

## FIB Avangard

March 2023

Data as per 31 March 2023

NAV	
NAV	BGN 1 842 314
NAV per share	BGN 0,4659

Return (%) / Statistics (%)	
Monthly (MoM)*	2,17%
Annual (YoY)*	-1,54%
Year-to-date 2023*	5,48%
Since Inception (annualized)	-4,85%
Standard Deviation*	11,87%

TOP 5 POSITIONS	
FIB BONDS	5,29%
NVIDIA CORP	4,33%
ADVANCED MICRO DEVICES, INC.	4,01%
SALESFORCE.COM INC	3,89%
BULGARIAN REAL ESTATE FUND REIT	3,51%

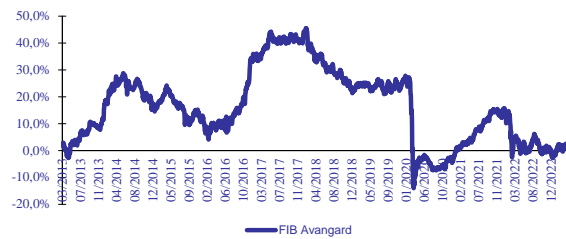
\* see notes

### 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

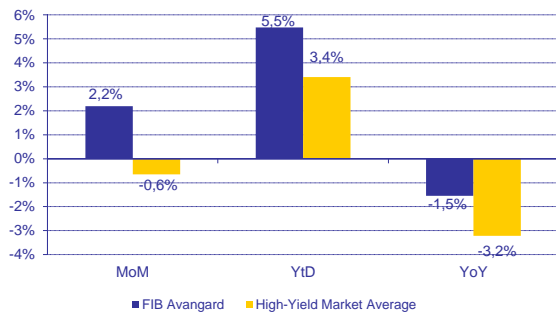
Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions	Every Business Day
Incorporation	Bulgaria

Subscription*	
Entry fee	0,00%

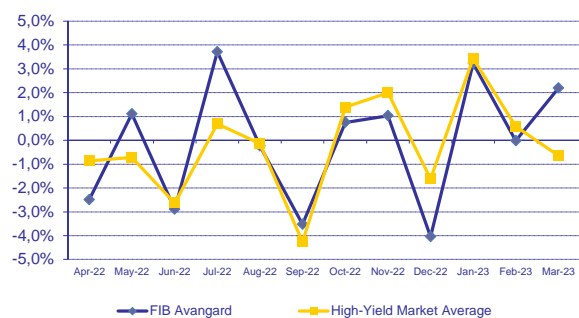
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

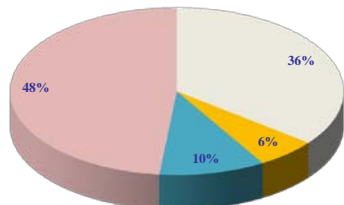


### MoM return to HY market average\*



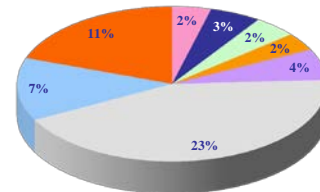
Source: BAAMC, FFBH Asset Management calculations

### 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

March 2023

### Data as per 31 March 2023

NAV	
NAV	BGN 3 396 637
NAV per share	BGN 0,7770

Return (%) / Statistics (%)	
Monthly (MoM)*	1,11%
Annual (YoY)	-0,93%
Year-to-date 2023*	3,04%
Since Inception (annualized)	-1,63%
Standard Deviation*	7,26%

