

FIB Avangard

October 2023

Data as per 31 October 2023

NAV	
NAV	BGN 1 958 197
NAV per share	BGN 0,4748

Return (%) / Statistics (%)	
Monthly (MoM)*	-2,35%
Annual (YoY)*	4,21%
Year-to-date 2023*	7,50%
Since Inception (annualized)	-4,56%
Standard Deviation*	11,92%

TOP 5 POSITIONS	
NVIDIA CORP	6,13%
FIB BONDS	5,09%
ELI LILLY & CO	4,16%
ADVANCED MICRO DEVICES, INC.	3,88%
MICROSOFT CORP	3,81%

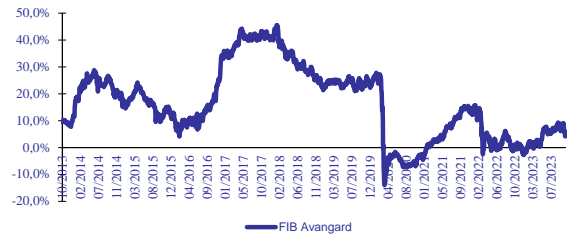
* see notes

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

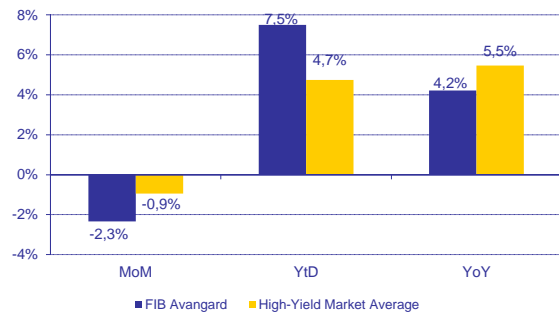
Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions	Every Business Day
Incorporation	Bulgaria

Subscription*	
Entry fee	0,00%

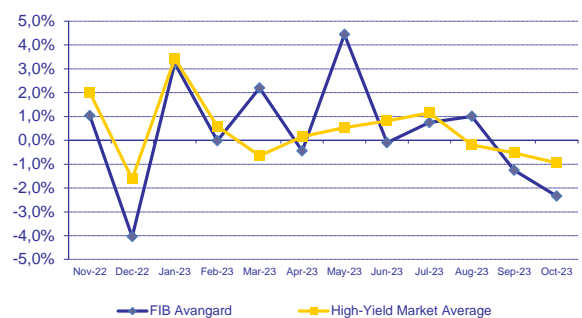
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

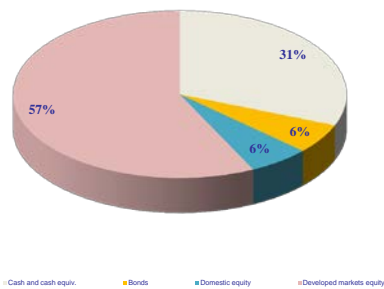


MoM return to HY market average*

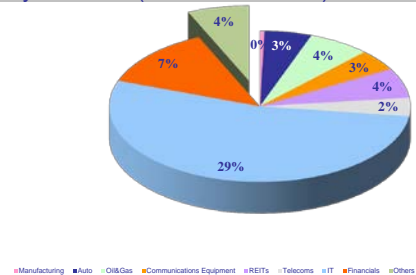


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Classic

October 2023

Data as per 31 October 2023

NAV	
NAV	BGN 3 332 445
NAV per share	BGN 0,7815

Return (%) / Statistics (%)	
Monthly (MoM)*	-1,96%
Annual (YoY)	1,83%
Year-to-date 2023*	3,64%
Since Inception (annualized)	-1,53%
Standard Deviation*	7,36%

TOP 5 POSITIONS	
FIB BONDS	4,78%
ELI LILLY & CO	4,28%
APPLE INC	3,30%
ADVANCED MICRO DEVICES, INC.	2,99%
MICROSOFT CORP	2,99%

