

## FIB Avangard

June 2023

Data as per 30 June 2023

NAV	
NAV	BGN 2 003 148
NAV per share	BGN 0,4839

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,10%
Annual (YoY)*	6,81%
Year-to-date 2023*	9,56%
Since Inception (annualized)	-4,54%
Standard Deviation*	11,89%

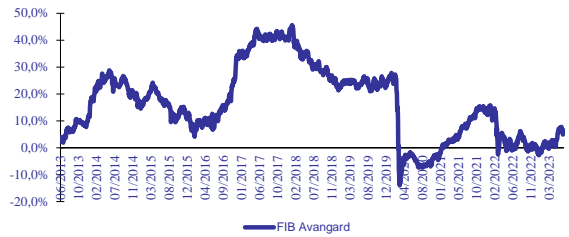
TOP 5 POSITIONS	
NVIDIA CORP	6,07%
FIB BONDS	4,67%
ADVANCED MICRO DEVICES, INC.	4,29%
SALESFORCE.COM INC	3,79%
MICROSOFT CORP	3,67%

\* 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

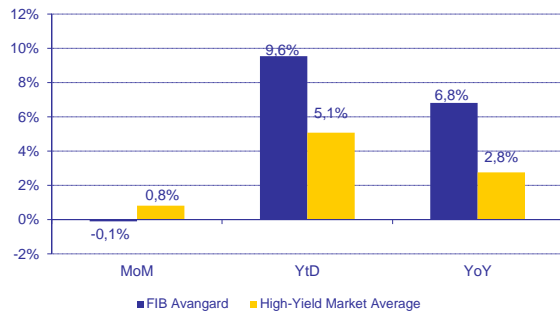
Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions	Every Business Day
Incorporation	Bulgaria

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

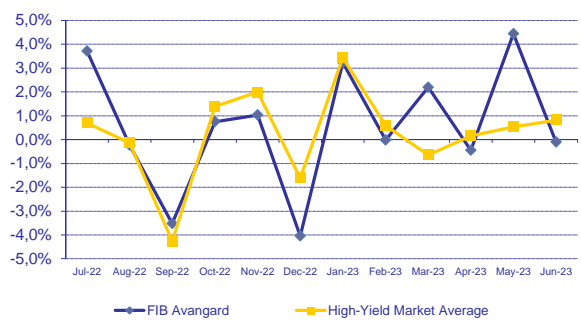
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

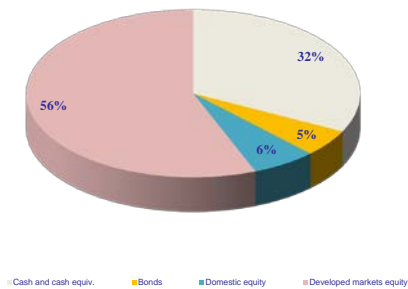


### MoM return to HY market average\*

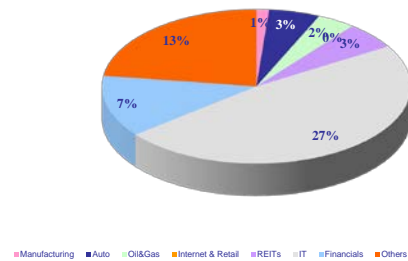


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Classic

June 2023

Data as per 30 June 2023

NAV	
NAV	BGN 3 474 808
NAV per share	BGN 0,7950

Return (%) / Statistics (%)	
Monthly (MoM)*	0,15%
Annual (YoY)	4,95%
Year-to-date 2023*	5,44%
Since Inception (annualized)	-1,46%
Standard Deviation*	7,28%

TOP 5 POSITIONS	
FIB BONDS	4,31%
APPLE INC	3,51%
ELI LILLY & CO	3,40%
ADVANCED MICRO DEVICES, INC.	3,24%
SALESFORCE.COM INC	2,82%

