

## FIB Avangard

November 2023

Data as per 30 November 2023

NAV	
NAV	BGN 1 948 810
NAV per share	BGN 0,4963

Return (%) / Statistics (%)	
Monthly (MoM)*	4,52%
Annual (YoY)*	7,82%
Year-to-date 2023*	12,37%
Since Inception (annualized)	-4,27%
Standard Deviation*	11,98%

TOP 5 POSITIONS	
NVIDIA CORP	6,86%
ПИБ ОБЛИГАЦИИ	5,18%
ADVANCED MICRO DEVICES, INC.	4,66%
SALESFORCE.COM INC	4,62%
ELI LILLY & CO	4,33%

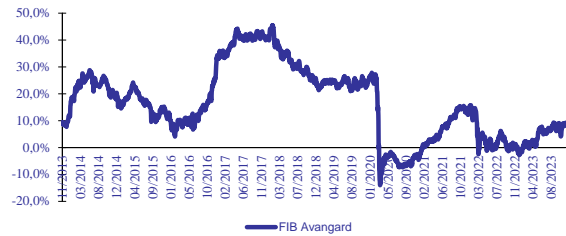
\* see notes

### 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

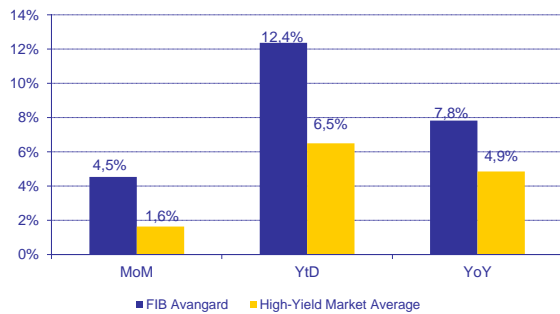
Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions Incorporation	Every Business Day Bulgaria

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

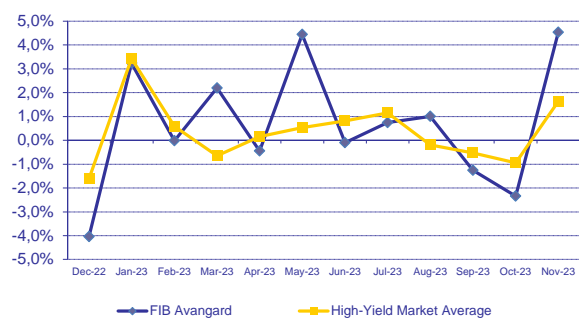
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

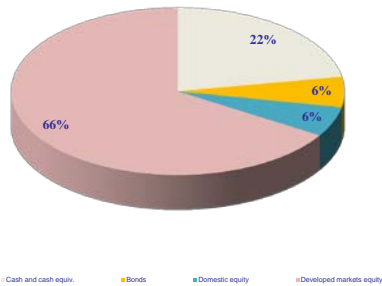


### MoM return to HY market average\*

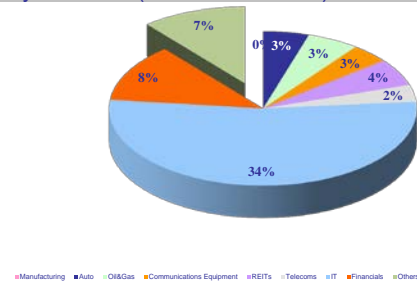


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Classic

November 2023

Data as per 30 November 2023

NAV	
NAV	BGN 3 435 021
NAV per share	BGN 0,8087

Return (%) / Statistics (%)	
Monthly (MoM)*	3,49%
Annual (YoY)	4,27%
Year-to-date 2023*	7,26%
Since Inception (annualized)	-1,32%
Standard Deviation*	7,42%

TOP 5 POSITIONS	
FIB BONDS	4,71%
ELI LILLY & CO	4,30%
ADVANCED MICRO DEVICES, INC.	3,47%
APPLE INC	3,46%
SALESFORCE.COM INC	3,28%

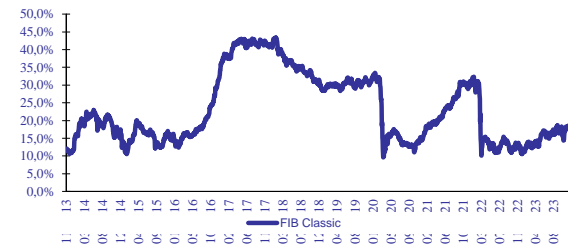
\* see notes

### 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

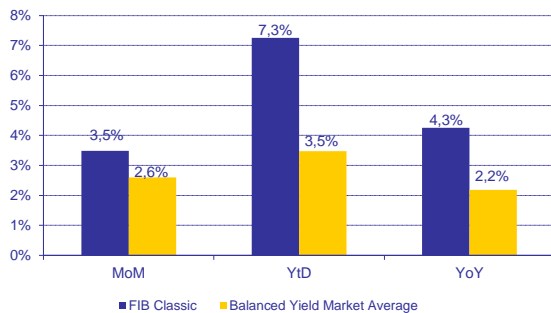
### Fact sheet and fee information

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

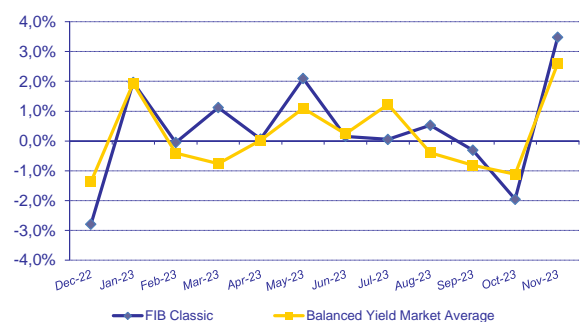
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

