

FIB Avangard

February 2023

Data as per 28 February 2023

NAV	
NAV	BGN 1 802 929
NAV per share	BGN 0,4559

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,01%
Annual (YoY)*	-3,98%
Year-to-date 2023*	3,23%
Since Inception (annualized)	-5,01%
Standard Deviation*	11,90%

TOP 5 POSITIONS	
FIB BONDS	5,42%
NVIDIA CORP	3,79%
BULGARIAN REAL ESTATE FUND REIT	3,47%
ADVANCED MICRO DEVICES, INC.	3,37%
SALESFORCE.COM INC	3,34%

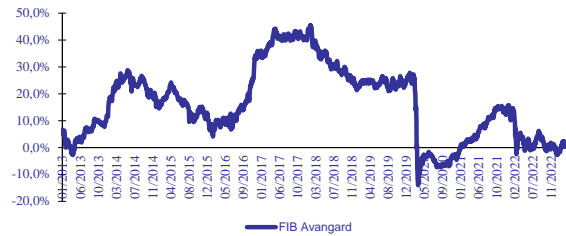
* see notes

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

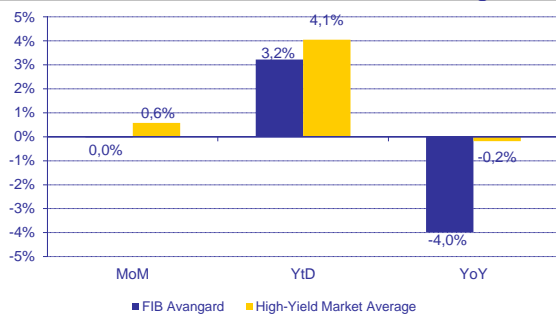
Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions	Every Business Day
Incorporation	Bulgaria

Subscription*	
Entry fee	0,00%

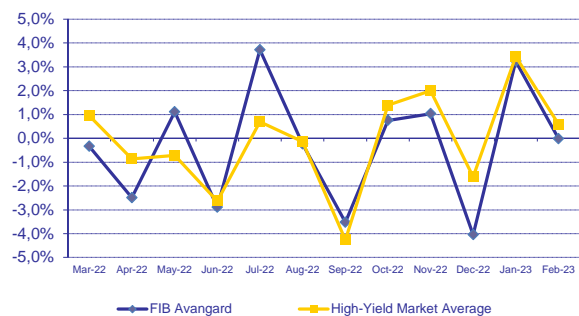
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

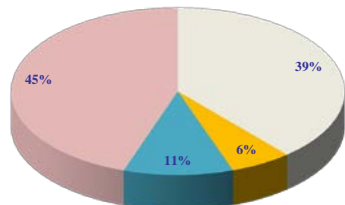


MoM return to HY market average*



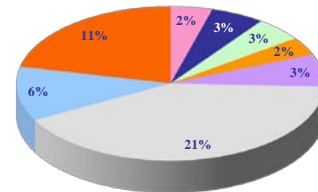
Source: BAAMC, FFBH Asset Management calculations

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

February 2023

Data as per 28 February 2023

NAV	
NAV	BGN 3 361 163
NAV per share	BGN 0,7684

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,05%
Annual (YoY)	-3,69%
Year-to-date 2023*	1,91%
Since Inception (annualized)	-1,71%
Standard Deviation*	7,26%

TOP 5 POSITIONS	
FIB BONDS	4,65%
AT&T INC	2,95%
ENERGO-PRO AS	2,91%
APPLE INC	2,82%
REPUBLIC OF HUNGARY	2,79%

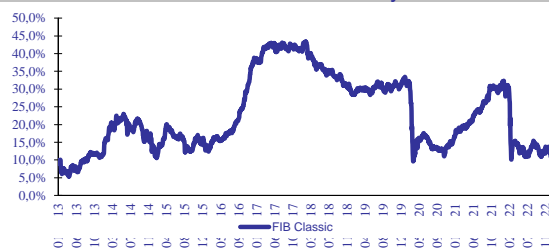
* see notes

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 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 Cumulative Return 10y