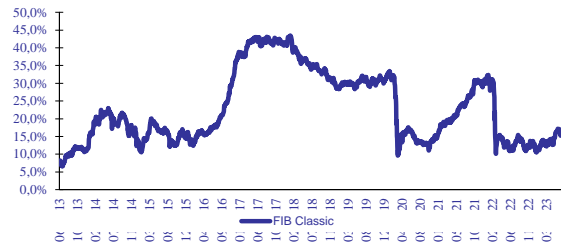
\* see notes

### 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

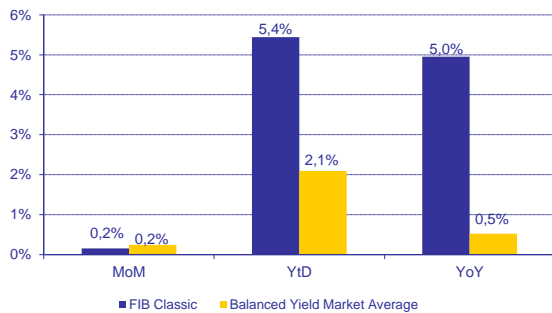
### Fact sheet and fee information

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

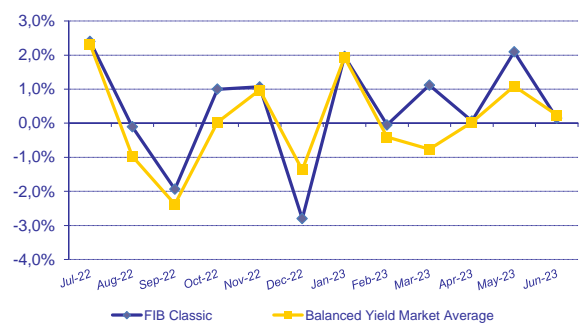
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

\* Minimum subscription is BGN 50

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

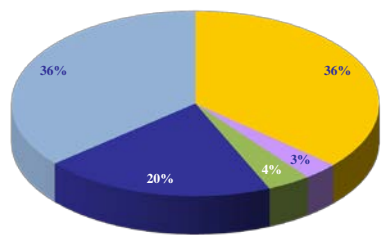


### MoM return to BY market average\*



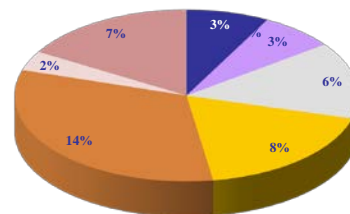
Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



■ Cash and cash equiv. ■ Shares ■ Domestic equity ■ Bonds ■ Developed markets equity

### Equity Portfolio (% of total assets)



■ REITs ■ Construction ■ Shares ■ Pharmaceuticals ■ Financials ■ IT ■ Auto ■ Others

Source: FFBH Asset Management

## FIB Garant

June 2023

Data as per 30 June 2023

NAV	
NAV	BGN 2 413 572
NAV per share	BGN 1,1366

\* see notes

Return (%) / Statistics (%)	
Monthly (MoM)*	0,47%
Annual (YoY)*	1,57%
Year-to-date 2023*	1,07%
Since Inception (annualized)*	0,82%
Standard Deviation*	3,33%

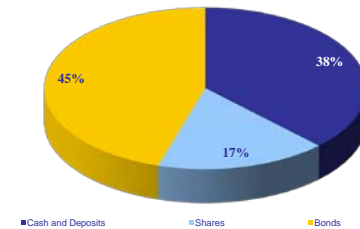
TOP 5 POSITIONS	
REPUBLIC OF ROMANIA	7,75%
REPUBLIC OF CROATIA	6,90%
REPUBLIC OF BULGARIA	6,21%
FIB BONDS	5,43%
ENERGO-PRO AS	3,99%

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	2,950%	03/09/2024	EUR	3,62%
Eurobond	2,625%	26/03/2027	EUR	3,60%
Eurobond	3,000%	21/03/2028	EUR	3,66%
Eurobond	4,125%	23/09/2029	EUR	4,26%
Eurobond	4,500%	27/01/2033	EUR	4,59%
Eurobond	1,375%	23/09/2050	EUR	4,15%
3 months			BGN	3,70%
12 months			BGN	4,24%

