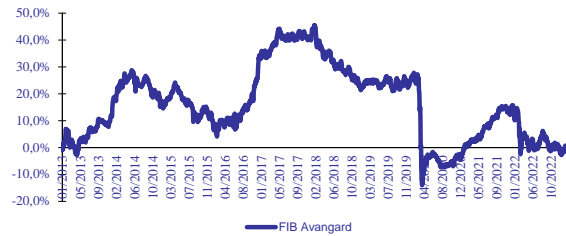
\* see notes

### 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 2023 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

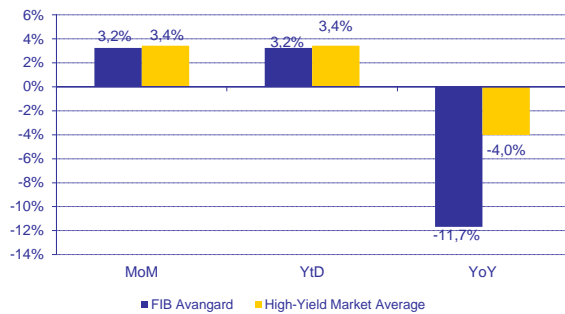
Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions	Every Business Day
Incorporation	Bulgaria

Subscription*	
Entry fee	0,00%

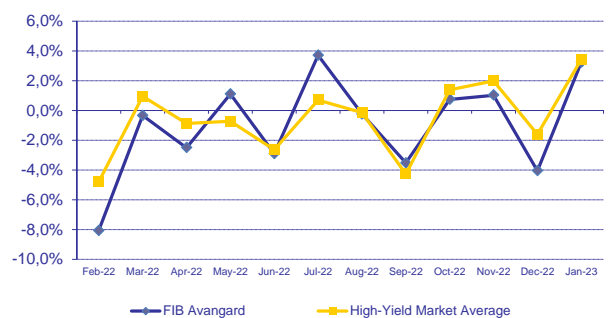
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

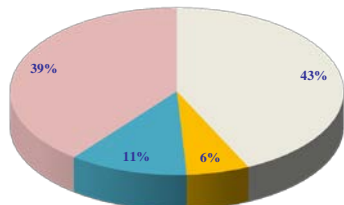


### MoM return to HY market average\*



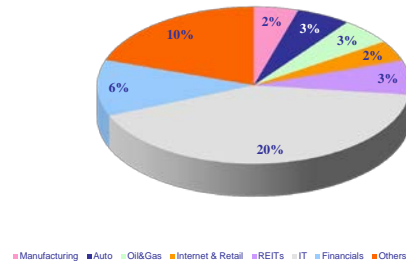
Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



\* Cash and cash equiv. ■ Bonds ■ Domestic equity ■ Developed markets equity

### Equity Portfolio (% of total assets)



■ Manufacturing ■ Auto ■ Oil&Gas ■ Internet & Retail ■ REITs ■ IT ■ Financials ■ Others

Source: FFBH Asset Management

## FIB Classic

January 2023

Data as per 31 January 2023

NAV	
NAV	BGN 3 362 685
NAV per share	BGN 0,7688

Return (%) / Statistics (%)	
Monthly (MoM)*	1,95%
Annual (YoY)	-13,72%
Year-to-date 2023*	1,95%
Since Inception (annualized)	-1,71%
Standard Deviation*	7,33%

TOP 5 POSITIONS	
FIB BONDS	4,69%
AT&T INC	3,11%
ENERGO-PRO AS	2,86%
REPUBLIC OF HUNGARY	2,74%
APPLE INC	2,71%

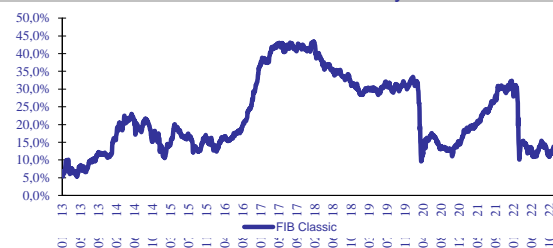
\* see notes

### Investment strategy

FIB Classic is a balanced mutual fund, incepted 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 2023 remains equity-focused, which includes holding equity allocation close to the fund's limits. Equities will be concentrated in Bulgaria, Western Europe and USA with preference to dividend-paying value companies. Bond portfolio would comprise of domestic and foreign government and corporate bonds.