Source: FFBH Asset Management

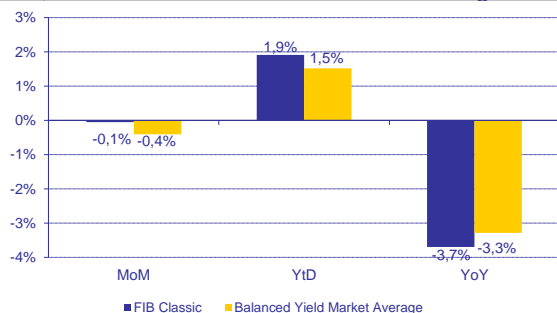
Fact sheet and fee information

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

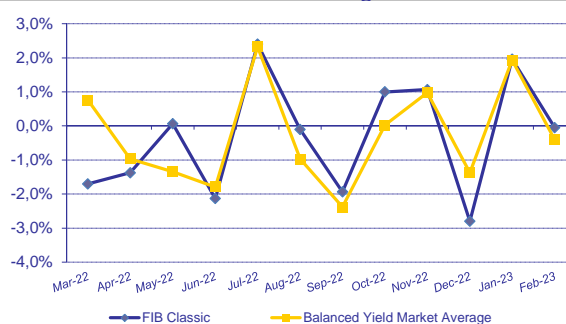
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to BY market average*

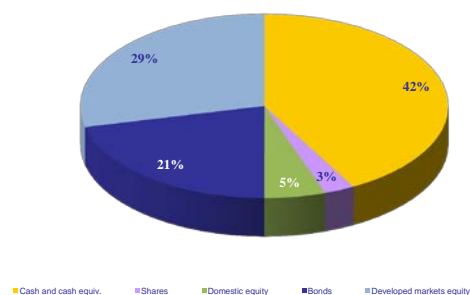


MoM return to BY market average*

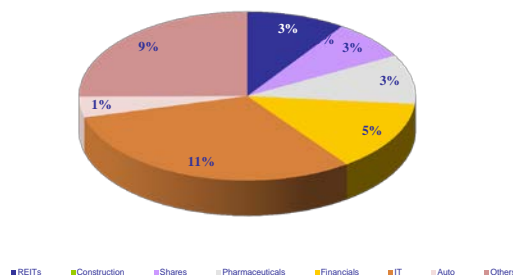


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Garant

February 2023

Data as per 28 February 2023

NAV	
NAV	BGN 2 426 819
NAV per share	BGN 1,1285

* see notes

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,34%
Annual (YoY)*	-3,68%
Year-to-date 2023*	0,34%
Since Inception (annualized)*	0,79%
Standard Deviation*	3,32%

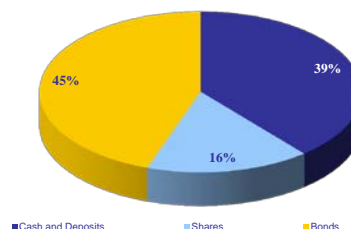
TOP 5 POSITIONS	
REPUBLIC OF ROMANIA	7,54%
REPUBLIC OF CROATIA	6,69%
REPUBLIC OF BULGARIA	5,96%
FIB BONDS	5,64%
ENERGO-PRO AS	4,03%

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	1,875%	21/03/2023	EUR	2,94%
Eurobond	2,950%	03/09/2024	EUR	3,63%
Eurobond	2,625%	26/03/2027	EUR	3,87%
Eurobond	0,375%	23/09/2030	EUR	4,38%
Eurobond	1,375%	23/09/2050	EUR	4,12%
3 months			BGN	2,79%
12 months			BGN	3,74%

Source: Bloomberg

Asset Allocation



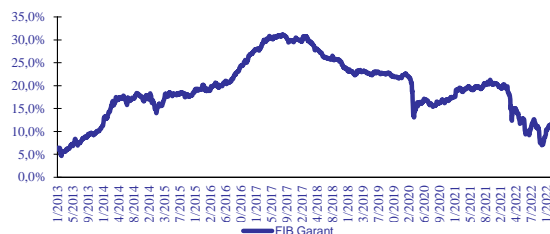
Source: FFBH Asset Management

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 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