Source: Bloomberg

Asset Allocation



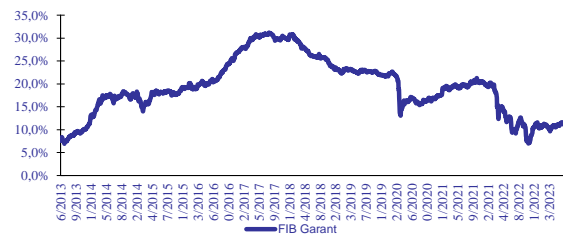
Source: FFBH Asset Management

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

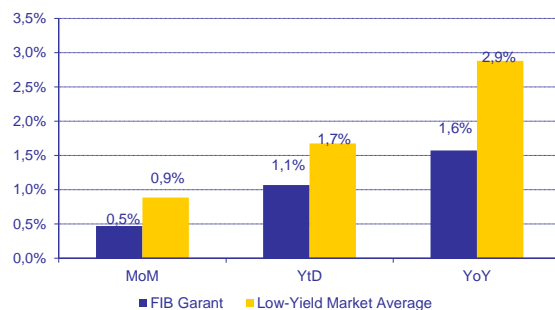
Fact sheet and fee information

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

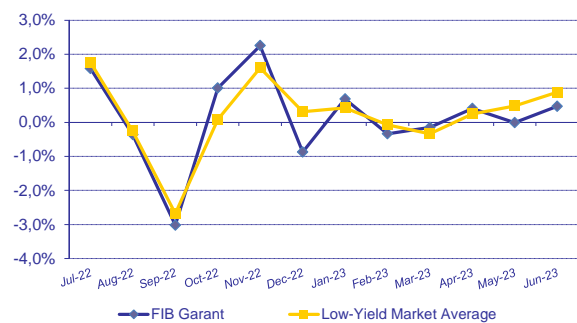
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

\* 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

June 2023

Data as per 30 June 2023

NAV	
NAV	BGN 433 824
NAV per share	BGN 0,4103

Return (%) / Statistics (%)	
Monthly (MoM)*	-1,47%
Annual (YoY)*	1,28%
Year-to-date 2023*	0,87%
Since Inception (annualized)	-6,52%
Standard Deviation*	20,78%

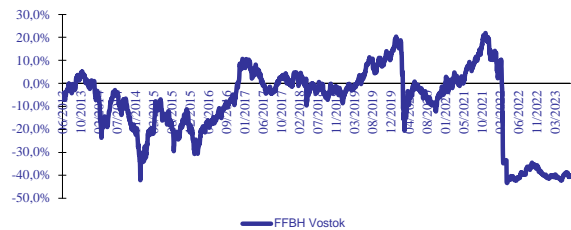
TOP 5 POSITIONS	
ADVANCED MICRO DEVICES, INC.	5,66%
CROWDSTRIKE HOLDINGS INC - A	4,26%
APPLE INC	4,02%
ELI LILLY & CO	3,88%
NOKIA OYJ	3,45%

\* 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

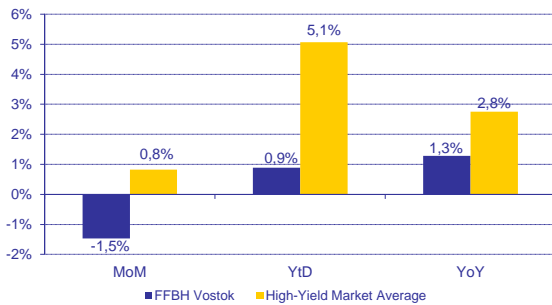
### Fact sheet and fee information

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

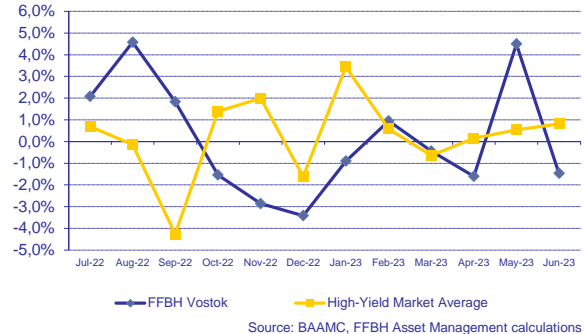
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