TOP 5 POSITIONS	
FIB BONDS	4,59%
APPLE INC	3,05%
AT&T INC	2,90%
ENERGO-PRO AS	2,89%
ADVANCED MICRO DEVICES, INC.	2,85%

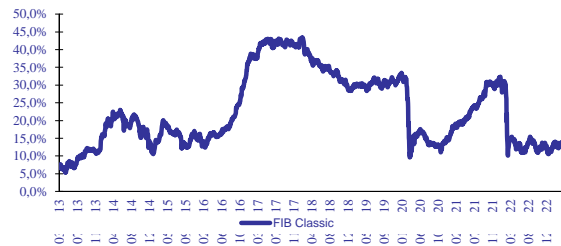
\* see notes

### 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

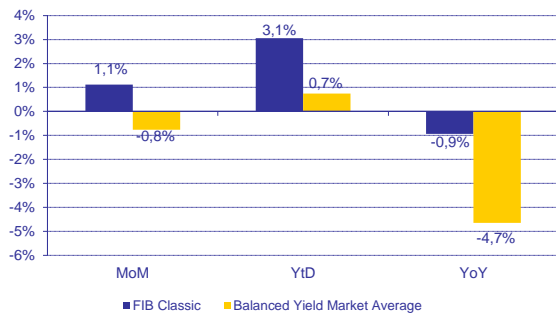
### Fact sheet and fee information

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

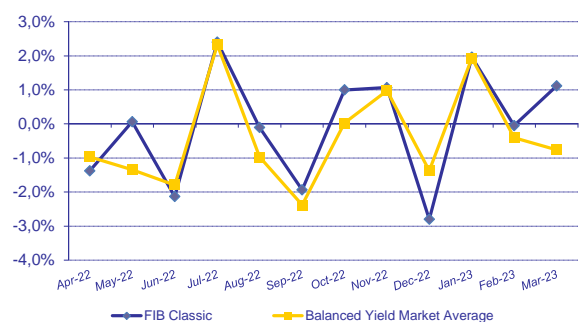
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

\* Minimum subscription is BGN 50

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

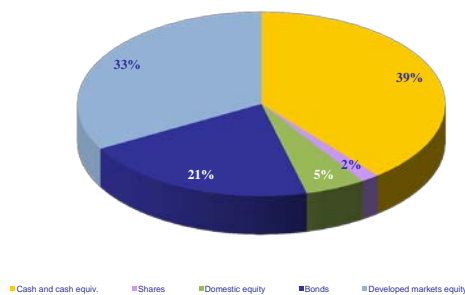


### MoM return to BY market average\*

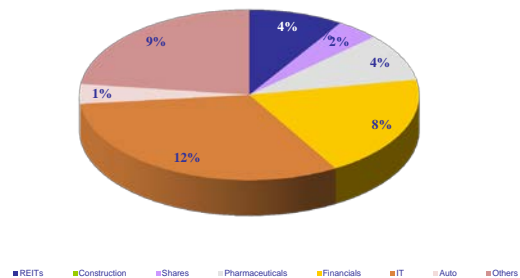


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Garant

March 2023

Data as per 31 March 2023

NAV	
NAV	BGN 2 420 413
NAV per share	BGN 1,1268

\* see notes

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,15%
Annual (YoY)*	-3,86%
Year-to-date 2023*	0,19%
Since Inception (annualized)*	0,78%
Standard Deviation*	3,32%

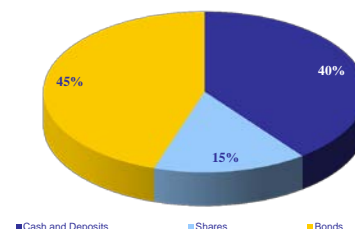
TOP 5 POSITIONS	
REPUBLIC OF ROMANIA	7,61%
REPUBLIC OF CROATIA	6,87%
REPUBLIC OF BULGARIA	6,09%
FIB BONDS	5,64%
ENERGO-PRO AS	4,05%

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	1,875%	21/03/2023	EUR	-
Eurobond	2,950%	03/09/2024	EUR	3,45%
Eurobond	2,625%	26/03/2027	EUR	3,75%
Eurobond	0,375%	23/09/2030	EUR	4,24%
Eurobond	1,375%	23/09/2050	EUR	4,03%
3 months			BGN	3,12%
12 months			BGN	3,67%