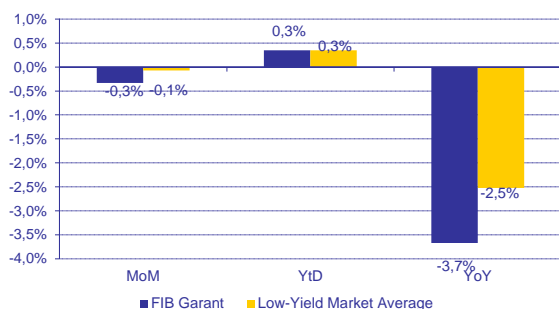
Fact sheet and fee information

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

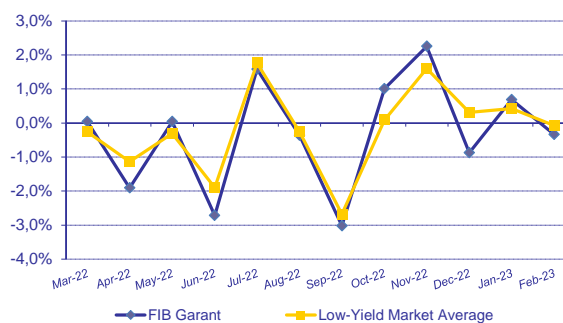
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

* 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

February 2023

Data as per 28 February 2023

NAV	
NAV	BGN 430 191
NAV per share	BGN 0,4068

Return (%) / Statistics (%)	
Monthly (MoM)*	0,95%
Annual (YoY)*	-17,39%
Year-to-date 2023*	0,03%
Since Inception (annualized)	-6,74%
Standard Deviation*	21,29%

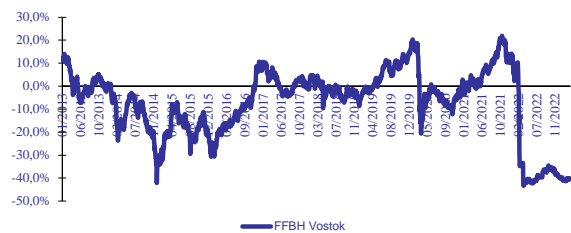
TOP 5 POSITIONS	
ADVANCED MICRO DEVICES, INC.	4,03%
APPLE INC	3,15%
ELI LILLY & CO	2,66%
CROWDSTRIKE HOLDINGS INC - A	2,58%
SPDR S&P BIOTECH ETF	2,48%

* 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

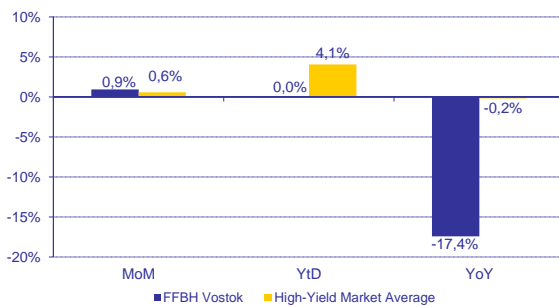
Fact sheet and fee information

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

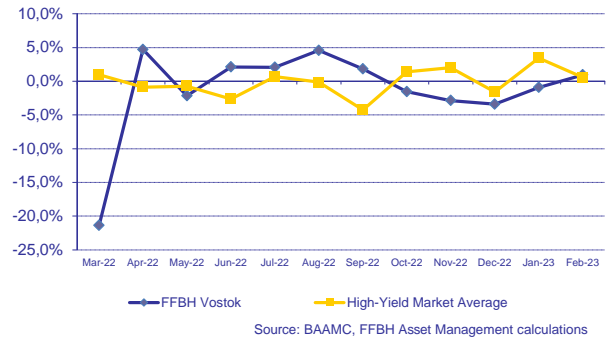
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

* Minimum subscription is BGN 50

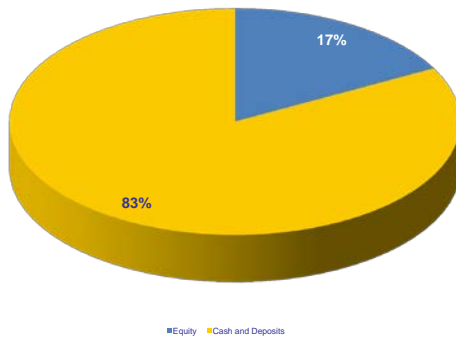
MoM, YoY and YtD return to HY market average*