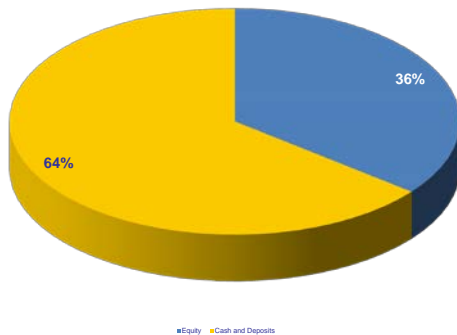


### MoM return to HY market average\*

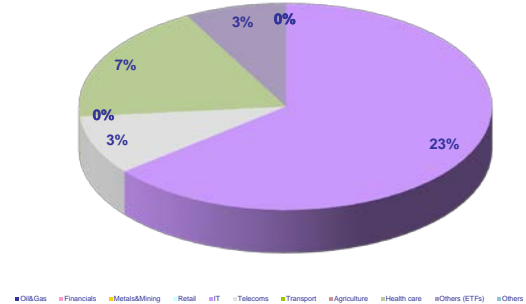


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## #Marketing Communication

### Targeted Markets' Key Statistics - June 2023

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Apr-23	4 169,5	May-23	4 179,8	0,2%
Nasdaq 100	Apr-23	13 246,0	May-23	14 254,1	7,6%
2Y US Treasury Yield	Apr-23	4,021	May-23	4,409	0,39
10Y US Treasury Note Yield	Apr-23	3,433	May-23	3,646	0,21
USD index (DX)	Apr-23	101,40	May-23	104,25	2,8%
Consumer Sentiment	Apr-23	63,5	May-23	59,2	-4,3
GDP (QoQ)	Q4	2,6%	Q1 (P)	1,3%	-1,3%
Core CPI (MoM)	Mar-23	0,4%	Apr-23	0,4%	0,0%
Core PPI (MoM)	Mar-23	0,0%	Apr-23	0,2%	0,2%
Unemployment	Mar-23	3,5%	Apr-23	3,4%	-0,1%
Core Retail Sales (MoM)	Mar-23	-0,7%	Apr-23	0,4%	1,1%
Manufacturing PMI	Mar-23	49,2	Apr-23	50,2	1,0
ISM Non Manufacturing	Mar-23	51,2	Apr-23	51,9	0,7

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	May-23	451,8	Jun-23	461,9	2,3%
DAX	May-23	15 664,0	Jun-23	16 147,9	3,1%
2Y German Bund Yield	May-23	2,733	Jun-23	3,267	0,53
10Y German Bund Yield	May-23	2,284	Jun-23	2,391	0,11
EUR.USD	May-23	1,0688	Jun-23	1,091	2,1%
ZEW Economic Sentiment	May-23	-9,4	Jun-23	-10	-0,6
GDP (QoQ)	Q4	0,0%	Q1 (P)	-0,1%	-0,1%
CPI (MoM)	May-23	0,0%	Jun-23	0,0%	0,0%
PPI (MoM)	Apr-23	-3,2%	May-23	-1,9%	1,3%
Unemployment	Apr-23	6,5%	May-23	6,5%	0,0%
Retail Sales (MoM)	Apr-23	0,0%	May-23	0,0%	0,0%
Manufacturing PMI	May-23	44,8	Jun-23	43,4	-1,4
Industrial Production (MoM)	Apr-23	-3,8%	May-23	1,0%	4,8%

Bulgaria / BSE	Previous	Prev. Value	Current	Curr.Value	Change
SOFIX	May-23	666,6	Jun-23	669,9	0,5%

### First Half 2023: Business surveys continued to soften, but investors believe the goldilocks scenario is a sure thing.

After a difficult 2022, the first half of 2023 has been full of events.

From an artificial intelligence (AI) inspired tech stock surge, commodity market capitulations, cryptocurrency comebacks, to the worst banking crash since Lehman Brothers. Linking it all has been the relentless rise in interest rates, which was exactly what battered markets in 2022. But just that this time has been different due to an **unshakeable view that the end of the cycle is near**, resulted in \$6 trillion, rally in value of world stocks.

**Rates rise, but recessions just refuse to turn up.**

Developed market equities delivered 15% year to date and 7% over the quarter. Within equity markets, the big growth stocks which fell sharply last year, bounced back strongly. NASDAQ100 returns 39% year to date! Value stocks lagged, up only 5%.

