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FFBH ASSET MANAGEMENT

FIB AVANGARD - MONTHLY REVIEW

FIB Avangard

September 2023

Data as per 29 September 2023

NAV	
NAV	BGN 2 004 775
NAV per share	BGN 0,4862

Return (%) / Statistics (%)	
Monthly (MoM)*	-1,26%
Annual (YoY)*	7,52%
Year-to-date 2023*	10,09%
Since Inception (annualized)	-4,44%
Standard Deviation*	11,88%

TOP 5 POSITIONS	
NVIDIA CORP	6,40%
FIB BONDS	4,87%
EXXON MOBIL CORP	4,00%
ADVANCED MICRO DEVICES, INC.	3,97%
ELI LILLY & CO	3,95%

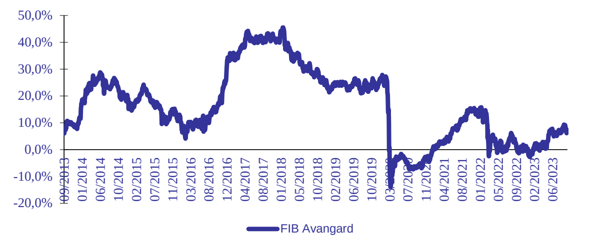
** see notes*

Investment strategy

FIB Avangard is a high-yield, actively managed, mutual fund, incepted 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

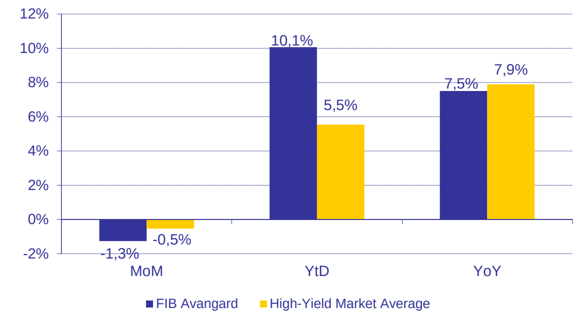
Fact sheet and fee information

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

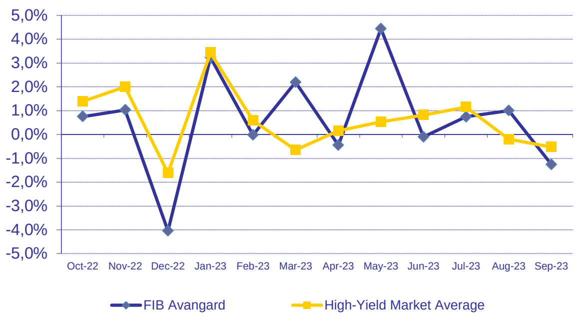
Subscription*		
Entry fee	0,00%	
Redemption fee	0,00%	
Management fee (annual % of average AUM)		2,00%

** Minimimum subscription is BGN 50*

MoM, YoY and YtD return to HY market average*

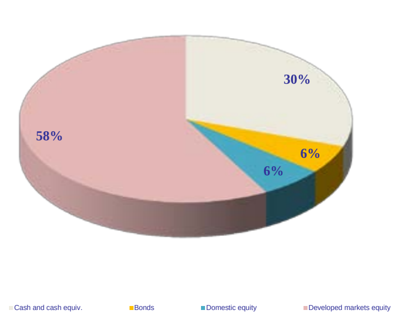


MoM return to HY market average*

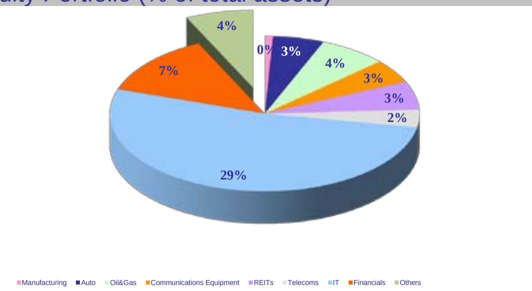


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

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FFBH ASSET MANAGEMENT

FIB Classic

September 2023

Data as per 29 September 2023

NAV	
NAV	BGN 3 399 112
NAV per share	BGN 0,7971

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,31%
Annual (YoY)	4,90%
Year-to-date 2023*	5,71%
Since Inception (annualized)	-1,42%
Standard Deviation*	7,32%