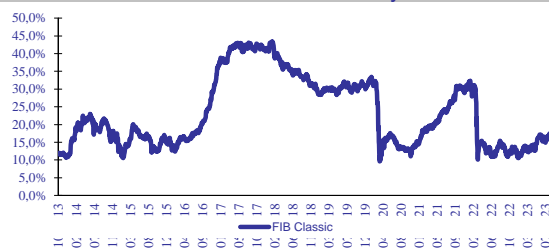
* see notes

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 Cummulative Return 10y



Source: FFBH Asset Management

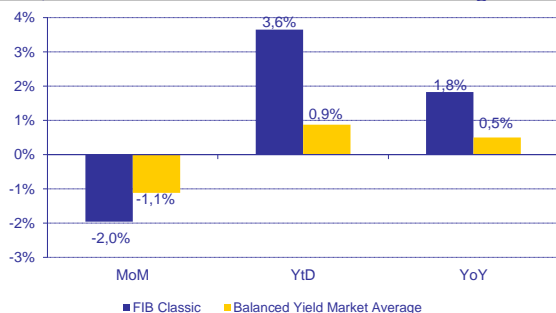
Fact sheet and fee information

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

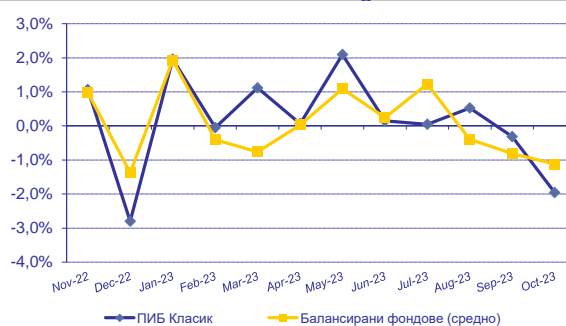
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to BY market average*

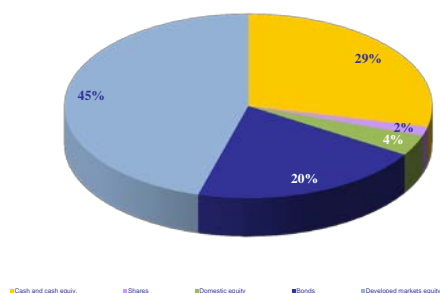


MoM return to BY market average*

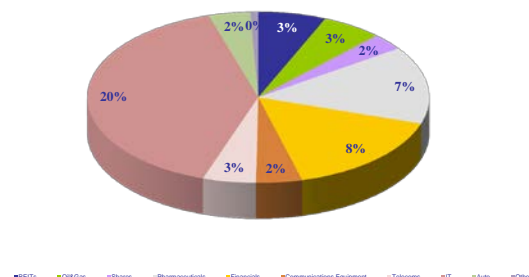


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Garant

October 2023

Data as per 31 October 2023

NAV	
NAV	BGN 2 385 112
NAV per share	BGN 1,1285

* see notes

Return (%) / Statistics (%)	
Monthly (MoM)*	-1,07%
Annual (YoY)*	1,71%
Year-to-date 2023*	0,35%
Since Inception (annualized)*	0,76%
Standard Deviation*	3,43%

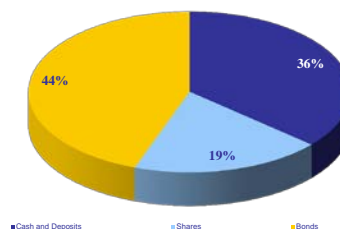
TOP 5 POSITIONS	
REPUBLIC OF ROMANIA	7,97%
REPUBLIC OF CROATIA	6,91%
REPUBLIC OF BULGARIA	6,18%
FIB BONDS	5,85%
ROLLS-ROYCE PLC	4,08%

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	2,950%	03/09/2024	EUR	4,13%
Eurobond	2,625%	26/03/2027	EUR	3,71%
Eurobond	3,000%	21/03/2028	EUR	3,91%
Eurobond	4,125%	23/09/2029	EUR	4,45%
Eurobond	4,500%	27/01/2033	EUR	4,94%
Eurobond	1,375%	23/09/2050	EUR	4,51%
3 months			BGN	4,12%
12 months			BGN	4,70%