### FIB Classic Cummulative Return 10y



Source: FFBH Asset Management

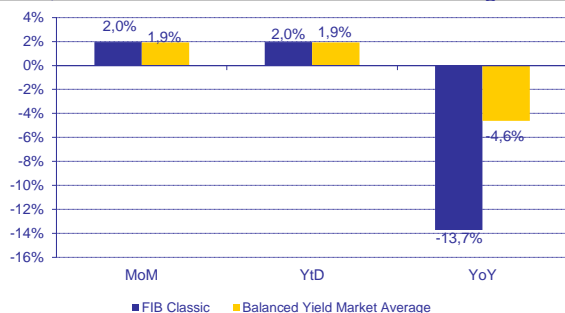
### Fact sheet and fee information

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

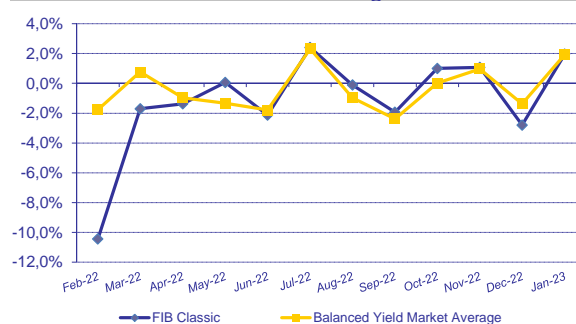
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

\* Minimum subscription is BGN 50

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

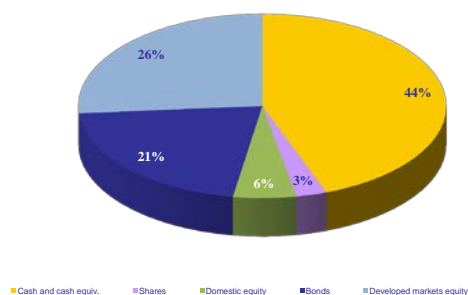


### MoM return to BY market average\*

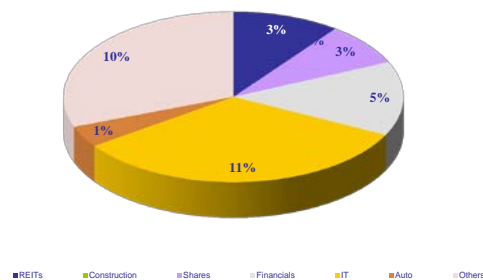


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Garant

January 2023

Data as per 31 January 2023

NAV	
NAV	BGN 2 436 846
NAV per share	BGN 1,1323

\* see notes

Return (%) / Statistics (%)	
Monthly (MoM)*	0,68%
Annual (YoY)*	-7,18%
Year-to-date 2023*	0,68%
Since Inception (annualized)*	0,82%
Standard Deviation*	3,33%

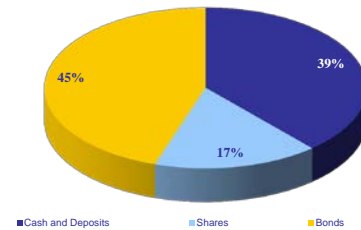
TOP 5 POSITIONS	
REPUBLIC OF ROMANIA	7,83%
REPUBLIC OF CROATIA	6,85%
REPUBLIC OF BULGARIA	6,08%
FIB BONDS	5,66%
ENERGO-PRO AS	3,95%

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	1,875%	21/03/2023	EUR	2,33%
Eurobond	2,950%	03/09/2024	EUR	3,21%
Eurobond	2,625%	26/03/2027	EUR	3,43%
Eurobond	0,375%	23/09/2030	EUR	4,06%
Eurobond	1,375%	23/09/2050	EUR	4,01%
3 months			BGN	2,59%
12 months			BGN	3,46%

Source: Bloomberg

Asset Allocation



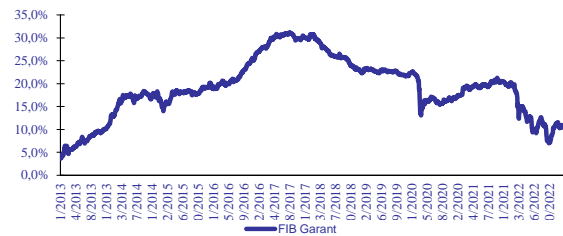
Source: FFBH Asset Management

### 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 2023 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. Low local deposit rates would also lead to an increase in the Fund's exposure to foreign corporate and sovereign bonds.