TOP 5 POSITIONS	
FIB BONDS	4,60%
ELI LILLY & CO	4,08%
APPLE INC	3,25%
EXXON MOBIL CORP	3,19%
ADVANCED MICRO DEVICES, INC.	3,07%

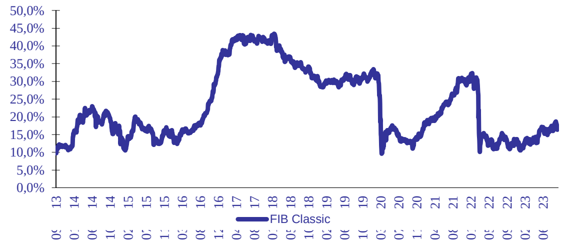
** see notes*

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

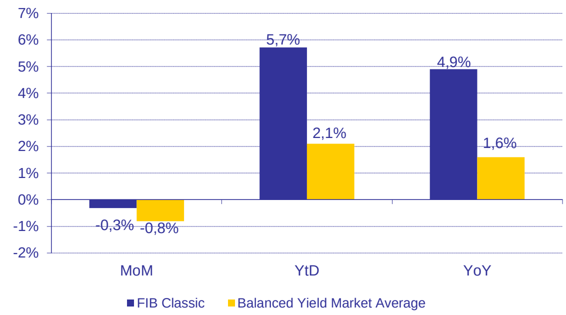
Fact sheet and fee information

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

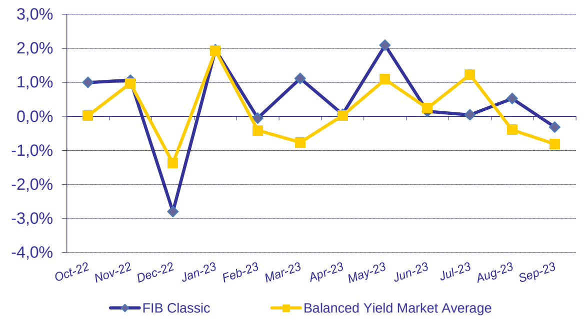
Subscription*		
Entry fee	0,00%	
Redemption fee	0,00%	
Management fee (annual % of average AUM)		1,50%

** Minimimum subscription is BGN 50*

MoM, YoY and YtD return to BY market average*

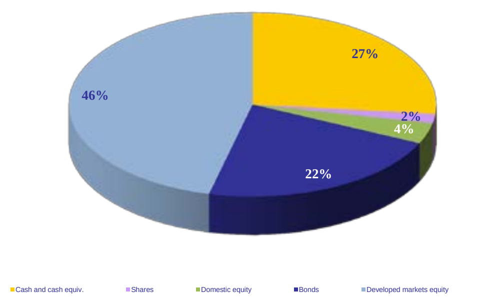


MoM return to BY market average*

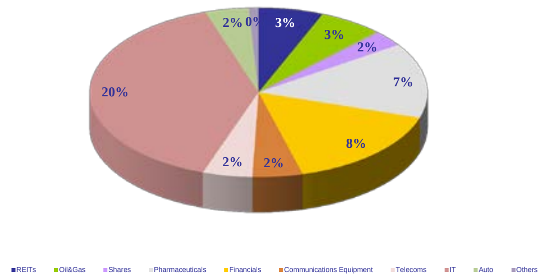


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB GARANT – MONTHLY REVIEW

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FIB Garant

September 2023

Data as per 29 September 2023

NAV	
NAV	BGN 2 411 034
NAV per share	BGN 1,1407

** see notes*

Return (%) / Statistics (%)	
Monthly (MoM)*	0,29%
Annual (YoY)*	3,85%
Year-to-date 2023*	1,43%
Since Inception (annualized)*	0,83%
Standard Deviation*	3,42%