Source: Bloomberg

Asset Allocation



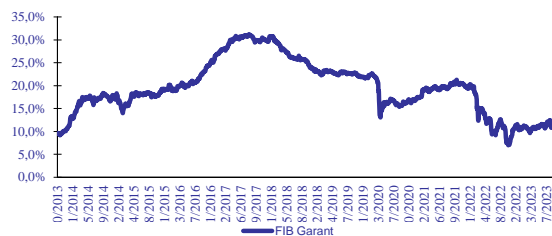
Source: FFBH Asset Management

Investment objective

FIB Garant is a conservative mutual fund, inception on Nov 11, 2007, whose investment objective is to achieve medium long-term growth of its assets, bearing low level of risk. The Fund invests mainly in fixed-income and money market instruments, but it may have up to 20% exposure to equity used to improve its risk-return profile.

FIB Garant's 2023 investment strategy includes significant allocation to Bulgarian equities on valuations and sentiment improvement on the BSE. At certain points investments in foreign large cap dividend-paying blue chips can be made. Low local deposit rates would also lead to an increase in the Fund's exposure to foreign corporate and sovereign bonds.

FIB Garant Cumulative Return 10y



Source: FFBH Asset Management

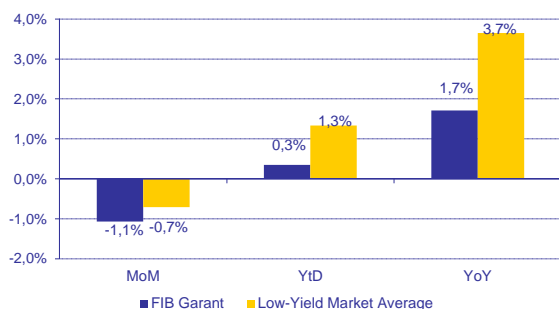
Fact sheet and fee information

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

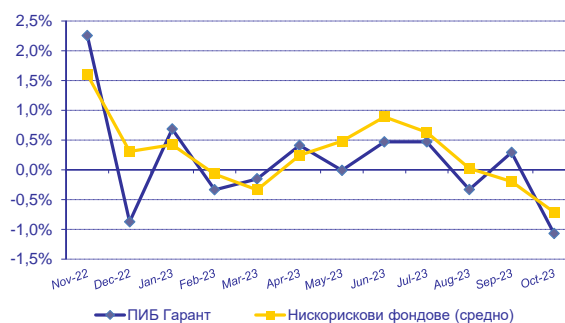
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

* 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

October 2023

Data as per 31 October 2023

NAV	
NAV	BGN 431 545
NAV per share	BGN 0,4081

Return (%) / Statistics (%)	
Monthly (MoM)*	-0,91%
Annual (YoY)*	-5,85%
Year-to-date 2023*	0,34%
Since Inception (annualized)	-6,40%
Standard Deviation*	20,58%

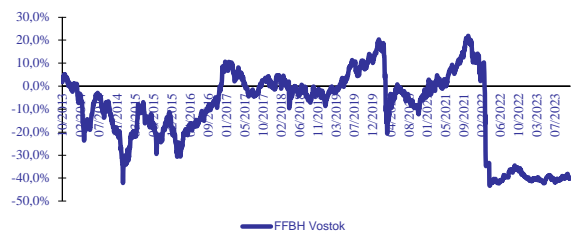
TOP 5 POSITIONS	
CROWDSTRIKE HOLDINGS INC - A	5,27%
ADVANCED MICRO DEVICES, INC.	5,03%
ELI LILLY & CO	4,72%
MICROSOFT CORP	4,32%
ASML HOLDING N.V.	4,09%

* 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

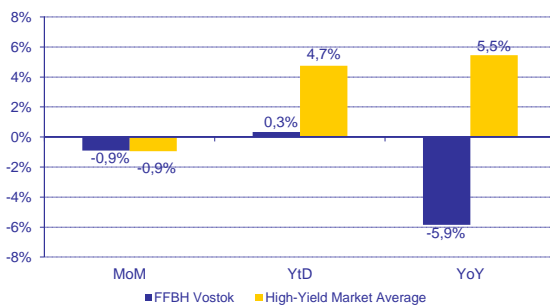
Fact sheet and fee information

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

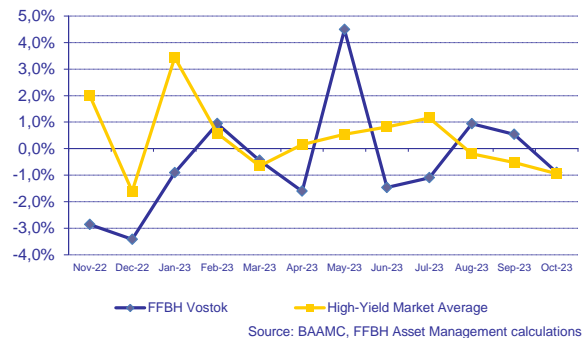
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