### FIB Garant Cummulative Return 10y



Source: FFBH Asset Management

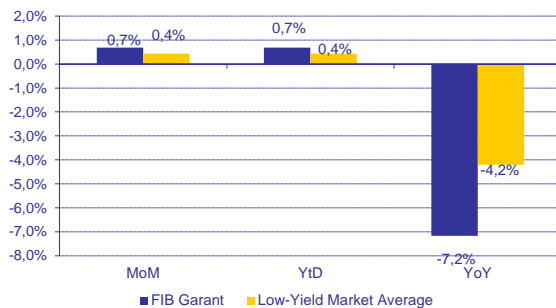
### Fact sheet and fee information

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

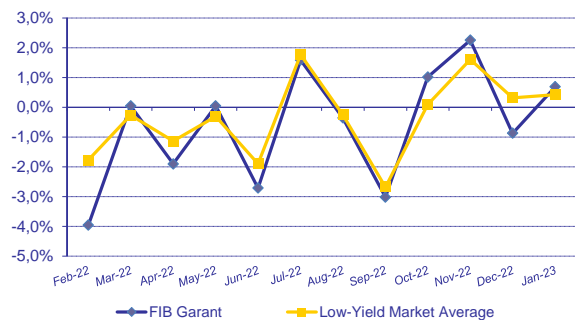
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

\* 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

January 2023

Data as per 31 January 2023

NAV	
NAV	BGN 426 154
NAV per share	BGN 0,4030

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,91%
Annual (YoY)*	-45,79%
Year-to-date 2023*	-0,91%
Since Inception (annualized)	-6,85%
Standard Deviation*	21,39%

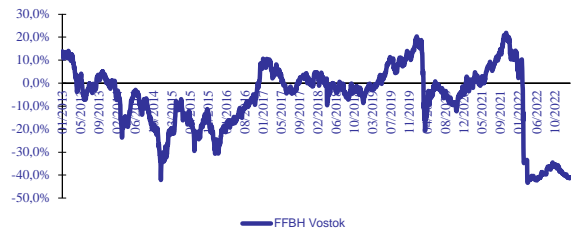
TOP 5 POSITIONS	
ADVANCED MICRO DEVICES, INC.	3,81%
APPLE INC	3,05%
0	0,00%
0	0,00%
0	0,00%

\* see notes

### Investment objective overview

FFBH Vostok is a Technology oriented investment vehicle. The fund targets NASDAQ100/NDX/ components, as well as other global IT and Biotechnology non NDX members. 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

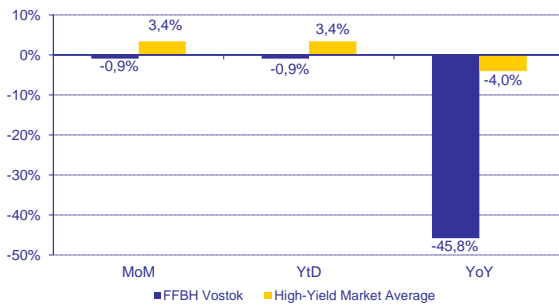
### Fact sheet and fee information

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

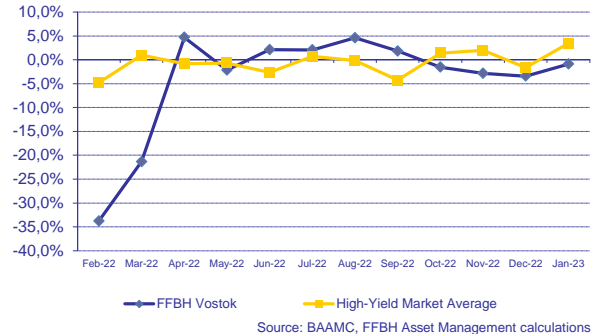
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