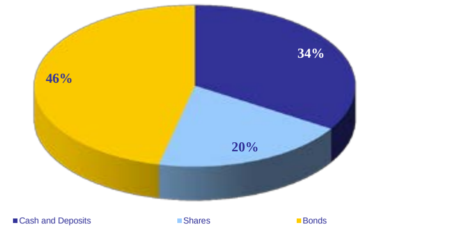
TOP 5 POSITIONS	
REPUBLIC OF ROMANIA	7,82%
REPUBLIC OF CROATIA	6,81%
REPUBLIC OF BULGARIA	6,10%
FIB BONDS	5,67%
ROLLS-ROYCE PLC	4,01%

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	2,950%	03/09/2024	EUR	4,09%
Eurobond	2,625%	26/03/2027	EUR	3,75%
Eurobond	3,000%	21/03/2028	EUR	3,97%
Eurobond	4,125%	23/09/2029	EUR	4,55%
Eurobond	4,500%	27/01/2033	EUR	4,96%
Eurobond	1,375%	23/09/2050	EUR	4,42%
3 months			BGN	4,11%
12 months			BGN	4,37%

Source: Bloomberg

Asset Allocation



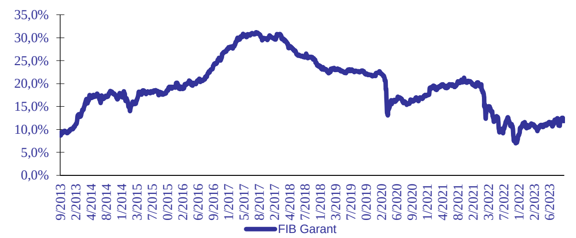
Source: FFBH Asset Management

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

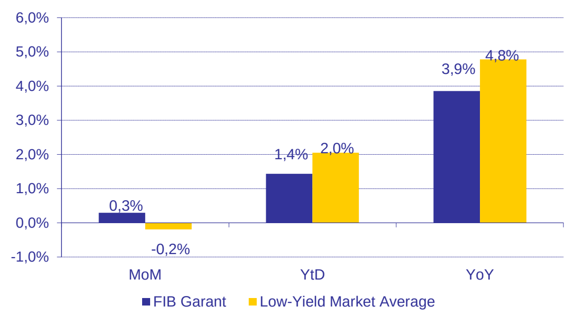
Fact sheet and fee information

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

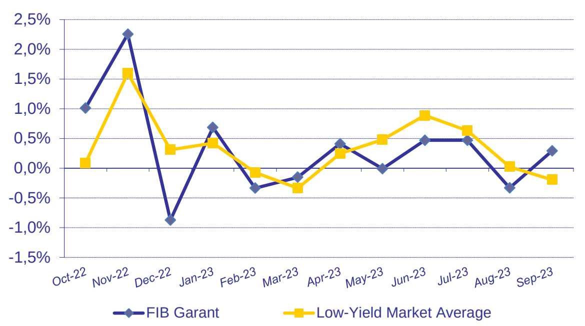
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

** Minimimum 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

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FFBH Vostok

September 2023

Data as per 29 September 2023

NAV	
NAV	BGN 435 490
NAV per share	BGN 0,4118

** see notes*

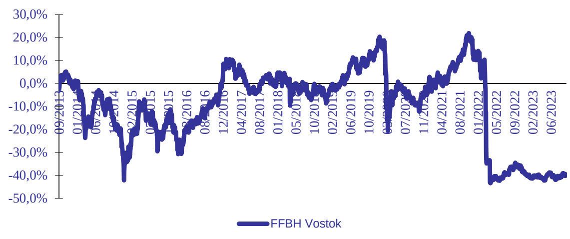
Return (%) / Statistics (%)	
Monthly (MoM)*	0,54%
Annual (YoY)*	-6,47%
Year-to-date 2023*	1,26%
Since Inception (annualized)	-6,38%
Standard Deviation*	20,56%