Bonds were also hit hard last year, but are yet to recover meaningfully with global government bonds up only 1% year to date, while Investment grade corporate bonds in US and Eurozone /(4) & (5) in the table below/ are doing much better.

Commodities, which were last year's star performer, gave up those gains this year. S&P GSCI Index (4) lost 11.5% so far.

**This means last year's worst performing asset /growth stocks/ has been this year's best performing asset. Respectively, last year's best performing asset, commodities, has been this year's worst performing asset. The sharp turnaround in market sentiment demonstrates the importance of diversification within portfolios.**

2023 Targeted Markets - Performance Statistics	1M	3M	6M
S&P 500 (1)	6,5%	8,3%	15,7%
NASDAQ 100 (2)	6,5%	15,2%	38,8%
STOXX 600 (3)	2,3%	0,9%	8,7%
S&P GSCI Index (4)	2,3%	-5,8%	-11,5%
S&P 500® Investment Grade Corporate Bond Index (4)	0,3%	-0,3%	3,2%
S&P Eurozone Investment Grade Corporate Bond Index (5)	-0,3%	0,5%	2,2%

## First Half 2023 – Winners and Losers

### Equity Markets

The best performing major equity market in local currency terms, both over the quarter (up 14%) and the first half of the year (up 23%), **was Japan**. The yen weakened versus other major trading partners as interest rates remained low in Japan and the Bank of Japan maintained its yield curve control policy to anchor government bond yields, while interest rates ratcheted higher in most other countries. **This weakness in the yen helped support Japanese stocks**, many of which earn a significant proportion of their profits abroad. **US stocks** were the next best performing market in local currency terms, up 9% over the quarter and 17% for the year to date. These gains were driven almost entirely by the largest growth stocks (FAANG + AI related), which are disproportionately found in the US, with the rest of the market delivering much more muted returns so far this year. European stocks remain up a healthy 14%.

The strong return for stocks so far this year has been helped by the fact that the much-anticipated rise in developed world unemployment is yet to materialise, along with optimism that US inflation might be able to moderate significantly without the need for a rise in unemployment. Positive sentiment around artificial intelligence has also driven spectacular performance for some of the world's largest stocks.

**US inflation fell sharply from a peak of 9% down to 4%**, largely due to favourable base effects from oil prices, which peaked last June and have come down significantly since. Core inflation remained stickier but may also be helped by a moderation in shelter inflation ahead, as the material slowdown in house price and rent growth starts to be reflected in the official core inflation numbers. That said, the Atlanta Fed's median wage growth tracker continued to show **wages growing at 6%**. **This is not surprising given the low unemployment rate but is clearly not consistent with inflation falling sustainably to 2%**. Retail sales growth remained in positive territory, but the decline in business investment intentions and weak corporate loan demand pose risks to the economy going forward. **Risks to small bank lending, particularly linked to potential losses on commercial real estate loans – to which small banks are disproportionately exposed – are also worth monitoring closely.**

### Fixed Income

Within fixed income, the best performing assets so far this year have been high yield credit and Italian government bonds, both returning about 5%, while the worst performing has been UK Gilts, down just under 4%. High yield credit and Italian debt benefitted from their higher starting yields and economic resilience.

The Fed paused for the first time in 15 months – with the target rate range at 5-5.25% – although the updated dot plot indicated two further 25bps hikes later this year. **Two-year Treasury yields**, which are highly sensitive to the Fed's moves, rose from 4% to 5% in February, only to dive back to 3.5% when Silicon Valley Bank, a mid-sized U.S. lender few had even heard of, collapsed and consequently led to the 167-year-old Swiss behemoth Credit Suisse requiring an emergency rescue by UBS. Fast forward and that rate is now at 4.8%.

**Europe's rates are marching up** again and the gap between two and 10-year U.S. Treasury yields - a traditional harbinger of recession - is almost as inverted as it was before the blow-ups. After a pickup in eurozone business surveys earlier in the year, the new orders component of the composite PMI business survey fell again to contractionary levels. The business surveys painted a particularly bleak outlook for the manufacturing sector, while the service sector remained in positive territory. As in the US, corporate loan demand in the eurozone is currently weakening. Core inflation above 5% led the **European Central Bank to raise rates to 4%** and signal that they still have further to go.