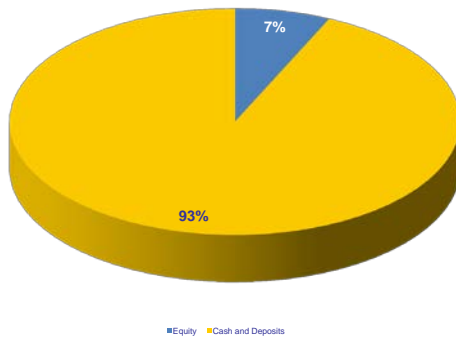


### MoM return to HY market average\*

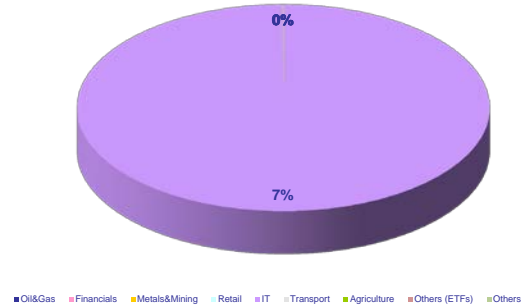


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## #Marketing Communication

### Targeted Markets' Key Statistics - January 2023

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Dec-22	3 844,9	Jan-23	4 076,6	6,0%
Nasdaq 100	Dec-22	10 939,8	Jan-23	12 101,9	10,6%
2Y US Treasury Yield	Dec-22	4,428	Jan-23	4,205	-0,22
10Y US Treasury Note Yield	Dec-22	3,879	Jan-23	3,510	-0,37
USD index (DX)	Dec-22	103,30	Jan-23	101,92	-1,3%
Consumer Sentiment	Dec-22	59,7	Jan-23	64,9	5,2
GDP (QoQ)	Q3	3,2%	Q4 (P)	2,9%	-0,3%
Core CPI (MoM)	Nov-22	0,2%	Dec-22	0,3%	0,1%
Core PPI (MoM)	Nov-22	0,2%	Dec-22	0,1%	-0,1%
Unemployment	Nov-22	3,6%	Dec-22	3,5%	-0,1%
Core Retail Sales (MoM)	Nov-22	-0,6%	Dec-22	-1,1%	-0,5%
Manufacturing PMI	Nov-22	47,7	Dec-22	46,9	-0,8
ISM Non Manufacturing	Nov-22	56,5	Dec-22	49,6	-6,9

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Dec-22	424,9	Jan-23	453,2	6,7%
DAX	Dec-22	13 923,6	Jan-23	15 128,3	8,7%
2Y German Bund Yield	Dec-22	2,731	Jan-23	2,649	-0,08
10Y German Bund Yield	Dec-22	2,563	Jan-23	2,280	-0,28
EUR.USD	Dec-22	1,0702	Jan-23	1,0862	1,5%
ZEW Economic Sentiment	Dec-22	-23,6	Jan-23	16,7	40,3
GDP (QoQ)	Q2	0,2%	Q3 (P)	0,1%	-0,1%
CPI (MoM)	Dec-22	-0,4%	Jan-23	-0,4%	0,0%
PPI (MoM)	Nov-22	-1,0%	Dec-22	1,1%	2,1%
Unemployment	Nov-22	6,5%	Dec-22	6,6%	0,1%
Retail Sales (MoM)	Nov-22	1,2%	Dec-22	-2,7%	-3,9%
Manufacturing PMI	Dec-22	47,8	Jan-23	48,8	1,0
Industrial Production (MoM)	Oct-22	-2,0%	Nov-22	1,0%	3,0%

Bulgaria / BSE	Previous	Prev. Value	Current	Curr.Value	Change
SOFIX	Dec-22	601,5	Jan-23	614,9	2,2%

### January Yo-Yo compensates most of the December Year-end liquidation. Risk-on' resumes, as inflation moderates and peak interest rates move into focus.