TOP 5 POSITIONS	
ADVANCED MICRO DEVICES, INC.	5,22%
CROWDSTRIKE HOLDINGS INC - A	4,96%
ELI LILLY & CO	4,55%
MICROSOFT CORP	4,01%
ASML HOLDING N.V.	4,01%

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

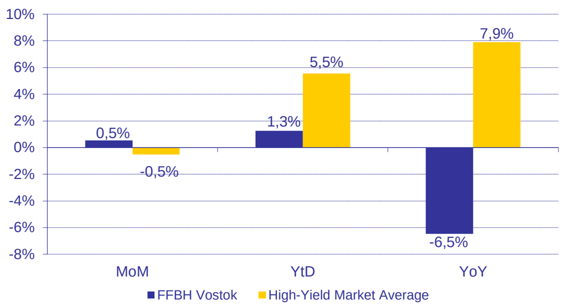
Fact sheet and fee information

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

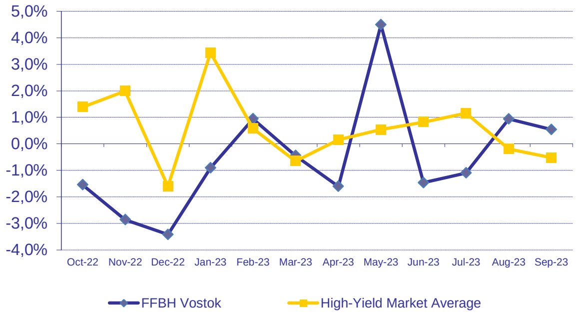
Subscription*		
Entry fee	0,00%	
Redemption fee	0,00%	
Management fee (annual % of average AUM)		2,00%

** Minimimum subscription is BGN 50*

MoM, YoY and YtD return to HY market average*

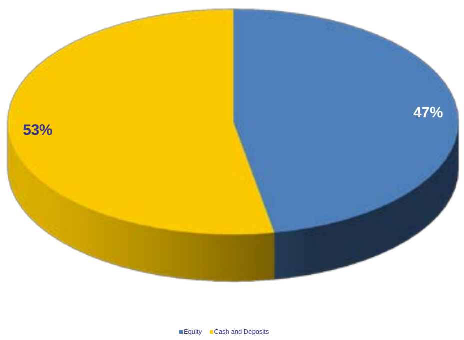


MoM return to HY market average*

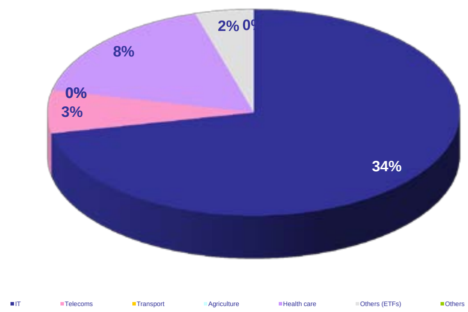


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

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#Marketing Communication

Targeted Markets' Key Statistics - September 2023

Table 1

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Aug-23	4,507.7	Sep-23	4,288.1	-4.9%
Nasdaq 100	Aug-23	15,501.0	Sep-23	14,719.2	-5.0%
2Y US Treasury Yield	Aug-23	4.863	Sep-23	5.052	0.19
10Y US Treasury Note Yield	Aug-23	4.095	Sep-23	4.579	0.48
USD index (DX)	Aug-23	103.59	Sep-23	105.82	2.2%
Consumer Sentiment	Aug-23	69.5	Sep-23	68.1	-1.4
GDP (QoQ)	Q1	2.0%	Q2	2.1%	0.1%
Core CPI (MoM)	Jul-23	0.2%	Aug-23	0.3%	0.1%
Core PPI (MoM)	Jul-23	0.4%	Aug-23	0.2%	-0.2%
Unemployment	Jul-23	3.5%	Aug-23	3.8%	0.3%
Core Retail Sales (MoM)	Jul-23	0.7%	Aug-23	0.6%	-0.1%
S&P Global Manfacturing PMI	Jul-23	49	Aug-23	47.9	-1.1
ISM Non Manufactoring	Jul-23	52.7	Aug-23	54.5	1.8