## July outlook: Another capitulation month for volatility, or sobering Q2 earnings season?

Markets are resilient. **It's a goldilocks trading fashion that persists broadly.**

VIX index scored 24 trading sessions in a downtrend! An achievement, never seen in a year.

We suggested an extra careful approach in the summer months, in the May edition of FFBH AM market review.

**We consider it still valid. Especially after the VIX index capitulation race.**

So, what is coming?

According to a JPMorgan, there may yet be challenges ahead, but signs continue to point to a still-resilient economy, and gains this strong tend to signal the bear market is over. In the 21 other instances since 1950 that the S&P 500 has been up at least 10% or more in the first half, it's rallied further in the second half 17 of those times, with the full year up on average +25%.

Yet with valuations on risk assets having risen significantly over the last nine months, **the key question for investors now is whether current pricing is sustainable.**

**Q2 earnings season kicks off on July 12th. This would be the first test of the 70 years long statistics /cited by JPM/.**

## FFBH AM Mutual Funds Key Figures:

### Portfolio Performance, Portfolio composition

	MoM, %	Equity Allocation, %	FI Allocation, %	Cash, %
<i>FIB Avangard</i>	-0,10%	62,1%	5,2%	32,5%
<i>FIB Classic</i>	0,15%	41,4%	21,9%	36,6%
<i>FIB Garant</i>	0,47%	17,1%	45,2%	37,6%
<i>FFBH Vostok</i>	-1,47%	35,7%	-	64,1%

### Regional Diversification

	US, Canada %	Eurozone %	BG %	Other %
<i>FIB Avangard</i>	48,9%	22,8%	27,7%	0,5%
<i>FIB Classic</i>	32,8%	12,6%	39,6%	14,8%
<i>FIB Garant</i>	8,0%	17,0%	45,3%	29,6%
<i>FFBH Vostok</i>	85,6%	3,5%	11,1%	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>	31,3%	21,3%	9,7%	0,5%	-	4,7%
<i>FIB Classic</i>	26,0%	12,6%	2,8%	9,5%	-	12,4%
<i>FIB Garant</i>	17,1%	-	-	24,2%	6,2%	14,8%
<i>FFBH Vostok</i>	9,5%	16,6%	9,7%	-	-	-

### Sector portfolio allocation changes /regional/

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

## 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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THE INVESTMENTS IN MUTUAL FUNDS ARE ASSOCIATED WITH SIGNIFICANT RISK. THERE ARE NO RISK-FREE SECURITIES AND NOBODY CAN CLAIM THAT THE INVESTMENT PURPOSE OF ANY GIVEN MUTUAL FUND WILL BE ACHIEVED. THE NET ASSET VALUE PER SHARE AND ITS RETURN MAY DECREASE, THE RETURN IS NOT GUARANTEED AND THERE IS A RISK THAT THE POTENTIAL INVESTOR CAN NOT RECOVER THE INVESTED AMOUNT. THE INVESTMENTS IN MUTUAL FUNDS IN BULGARIA IS NOT GUARANTEED BY GUARANTEE FUND, CREATED BY THE STATE, OR ANY OTHER TYPE OF GUARANTEE.

PAST PERFORMANCE IS NOT NECESSARY INDICATIVE OF FUTURE RESULTS.

WE NOTE THAT ANYONE WHO WANTS TO SUBSCRIBE UNITS IN FIB AVANGARD, FIB CLASSIC, FIB GARANT AND/OR FFBH VOSTOK SHOULD MAKE A DECISION BASED ON THE INFORMATION PUBLISHED IN THE MOST RECENT RESPECTIVE PROSPECTUSES. THE PROSPECTUSES AND BY-LAWS ARE AVAILABLE IN FFBH ASSET MANAGEMENT OFFICE - 2 ENOS STREET, 5TH FLOOR, SOFIA, 1408, BULGARIA, TEL: +359 (2) 460 6400, WWW.FFBHAM.BG AND FIBANK BRANCHES, EXPLICITLY LISTED AT WWW.FFBHAM.BG.