\* Minimum subscription is BGN 50

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

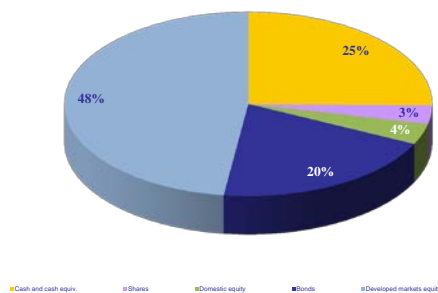


### MoM return to BY market average\*

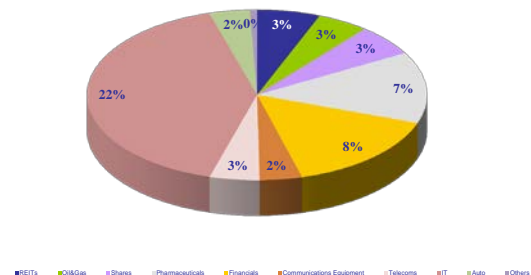


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Garant

November 2023

Data as per 30 November 2023

NAV	
NAV	BGN 2 412 624
NAV per share	BGN 1,1428

\* see notes

Return (%) / Statistics (%)	
Monthly (MoM)*	1,27%
Annual (YoY)*	0,73%
Year-to-date 2023*	1,62%
Since Inception (annualized)*	0,84%
Standard Deviation*	3,44%

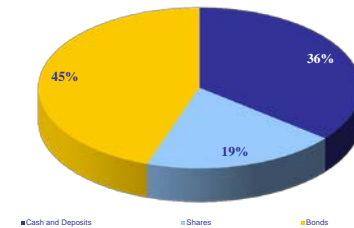
TOP 5 POSITIONS	
REPUBLIC OF ROMANIA	7,98%
REPUBLIC OF CROATIA	7,06%
REPUBLIC OF BULGARIA	6,34%
FIB BONDS	5,87%
ROLLS-ROYCE PLC	4,10%

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	2,950%	03/09/2024	EUR	3,86%
Eurobond	2,625%	26/03/2027	EUR	3,51%
Eurobond	3,000%	21/03/2028	EUR	3,59%
Eurobond	4,125%	23/09/2029	EUR	4,01%
Eurobond	4,500%	27/01/2033	EUR	4,42%
3 months			BGN	4,11%
12 months			BGN	4,17%

Source: Bloomberg

Asset Allocation



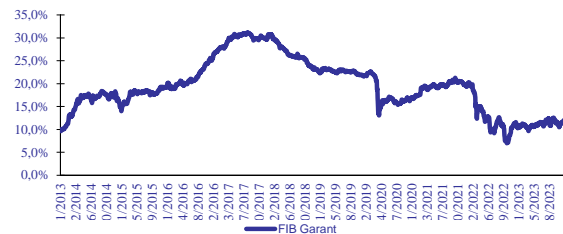
Source: FFBH Asset Management

### 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

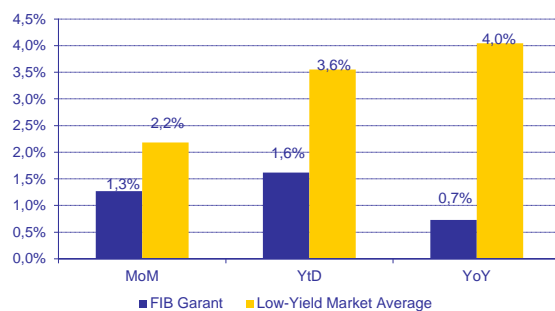
### Fact sheet and fee information

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

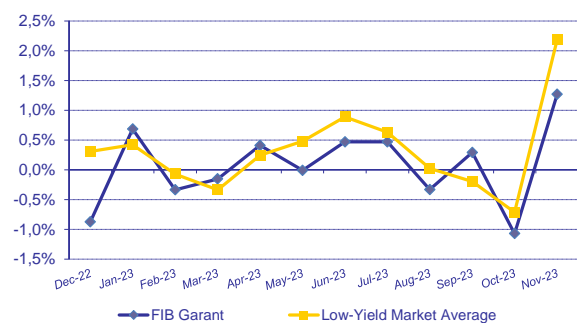
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