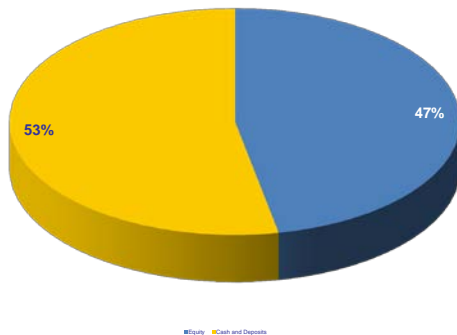


MoM return to HY market average*

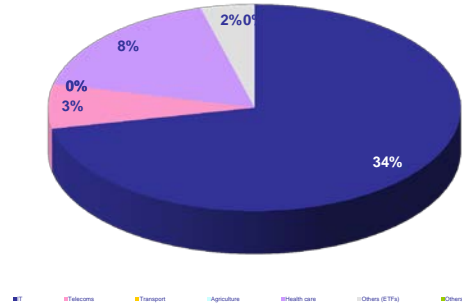


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

#Marketing Communication

Targeted Markets' Key Statistics - October 2023

Table 1

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Sep-23	4,288.1	Oct-23	4,193.8	-2.2%
Nasdaq 100	Sep-23	14,719.2	Oct-23	14,409.8	-2.1%
2Y US Treasury Yield	Sep-23	5.052	Oct-23	5.083	0.03
10Y US Treasury Note Yield	Sep-23	4.579	Oct-23	4.906	0.33
USD index (DX)	Sep-23	105.82	Oct-23	106.49	0.6%
Consumer Sentiment	Sep-23	68.1	Oct-23	63.8	-4.3
GDP (QoQ)	Q2	2.1%	Q3	4.9%	2.8%
Core CPI (MoM)	Aug-23	0.3%	Sep-23	0.3%	0.0%
Core PPI (MoM)	Aug-23	0.2%	Sep-23	0.3%	0.1%
Unemployment	Aug-23	3.8%	Sep-23	3.8%	0.0%
Core Retail Sales (MoM)	Aug-23	0.9%	Sep-23	0.6%	-0.3%
S&P Global Manufacturing PMI	Aug-23	47.9	Sep-23	49.8	1.9
ISM Non Manufacturing	Aug-23	54.5	Sep-23	53.6	-0.9

Table 2

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Sep-23	450.2	Oct-23	433.7	-3.7%
DAX	Sep-23	15,386.6	Oct-23	14,810.4	-3.7%
2Y German Bund Yield	Sep-23	3.206	Oct-23	3.074	-0.13
10Y German Bund Yield	Sep-23	2.853	Oct-23	2.809	-0.04
EUR.USD	Sep-23	1.057	Oct-23	1.0544	-0.2%
ZEW Economic Sentiment	Sep-23	-8.9	Oct-23	2.3	11.2
GDP (QoQ)	Q2 (P)	0.2%	Q3 (P)	-0.1%	-0.3%
CPI (MoM)	Sep-23	0.1%	Oct-23	0.1%	0.0%
PPI (MoM)	Aug-23	0.7%	Sep-23	0.5%	-0.2%
Unemployment	Aug-23	6.4%	Sep-23	6.5%	0.1%
Retail Sales (MoM)	Aug-23	-0.7%	Sep-23	-0.3%	0.4%
HCOB Eurozone Manufacturing PMI	Sep-23	43.4	Oct-23	43.1	-0.3
Industrial Production (MoM)	Jul-23	-1.1%	Aug-23	0.6%	1.7%

October 2023: Economic resilience fails to stabilize markets. Rising yields pose a serious threat to markets equilibrium.