Source: Bloomberg

Asset Allocation



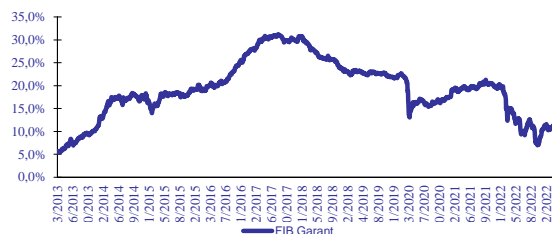
Source: FFBH Asset Management

### 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

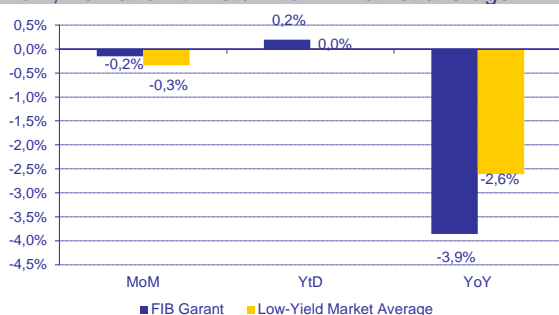
### Fact sheet and fee information

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

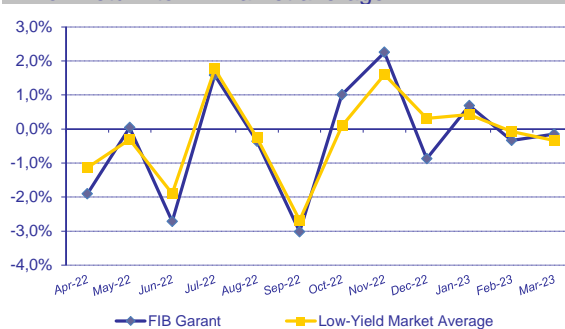
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

\* 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

March 2023

Data as per 31 March 2023

NAV	
NAV	BGN 428 293
NAV per share	BGN 0,4050

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,44%
Annual (YoY)*	4,58%
Year-to-date 2023*	-0,42%
Since Inception (annualized)	-6,73%
Standard Deviation*	21,27%

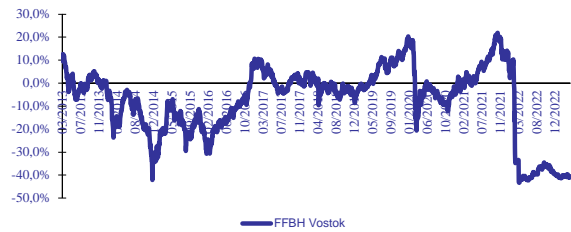
TOP 5 POSITIONS	
ADVANCED MICRO DEVICES, INC.	4,93%
APPLE INC	3,46%
ELI LILLY & CO	2,88%
CROWDSTRIKE HOLDINGS INC - A	2,88%
SPDR S&P BIOTECH ETF	2,24%

\* 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

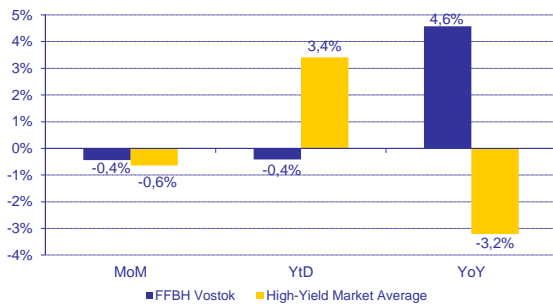
### Fact sheet and fee information

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

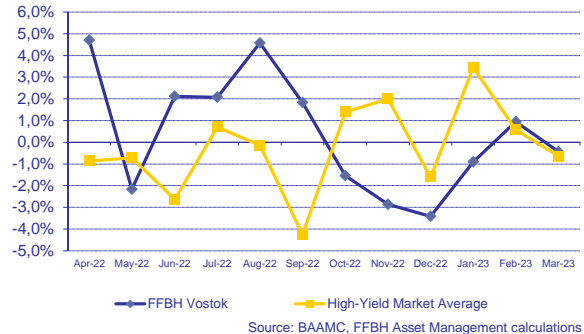
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