Table 2

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Aug-23	458.2	Sep-23	450.2	-1.7%
DAX	Aug-23	15,947.1	Sep-23	15,386.6	-3.5%
2Y German Bund Yield	Aug-23	2.981	Sep-23	3.206	0.23
10Y German Bund Yield	Aug-23	2.471	Sep-23	2.853	0.38
EUR.USD	Aug-23	1.0841	Sep-23	1.057	-2.5%
ZEW Economic Sentiment	Aug-23	-5.5	Sep-23	-8.9	-3.4
GDP (QoQ)	Q1	0.1%	Q2 (P)	0.1%	0.0%
CPI (MoM)	Aug-23	0.5%	Sep-23	0.3%	-0.2%
PPI (MoM)	Jul-23	-0.5%	Aug-23	0.6%	1.1%
Unemployment	Jul-23	6.5%	Aug-23	6.4%	-0.1%
Retail Sales (MoM)	Jul-23	-0.1%	Aug-23	-1.2%	-1.1%
HCOB Eurozone Manfacturing PMI	Aug-23	43.5	Sep-23	43.4	-0.1
Industrial Production (MoM)	Jun-23	0.4%	Jul-23	-1.1%	-1.5%

September/Q3 2023: The worst month of 2023, marked negative Q3, heavily influenced by the "higher for longer" narrative

Following a robust rally for stocks in the first half of 2023, **the third quarter offered something of a reality check.** Global equities posted a negative return in Q3. Government bonds also declined in the quarter, with yields rising. **A recent surge in longer-term part of the yield curve has given investors options to earn returns without as much risk as in the stock market.** Commodities were a notable outperformer with energy gaining amid oil production cuts from Saudi Arabia and Russia.

The S&P 500 fell in September, locking in its worst month so far this year as **investors face the possibility that higher interest rates will stick around for a while.** Technology stocks have been hit hard. This year, excitement about advances in artificial intelligence and bets that the Fed would start cutting rates sooner rather than later sent tech stocks again bounding higher. Energy stocks were the only one of the S&P 500's 11 sectors to end September higher, rising 2.5% for the month. They were propelled by gains in oil prices, with global benchmark Brent crude climbing 9.7% for the month to $95.31 per barrel.

Major overseas stock benchmarks also declined for the month. The Stoxx Europe 600 fell 1.7% in September, while Japan's Nikkei 225 dropped 2.3% and Hong Kong's Hang Seng retreated 3.1%.

Table 3

Targeted Markets - Performance Statistics	1M	3M	6M	YTD
S&P 500 (1)	-4.9%	-3.6%	4.3%	11.5%
NASDAQ 100 (2)	-5.0%	-3.0%	11.7%	34.5%
STOXX 600 (3)	-1.7%	-2.5%	-1.7%	6.0%
S&P GSCI Index (4)	3.1%	12.8%	6.2%	-0.2%
S&P 500® Investment Grade Corporate Bond Index (5)	-2.5%	-2.9%	-3.2%	0.2%
S&P Eurozone Investment Grade Corporate Bond Index (6)	-0.7%	0.3%	0.8%	2.6%

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Equity Markets

US */Table 3, (1)&(2)/*

US equities were weaker in Q3. Investors entered the quarter optimistic that the Federal Reserve (Fed) had orchestrated a soft landing for the economy, and that the era of policy tightening rates would soon end. Inflation, while ticking up in August, remains on a downward trend. **Comments from Fed policymakers suggest a further rate hike is to come before the end of the year,** while the dot plot now illustrates a higher median rate for 2024 (5.1% vs 4.6%).