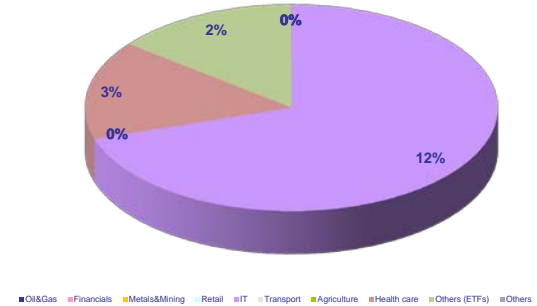
MoM return to HY market average*



Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

#Marketing Communication

Targeted Markets' Key Statistics - February 2023

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Jan-23	4 076,6	Feb-23	3 970,2	-2,6%
Nasdaq 100	Jan-23	12 101,9	Feb-23	12 042,1	-0,5%
2Y US Treasury Yield	Jan-23	4,205	Feb-23	4,818	0,61
10Y US Treasury Note Yield	Jan-23	3,510	Feb-23	3,928	0,42
USD index (DX)	Jan-23	101,92	Feb-23	104,83	2,9%
Consumer Sentiment	Jan-23	64,9	Feb-23	64,7	-0,2
GDP (QoQ)	Q3	3,2%	Q4 (P)	2,7%	-0,5%
Core CPI (MoM)	Dec-22	0,4%	Jan-23	0,4%	0,0%
Core PPI (MoM)	Dec-22	0,3%	Jan-23	0,5%	0,2%
Unemployment	Dec-22	3,5%	Jan-23	3,4%	-0,1%
Core Retail Sales (MoM)	Dec-22	-1,1%	Jan-23	3,0%	4,1%
Manufacturing PMI	Dec-22	46,8	Jan-23	46,9	0,1
ISM Non Manufacturing	Dec-22	49,2	Jan-23	55,2	6,0

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Jan-23	453,2	Feb-23	461,1	1,7%
DAX	Jan-23	15 128,3	Feb-23	15 365,1	1,6%
2Y German Bund Yield	Jan-23	2,649	Feb-23	3,132	0,48
10Y German Bund Yield	Jan-23	2,280	Feb-23	2,643	0,36
EUR.USD	Jan-23	1,0862	Feb-23	1,0576	-2,6%
ZEW Economic Sentiment	Jan-23	16,7	Feb-23	29,7	13,0
GDP (QoQ)	Q3	0,1%	Q4 (P)	0,1%	0,0%
CPI (MoM)	Jan-23	-0,2%	Feb-23	0,8%	1,0%
PPI (MoM)	Dec-22	1,1%	Jan-23	-2,8%	-3,9%
Unemployment	Dec-22	6,7%	Jan-23	6,7%	0,0%
Retail Sales (MoM)	Dec-22	-1,6%	Jan-23	0,3%	1,9%
Manufacturing PMI	Jan-23	48,8	Feb-23	48,5	-0,3
Industrial Production (MoM)	Nov-22	1,4%	Dec-22	-1,1%	-2,5%

Bulgaria / BSE	Previous	Prev. Value	Current	Curr.Value	Change
SOFIX	Jan-23	614,9	Feb-23	628,9	2,3%

Temporary Focus Shift from Equities to Fixed Income.

Equity markets were much calmer in February. Earnings season wasn't that bad both in US and Eurozone. What's made the difference was the guidance. Apparently, European economy /although being biased more to the Industrial, staples, Banks and Health Care/ is doing well in the recent quarter, furthermore the projections for the better part of the year are stronger than the US peers and competitors.

Bonds experienced much more interesting month though. Bond yields changed big to the upside. It is the Central Banks's rhetoric shift and return of the inflation, which rattled the fixed income markets.

Europe

Shares ended higher in February as updated guidance from companies showed a more upbeat outlook.

From a sector perspective, communication services performed best, followed by financials, with rate sensitive banks performing strong. Real estate detracted the most followed by healthcare. The European Central Bank (ECB) raised interest rates by 0.5% to 2.5%, their highest level since 2008. The ECB signalled it would press ahead with its tightening with another 0.5% rate increase in March. French consumer prices rose to 7.2% in February from 7.0%, while Spanish consumer price growth in February was 6.1%, up from 5.5%. **This fuelled concerns that the ECB will need to extend its aggressive policy of raising interest rates for longer.** Revised figures show that Germany's economy shrank more than expected in the fourth quarter. High inflation led to falls in consumer spending and investment.