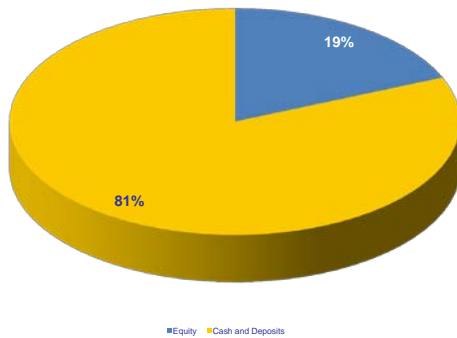


### MoM return to HY market average\*

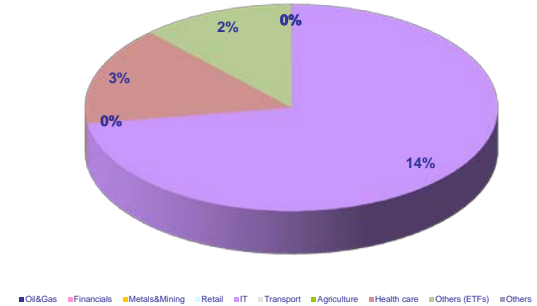


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## #Marketing Communication

### Targeted Markets' Key Statistics - March 2023

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Feb-23	3 970,2	Mar-23	4 109,3	3,5%
Nasdaq 100	Feb-23	12 042,1	Mar-23	13 181,4	9,5%
2Y US Treasury Yield	Feb-23	4,818	Mar-23	4,038	-0,78
10Y US Treasury Note Yield	Feb-23	3,928	Mar-23	3,415	-0,51
USD index (DX)	Feb-23	104,83	Mar-23	102,19	-2,5%
Consumer Sentiment	Feb-23	67	Mar-23	63,4	-3,6
GDP (QoQ)	Q3	3,2%	Q4 (P)	2,6%	-0,6%
Core CPI (MoM)	Jan-23	0,4%	Feb-23	0,5%	0,1%
Core PPI (MoM)	Jan-23	0,1%	Feb-23	0,0%	-0,1%
Unemployment	Jan-23	3,4%	Feb-23	3,6%	0,2%
Core Retail Sales (MoM)	Jan-23	3,2%	Feb-23	-0,4%	-3,6%
Manufacturing PMI	Jan-23	47,3	Feb-23	49,3	2,0
ISM Non Manufacturing	Jan-23	55,2	Feb-23	55,1	-0,1

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Feb-23	461,1	Mar-23	457,8	-0,7%
DAX	Feb-23	15 365,1	Mar-23	15 628,8	1,7%
2Y German Bund Yield	Feb-23	3,132	Mar-23	2,695	-0,44
10Y German Bund Yield	Feb-23	2,643	Mar-23	2,301	-0,34
EUR.USD	Feb-23	1,0576	Mar-23	1,0839	2,5%
ZEW Economic Sentiment	Feb-23	29,7	Mar-23	10	-19,7
GDP (QoQ)	Q3	0,1%	Q4 (P)	0,1%	0,0%
CPI (MoM)	Feb-23	0,8%	Mar-23	0,9%	0,1%
PPI (MoM)	Jan-23	-2,8%	Feb-23	-0,5%	2,3%
Unemployment	Jan-23	6,6%	Feb-23	6,6%	0,0%
Retail Sales (MoM)	Jan-23	-1,6%	Feb-23	0,3%	1,9%
Manufacturing PMI	Feb-23	48,5	Mar-23	47,3	-1,2
Industrial Production (MoM)	Dec-22	-1,3%	Jan-23	0,7%	2,0%

Bulgaria / BSE	Previous	Prev. Value	Current	Curr.Value	Change
SOFIX	Feb-23	628,9	Mar-23	610,8	-2,9%

### FED and ECB stayed the course, despite Silicon Valley Bank and Signature fallout.

Global equities gained in Q1, buoyed by receding recession worries in developed markets.

Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Growth stocks outperformed value in the quarter. In fixed income, government bond yields fell (meaning prices rose).

#### Europe

European shares ended higher in March. This was despite the sell-off in bank shares following the collapse of Silicon Valley Bank (SVB) and Signature Bank in the US, and the subsequent problems at Credit Suisse. UBS announced a takeover of Credit Suisse in an all-share deal. The deal was engineered by a combination of the Swiss regulator (FINMA), the Swiss government and the Swiss National Bank (SNB) and is not subject to a shareholder vote. The Swiss government is providing a federal guarantee of CHF 9 Bn. to shield UBS against losses associated with the takeover.

**The European Central Bank (ECB) raised interest rates by 0.5%** as the benchmark deposit rate reached 3.0%, their highest level since 2008. The ECB signalled future increases would depend on the market fallout of recent events, as they look to be taking a more dovish tone. Eurozone annual inflation fell to 6.9% in March, down from 8.5%. **Core inflation, which excludes energy and food prices, rose to 5.7%, a new eurozone high. Wage growth in the eurozone hit 5.7%** for the final quarter of 2022. This is the highest level seen since the data first started to be collected in 2010. Wage growth in the eurozone is now outstripping the US.

#### US.

US stocks advanced higher after a turbulent month. Closure of two regional banks weighed heavily on market confidence, hurting equity markets, however, easing expectations of higher interest rates helped offset losses and prompted a late rally.

It was a tale of two halves for US equities.