Europe */Table 3, (3)/*

Eurozone shares fell in Q3 amid **worries over the negative effects of interest rate rises on economic growth**. However, data released at the very end of the period showed eurozone **inflation slowed to a two-year low of 4.3% in the year to September**, down from 5.2% in August. **This could potentially pave the way for the European Central Bank to put an end to interest rate rises.** Some of the steepest declines came in the consumer discretionary sector given concerns over the knock-on effects of higher interest rates on consumers' disposable income.

Fixed Income */Table 3, (5)&(6)/*

During Q3 the **US economy continued to surprise in its resilience**, with the labour market remaining relatively robust and signs of improvement in the manufacturing sector. **Concerns over rising US debt issuance weighed on the Treasury market.**

Despite a significant rise in oil prices, there were better news on the inflation front, with year-on-year core measures easing across most economies. This allowed many major central banks to indicate a pause in further rate hikes.Both the **US Federal Reserve (Fed) and the European Central Bank (ECB) raised rates in July by 0.25%, with the latter continuing hike in September.** The ECB suggested that this rate might be sufficient to guide inflation back to its target.

Led by the US, global government bond yields peaked in September before slightly retreating at the quarter's end.

Corporate bond markets outperformed government bonds, with spreads narrowing across both investment grade (IG) and high yield (HY). Despite a weaker growth trajectory, European credit outperformed the US. Euro IG saw the slowest quarter for net issuance in a decade with, among other things, companies' limited new funding needs due to a lower number of deals in the acquisition pipeline.

Bond yields have climbed lately as investors bet the FED will leave interest rates high in the face of a surprisingly robust U.S. economy. Traders now assign a 50% probability that the Fed will cut its benchmark rate below the current level by its meeting next June, according to CME Group's FedWatch tool. That is down from 77% a month ago.

High yield bond markets remain the top performing sector this year, with the US and European benchmarks returning 6.0% and 6.1% respectively so far in 2023. In a rising yield environment, the shorter-dated profile of high yield bond benchmarks has been a source of resilience, with spreads broadly flat over the quarter.

The focus has therefore shifted from the level of peak rates, to how long central banks will hold rates at restrictive levels, with "higher for longer" increasingly viewed as the necessary scenario to tame stubborn price pressures. **Fiscal sustainability was another area of concern for bond investors, with the US Treasury market in particular being hit by concerns over the amount of issuance that will be required to sustain a large fiscal deficit.**

Higher oil prices not only threaten to pressure consumer spending but could also prove problematic for central banks if headline inflation begins to reaccelerate. This is a risk that will warrant careful monitoring over the coming months.

Commodities */Table 3, (4)/*

The S&P GSCI index rose sharply in the third quarter, **driven by significantly higher energy prices** after Russia and Saudi Arabia cut oil production. Energy was the best-performing component in the quarter. The industrial metals component achieved a modest gain in the quarter, with price gains for zinc, lead and aluminium offsetting weaker prices for nickel and copper. The agriculture component ended the quarter in negative territory. Precious metals was the worst-performing component of the index in the third quarter, with weaker prices for both gold and silver.

October outlook: Will Q3 corporate season mark the end of the yearlong earnings erosion?

Net income at S&P 500 companies is projected to grow about 7.6% year over year in the period, snapping a run of four straight contractions /according to Bloomberg Intelligence – ***Table4/***. Third-quarter earnings reports that start in October 13th are likely to show profits fell slightly — 0.3%, based on the data — but that's also still a quick rebound from the 5.7% profit drop from Q2. **A bounce-back in profits would be a lifeline for investors unsettled by a two-month selloff** in the S&P 500, which is portending diminishing hopes of an economic soft landing in defiance of the Federal Reserve's aggressive hiking cycle.