The US economy had a strong third quarter. The euro area contracted. Core inflation rates continued to decline across the US and Europe. Energy prices were relatively contained despite geopolitical escalation.

Stocks fell globally, as the prospect of 'higher for longer' rates hurt equity multiples and the Israel-Hamas conflict dampened risk appetite. Developed market equities fell 2.9% on the month. Growth stocks proved relatively resilient versus their value counterparts, returning -2.4% over the month in comparison to -3.4% for value stocks. Meanwhile, the rout in fixed income continued in October, with global bonds down 1.2% over the month. Government bond yields rose further, with the **US 10-year treasury yield briefly rising above the 5% mark for the first time since 2007, driven by a combination of buoyant economic data making 'higher for longer' rates look increasingly likely, and concerns around the sustainability of government finances.** Oil prices fell by 8% to \$87 in October. Gold rushers puch the price up 7%, and briefly breached \$2000/oz. **Third quarter US earnings season has been better than expected: at the halfway mark, the blended earnings growth rate was +2.7% (y/y) in Q3.**

Table 3

Targeted Markets - Performance Statistics	1M	3M	6M	YTD	12M
S&P 500 (1)	-2.2%	-8.6%	0.6%	9.1%	8.3%
NASDAQ 100 (2)	-2.1%	-8.5%	8.8%	31.7%	26.3%
STOXX 600 (3)	-3.7%	-8.0%	-7.1%	2.1%	5.2%
S&P GSCI Index (4)	-0.2%	-4.1%	-4.3%	-1.5%	6.7%
S&P 500® Investment Grade Corporate Bond Index (5)	-5.4%	-2.8%	2.1%	-5.5%	-9.4%
S&P Eurozone Investment Grade Corporate Bond Index (6)	-1.9%	-5.1%	-5.8%	-1.7%	2.4%

Equity Markets

US /Table 3. (1)&(2)/

Stocks fell for the third consecutive month, as broad-based weakness continued to underscore the narrowly led market: **the 'Magnificent Seven' now account for almost all the global stock market's 7% year-to-date return.**

October saw a flurry of data signalling the resilience of the US economy, including a blockbuster jobs report, strong retail sales data and a blowout GDP print of 4.9% annualised for the third quarter. Inflation came in hotter-than-expected, with the headline figure flat at 3.7% year on year in September, against expectations of a slight moderation.

Resilient data suggests that the Federal Reserve **(the Fed) may have to hold interest rates at current levels for longer than investors were expecting** which, combined with elevated geopolitical uncertainty, was a likely factor behind the weak monthly performance of US stocks.

Citing the "range of uncertainties, both old and new", in several performances during October, **Fed chair Jerome Powell indicated that policymakers had not ruled out further tightening**, with rates already at a 22-year high.

Europe /Table 3. (3)/

Eurozone shares declined, as **cracks continued to emerge in the economic outlook for the eurozone.** The traditional safe haven sectors of utilities and consumer staples posted small gains for the month. Energy and information technology also proved relatively resilient. Other sectors saw steeper falls. Healthcare was among the weakest performers.

The European Central Bank (ECB) held interest rates steady at its October meeting, breaking a series of 10 consecutive increases. The end of the month brought data showing annual inflation had fallen to 2.9% in October from 4.3% in September. News that inflation is returning closer to the ECB's 2% target **added to expectations that this rate-hiking cycle may be over.**

Bank surveys from the European Central Bank (ECB) showed **a contraction in the supply of credit to households and businesses in the third quarter**

Euro area GDP contracted by 0.1% in the third quarter, though the previous quarter was revised higher to 0.2%. The forward-looking Composite PMIs remained 'contractionary' in both the eurozone (**46.5 - a 35-month low**) and UK (48.6), with manufacturing activity still subdued in October.

Fixed Income /Table 3. (5)&(6)/

In fixed income markets, government bond returns were negative across a number of developed markets as yields rose to multi-year highs over the month

High yield bond markets remained the top fixed income performers year to date, with the US and European benchmarks returning 4.7% and 5.7% in 2023 respectively. However, widening spreads across high yield and global investment grade bond markets hit monthly returns. Global investment grade bonds fell 1.2% over the month, while US and European high yield bonds fell 1.2% and 0.3% respectively.