Stock markets started 2023 on a strong footing with gains across global equities. China's re-opening after dropping the zero-Covid policy in late December helped propel the advance. Increasing confidence that interest rates are nearing their ultimate level has boosted stocks, particularly growth segments of the market. Speculative, heavily shorted stocks have led this year's rally. Signs that inflation is easing from its autumn highs in several major regions supported sentiment, amid hopes central banks may be close to the peak of their rate hiking cycle. Risk appetites picked up, despite expectations of a slightly softer earnings season compared to Q4 2021.

The tech-focused index NASDAQ gained 11% in January, its best start to the year since January 2001, when it gained 12%. The S&P 500 rose to 4076.60, added 6.2% this month. Many investors are hoping the old Wall Street saying that "as goes January, so goes the year," proves true. History is in their favor: The Nasdaq has averaged a 14% rise through the rest of the year after gaining 10% or more in January, according to Dow Jones Market Data. CME FED Watch shows the federal-funds rate reaching 5.25% by June, with one or two rate cuts expected in the latter half of 2023, sending FFR back to 4.75% -5.0%. The market narrative is pricing very much Goldilocks at the moment, quite the opposite to the Anti-goldilocks Hvoc, we were discussing reluctantly in 2022.

Eurozone shares were among the best regional performers in January. Forward-looking indicators raised hopes that the eurozone may continue to avoid recession. The pan-continental Stoxx Europe 600 rose 6.7% in January, its third month of gains in the past

four. Germany's DAX index rose 8.7% this month, now off just 7% from its record high set more than a year ago. Top performing sectors included economically-sensitive areas of the market such as information technology and consumer discretionary. Real estate also enjoyed a rebound after poor performance in 2022. Within consumer discretionary, luxury goods stocks were particularly strong following the news of China's economic reopening. Energy was the weakest sector while defensive areas like utilities and healthcare also underperformed.

Emerging markets outperformed their developed counterparts.

In fixed income markets, bond yields fell. Commodities saw a negative return for the month.

Global government bond yields fell in January on encouraging news on inflation – particularly out of the US. The month was light on central bank meetings, but the market began anticipating a slower pace of rate hikes by the Federal Open Market Committee (FOMC). The better-than-expected fourth quarter GDP was driven by a **significant build up in inventories**, while other near-term and forward looking indicators, including retail sales and industrial production, fell.

## What comes next?

Fourth quarter /Q4/ earnings season has been mixed, with aggregate US earnings now falling 5% and slightly below analysts' expectations. The Q1 and Q2 2023 projections are either cautious or absent at it's best.

Pretty much the same earnings picture in Europe, despite the fact that analysts keep on calling for the outperformance of the european equities over the SP500 contenders.

We think markets need time to digest prolonged earnings downtrend and readjust valuation models, meaning no bold actions of the january's magnitude expected. We'd rather have a standard February.

No surprises from FED or ECB expected.

## FFBH AM Mutual Funds Key Figures:

### Portfolio Performance, Portfolio composition

	MoM, %	Equity Allocation, %	FI Allocation, %	Cash, %
<i>FIB Avangard</i>	3,25%	51,6%	5,5%	42,9%
<i>FIB Classic</i>	1,95%	34,6%	21,1%	44,3%
<i>FIB Garant</i>	0,68%	16,6%	44,9%	38,5%
<i>FFBH Vostok</i>	-0,91%	6,9%		93,1%

### Regional Diversification /ex cash/

	US, Canada %	Eurozone %	BGN %	Other %
<i>FIB Avangard</i>	28,5%	10,4%	17,3%	0,9%
<i>FIB Classic</i>	20,4%	12,2%	13,2%	9,9%
<i>FIB Garant</i>	4,3%	22,0%	17,9%	17,4%
<i>FFBH Vostok</i>	6,7%	-	-	0,2%

### Sector portfolio allocation changes /regional/

	<i>FIB Avangard</i>	<i>FIB Classic</i>	<i>FIB Garant</i>	<i>FFBH Vostok</i>
Technology	-	-	-	-
Discretionary	-	-	-	-
Industrials	-	-	-	-
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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