In the first part, persistent inflation and a banking crisis weighed on investor sentiment. A recovery in the latter part was driven by big technology companies as investors rolled back expectations for higher interest rates. US stocks initially faced a turbulent time after Silicon Valley Bank (SVB) faced a liquidity crisis which culminated in its closure by US banking regulators. Its high concentration of uninsured deposits (over \$250,000) was exposed to a bank run from depositors. **\$42bn – a quarter of its total deposits – was withdrawn in one day which forced the Federal Deposit Insurance Corporation to step in.** SVB had invested most of the deposits in long-dated securities such as mortgage bonds and US Treasuries which had lost value **because of the US Federal Reserve's (Fed) aggressive interest rate hikes.**

Inflation remained at elevated levels, but the banking crisis highlighted a weakness in the financial system due to the rapid increase in interest rates. **Nevertheless, Fed raised rates in line with market consensus, a 25-basis point hike.** The Federal Open Market Committee /FOMC/ did signal that it may soon call time on its monetary tightening campaign. **This spurred a late recovery in the technology sector, helping the NASDAQ composite index record its best quarter since 2020.**

### Fixed Income.

The first quarter of the year began with positive sentiment on the growth outlook as energy costs fell and China's economy reopened. But there was also evidence that the encouraging inflation picture was starting to reverse as core inflation measures ticked higher once more. **However, the collapse of Silicon Valley Bank in mid-March dwarfed concerns over re-accelerating inflation and prompted a sharp rally in government bond markets.**

**As markets reacted to fears of a banking crisis, government bond markets went from pricing in rate hikes to discounting sizeable rate cuts** in some markets.

During Q1, growth improved as headwinds from higher inflation on consumers' real incomes, stemming from energy prices, started to abate. While there were signs that hiking cycles were already biting (particularly in housing markets), **the full spill-over effects to the broader economy are yet to come.**

Against this backdrop markets have been volatile with widening credit spreads. US and European investment grade posted positive returns towards quarter end, but high yield was negative with poor performance from the banking sector dominating.

### Commodities

The S&P GSCI Index recorded a negative performance in the first quarter. Energy and livestock were the worst-performing components of the index, while precious metals and industrial metals achieved price gains. Within energy, prices for natural gas, gas oil and heating oil were all sharply lower.

### What to expect in April?

The small banks turmoil in US might not be over yet. The banking sector in Europe looks solid, but one always should be prepared for another skeleton in the closet. Q1 2023 earnings season kicks off on Apr 14<sup>th</sup>. No Federal Open Market Committees' meeting scheduled till May 3<sup>rd</sup>. **This means, all eyes turned to corporate Top line performance, Operating Margins sustainability and Q2 and Q3 guidance.** Massive negative expectations turned the overall market sentiment really sour. Should the bottom line and year-end corporate projections stay the course south, indexes in US and Europe might take a pause for a while.

**We do not expect a major correction though.**

**ECBs' dovish stance** is one reason.

**Secondly,** we believe Federal Open Market Committee /FOMC/ is done.

Reasons: deposits escape regional banks, real estate market starts to bite, labor market worries start to abate, macro indicators soften, inflation is starting to fall. When/If FOMC starts to loosen, is entirely different story.

**Thirdly,** investor's sentiment hit multiyear low and a mild recession is factored in.

**In summary,** there comes the time for deep buyers to step in back again.

## FFBH AM Mutual Funds Key Figures:

### Portfolio Performance, Portfolio composition

	MoM, %	Equity Allocation, %	FI Allocation, %	Cash, %
<i>FIB Avangard</i>	2,17%	59,6%	5,9%	35,6%
<i>FIB Classic</i>	1,11%	40,0%	20,9%	40,0%
<i>FIB Garant</i>	-0,15%	15,4%	44,9%	39,7%
<i>FFBH Vostok</i>	-0,44%	18,7%	-	81,4%

### Regional Diversification

	US, Canada %	Eurozone %	BG %	Other %
<i>FIB Avangard</i>	44,1%	23,9%	31,7%	0,6%
<i>FIB Classic</i>	33,3%	12,1%	41,4%	13,4%
<i>FIB Garant</i>	9,8%	15,1%	39,2%	36,0%
<i>FFBH Vostok</i>	84,5%	-	16%	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>	31,4%	20,5%	6,8%	0,6%	-	5,3%
<i>FIB Classic</i>	24,7%	11,1%	2,6%	9,5%	-	12,9%
<i>FIB Garant</i>	15,4%	-	-	23,7%	6,1%	36,0%
<i>FFBH Vostok</i>	-	11,3%	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	▼ BSE	-	-
Discretionary	-	-	-	-
Industrials	-	▼ BSE	▼ BSE	-
Financials	▲ US / ▲ EU	▲ US / ▲ EU	▲ EU	-
Energy	-	-	-	-
Telecoms	-	-	-	-
Pharmaceuticals	-	-	-	-
REITs	-	-	-	-
Staples	-	-	-	-
Utility	-	-	▼ EU	-



## 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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