The revised figure is likely to lead to Eurozone GDP to be revised down, which is currently 0.1% growth.

And good news: The EU and UK agreed a new deal over Northern Ireland trading rules.

US.

Equities gave back some of last month's gains, with all major indices down over February.

The technology-heavy NASDAQ composite was the most resilient.

There was a 25-basis point raise of the federal funds rate announced at February's Federal Open Market Committee (FOMC) meeting, which was in line with market expectations. Accompanied by a dovish statement, this initially helped to spur stocks further forward. But bullish soon turned to bearish as unexpected labour market acceleration showed continued resilience in the US economy. This dented confidence of rate cuts by the US Federal Reserve (Fed) later this year. 517,000 new jobs were added in January, vastly superior to the 189,000 forecasted, and more than double December's reading.

Fed Chairman Jerome Powell warned later in the month that the process of disinflation still has a way to go.

Further rate hikes are likely to be implemented if macroeconomic data continues to surprise to the upside.

Fixed Income.

Following their strong start to the year in January, bond markets reversed course in February to register negative returns.

Confidence was dampened by growing concerns over the persistence of inflation, prompting markets to reprice expectations of additional interest rate hikes by central banks.

The change in sentiment was initially triggered by the release of strong US labour data, subsequently US retail sales were also resilient, increasing by 3% in January versus 2% expectations. There was also less encouraging news on the inflation front with upwards revisions being made to CPI for the Q4 period and the January data for both headline and core inflation remaining robust.

Against this backdrop, expectations of the Fed's terminal rate rose from 4.92% in June 2023 to markets pricing in an interest rate peak of 5.42% for September 2023 instead. A similar theme unfolded in Europe with a stubborn inflation rate – core inflation in the euro area rose to a new record high of 5.3% in January – increasing expectations that the European Central Bank (ECB) would also have to be more aggressive in hiking interest rates.

What's next?

European Central Bank (ECB) and Federal Open Market Committee (FOMC) have interest rates meetings on March 15th and March 22nd respectively. This spells elevated volatility. We have the "how much?" refrain in cards again.

The concept "how long?" is lingering for some time, but it wouldn't be much more in place, as it is in recent weeks.

So the traders would look closely for clues on both issues.

Of course CPIs, PCEs and Payrolls are top notch as usually, till a more sustainable downtrend appears.

FFBH AM Mutual Funds Key Figures:

Portfolio Performance, Portfolio composition

	MoM, %	Equity Allocation, %	FI Allocation, %	Cash, %
<i>FIB Avangard</i>	-0,01%	55,4%	6,0%	38,6%
<i>FIB Classic</i>	-0,05%	36,8%	21,3%	41,9%
<i>FIB Garant</i>	-0,34%	16,5%	44,6%	38,9%
<i>FFBH Vostok</i>	0,95%	17,2%	-	82,8%

Regional Diversification /ex cash/

	US, Canada %	Eurozone %	BG %	Other %
<i>FIB Avangard</i>	34,3%	10,5%	16,1%	0,6%
<i>FIB Classic</i>	23,1%	12,4%	12,9%	9,7%
<i>FIB Garant</i>	3,4%	22,5%	18,1%	16,7%
<i>FFBH Vostok</i>	17,2%	-	-	0,0%

Risk Diversification by Asset class /ex cash/

	Equity /Value/	Equity /Growth/	Equity /Speculative/	Fixed Income Gov Non-Eurozone	Fixed Income Gov. BG/Eurozone	Other Fixed Income
<i>FIB Avangard</i>	26,6%	21,7%	7,2%	0,6%	-	5,4%
<i>FIB Classic</i>	21,1%	10,2%	2,7%	9,7%	-	14,3%
<i>FIB Garant</i>	13,1%	-	0,4%	23,4%	6,0%	18,3%
<i>FFBH Vostok</i>	-	9,9%	7,4%	-	-	-

Sector portfolio allocation changes /regional/

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