Table 4

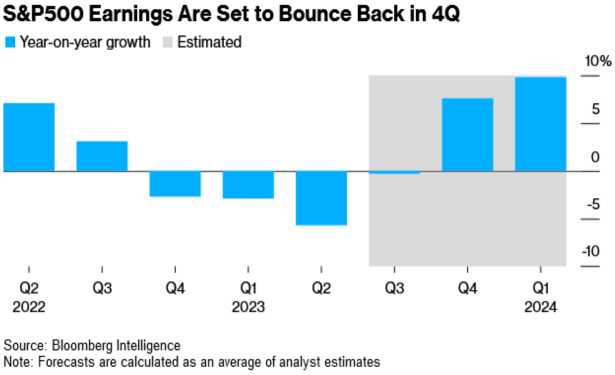
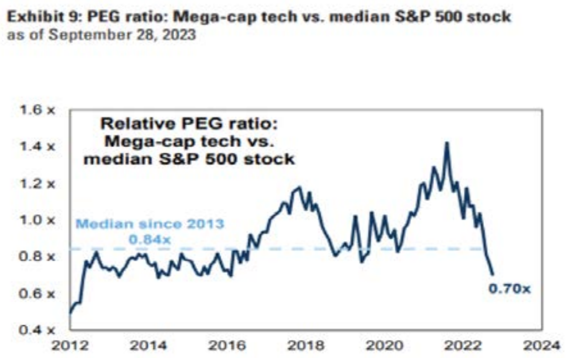


Table 5



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Communications and utilities, with estimated earnings gains of at least 45% each, should power the fourth quarter recovery. Chipmakers and media & entertainment players are expected to grow earnings by 28% and 66% respectively in the fourth quarter after declining 23% and 34% over the same period last year. The S&P 500's profit outlook would be even rosier — 11% growth /ex energy/.
Still, equity investors and strategists have a ton of reasons to remain cautious: the possibility of more interest rate hikes, recession warnings, prolonged labor strikes, higher energy prices and dwindling consumer savings.

US technology stocks may be about to turn a corner after the Nasdaq 100's biggest monthly decline this year, according to strategists at Goldman Sachs Group Inc. Goldman's analysis shows that the **largest seven tech stocks have a PEG ratio of 1.3, compared with 1.9 for the median S&P 500 stock /Table 5**/. That's the largest discount since January 2017 and a level that has been reached only five times in the last decade, they said.
While tech stocks started the year with a blistering rally driven by hype over artificial intelligence, the optimism has faded in recent months and there's growing concern that the Federal Reserve will keep interest rates higher for longer. The tech-heavy Nasdaq 100 finished September with its biggest monthly decline since December 2022. **With the focus now turning to the third-quarter earnings, expectations around tech are holding up better than the rest of the market.** A Citigroup Inc. index shows profit upgrades are still outnumbering downgrades for tech stocks. Overall, analysts expect technology earnings to rise 4.3% in the third quarter compared with a year earlier, according to data compiled by Bloomberg Intelligence.

FFBH AM Mutual Funds Key Figures:

Portfolio Performance, Portfolio composition

Table 6

	YTD, %	Equity %	Fixed Income %	Cash, %
FIB Avangard	10.08%	64.0%	5.5%	30.3%
FIB Classic	5.71%	49.8%	23.4%	26.7%
FIB Garant	1.43%	19.6%	46.3%	33.9%
FFBH Vostok	1.25%	47.1%		52.7%

Regional Diversification

Table 7

	US, Canada %	Eurozone %	BG %	Other %
FIB Avangard	50.4%	21.8%	27.1%	0.7%
FIB Classic	35.9%	17.5%	29.3%	17.3%
FIB Garant	8.7%	15.8%	40.8%	34.6%
FFBH Vostok	86.6%	7.2%	6.4%	

Risk Diversification by Asset class /ex cash/

Table 8

	Equity /Value/	Equity /Growth/	Equity /Speculative/	Fixed Income Gov Non-Eurozone	Fixed Income Gov. BG/Eurozone	Other Fixed Income
FIB Avangard	32.2%	25.8%	6.2%	0.7%		4.9%
FIB Classic	29.3%	19.5%	0.9%	10.2%		13.2%
FIB Garant	19.7%			24.7%	6.1%	15.6%
FFBH Vostok	12.6%	25.1%	9.4%			

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: $\Sigma (R_i)/n$, where n is the number of mutual funds.

DISCLAIMER