Throughout October, the prevailing narrative driving bond markets was the expectation that interest rates would need to remain high for an extended period. Factors such as a robust **US labour market, persistently high inflation, and growing concerns over US Treasury supply kept the pressure on US yields.**

The US curve steepened, with the **30-year yield surpassing the 5.0% mark for the first time since 2007.** The tightening of financial conditions lowered expectations of an imminent rate hike by the Fed, as the higher yields have already been contributing to tightening monetary policy conditions. The US 10-year yield increased from 4.57% to 4.91%, while the two-year yield climbed from 5.05% to 5.09%.

The European Central Bank (ECB) kept rates stable, as expected. However, **the lack of discussion about potentially moving up the December 2024 end-date for reinvestments from its Pandemic Emergency Purchase Programme (PEPP) was unexpected**, with a recent rise in Italian bond yields being one likely reason. Italy's finances were brought back into the spotlight with the release of the government's 2024 Budget. In October the Italian 10-year yield decreased during the month from 4.79% to 4.73%, and the 2-year yield fell from 4.02% to 3.85%.

On the credit front, **IG corporate bond spreads (both EUR and USD) widened**, indicating underperformance relative to government bonds. HY bonds fared the worst, delivering negative total returns and underperforming government bonds. Gross issuance underwhelmed in October. Euro IG gross supply dropped to €20 billion from €55 billion in September, while US IG supply was only \$83 billion, down from \$141 billion in September (source JP Morgan).

Commodities /Table 3. (4)/

The S&P GSCI Index fell in October. Precious metals was the best performing component. The price of gold was sharply higher as renewed conflict in the Middle East prompted investors to seek assets perceived to be safe havens. Within the energy component, natural gas prices rose amid concerns over risks to supply stemming from damaged pipelines as well as the Middle East conflict. **Oil declined as global growth contraction fears exceed geopolitical tensions.** Agriculture commodity prices gained, as industrial metals fall.

November outlook: FED holds the key to stability for the season's end

October was a disastrous month. All assets classes were under extreme pressure /ex Gold/.

The narrative "higher for longer" takes its toll. A month ago, the hope for the four quarters earnings erosion end in Q3, somewhat clears up the expectations for the current corporate season. Absolutely not, the premise was totally ruined, due to the 5% Yield overshooting on the entire curve, plus geopolitical red alert in the Middle East.

Investors punish companies, no matter what they say about the business. **Even a positive ST guidance failed to deliver stability.** Future is all but not less uncertain as it was, say a month ago. **FED holds the answers. The NOV 1st, meeting becomes the most important event in the Q4. A hawkish pause means: "brace yourself for another rout in stocks and bonds".**

FFBH AM believes the final accords of 2023 would eventually bring back stability.

FFBH AM Mutual Funds Key Figures:

Portfolio Performance, Portfolio composition

Table 6

	YTD, %	Equity %	Fixed Income %	Cash, %
<i>FIB Avangard</i>	7.50%	63.0%	5.8%	31.0%
<i>FIB Classic</i>	3.64%	49.1%	22.1%	28.7%
<i>FIB Garant</i>	0.35%	19.1%	44.4%	36.4%
<i>FFBH Vostok</i>	0.34%	46.9%	-	52.9%

Regional Diversification

Table 7

	US, Canada %	Eurozone %	BG %	Other %
<i>FIB Avangard</i>	50.2%	21.4%	27.5%	0.7%
<i>FIB Classic</i>	35.8%	18.5%	29.7%	15.7%
<i>FIB Garant</i>	8.4%	17.8%	41.3%	32.4%
<i>FFBH Vostok</i>	86.8%	6.9%	6.2%	-

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
<i>FIB Avangard</i>	31.2%	26.0%	5.8%	0.7%	-	5.1%
<i>FIB Classic</i>	28.5%	19.9%	0.8%	8.9%	-	13.2%
<i>FIB Garant</i>	19.1%			22.9%	6.2%	15.3%
<i>FFBH Vostok</i>	12.2%	25.3%	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: $\sum (R_i)/n$, where n is the number of mutual funds.

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