\* 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

November 2023

Data as per 30 November 2023

NAV	
NAV	BGN 432 771
NAV per share	BGN 0,4209

Return (%) / Statistics (%)	
Monthly (MoM)*	3,13%
Annual (YoY)*	-0,04%
Year-to-date 2023*	3,48%
Since Inception (annualized)	-6,15%
Standard Deviation*	20,60%

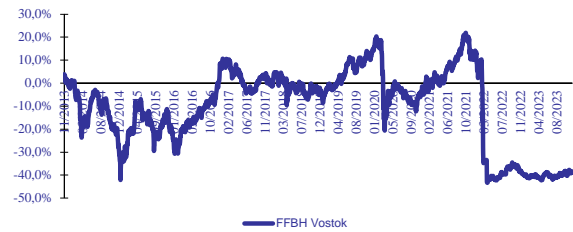
TOP 5 POSITIONS	
CROWDSTRIKE HOLDINGS INC - A	6,85%
ADVANCED MICRO DEVICES, INC.	6,00%
ELI LILLY & CO	4,88%
MICROSOFT CORP	4,69%
DIREXION SHARES ETF TRUST	4,53%

\* 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

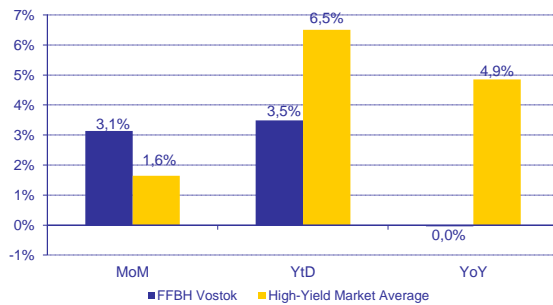
### Fact sheet and fee information

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

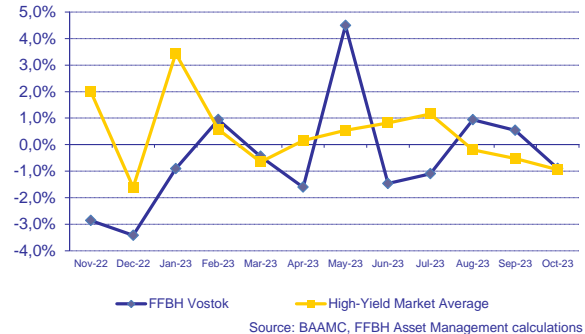
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

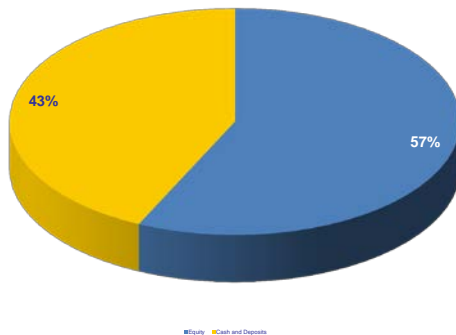


### MoM return to HY market average\*

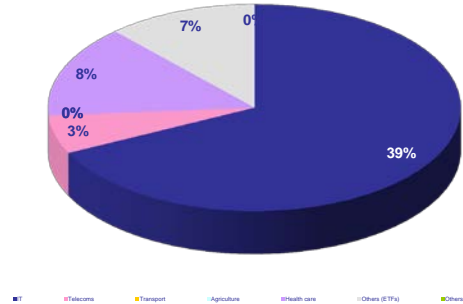


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## #Marketing Communication

### Targeted Markets' Key Statistics - November 2023

Table 1

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Oct-23	4,193.8	Nov-23	4,567.8	8.9%
Nasdaq 100	Oct-23	14,409.8	Nov-23	15,947.9	10.7%
2Y US Treasury Yield	Oct-23	5.083	Nov-23	5.138	0.05
10Y US Treasury Note Yield	Oct-23	4.906	Nov-23	4.330	-0.58
USD index (DX)	Oct-23	106.49	Nov-23	103.43	-2.9%
Consumer Sentiment	Oct-23	63.8	Nov-23	61.3	-2.5
GDP (QoQ)	Q2	2.1%	Q3	5.2%	3.1%
Core CPI (MoM)	Sep-23	0.3%	Oct-23	0.2%	-0.1%
Core PPI (MoM)	Sep-23	0.2%	Oct-23	0.0%	-0.2%
Unemployment	Sep-23	3.8%	Oct-23	3.9%	0.1%
Core Retail Sales (MoM)	Sep-23	0.8%	Oct-23	0.1%	-0.7%
S&P Global Manufacturing PMI	Sep-23	49.8	Oct-23	50	0.2
ISM Non Manufacturing	Sep-23	53.6	Oct-23	51.8	-1.8

Table 2

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Oct-23	433.7	Nov-23	461.6	6.4%
DAX	Oct-23	14,810.4	Nov-23	16,215.4	9.5%
2Y German Bund Yield	Oct-23	3.074	Nov-23	2.817	-0.26
10Y German Bund Yield	Oct-23	2.809	Nov-23	2.449	-0.36
EUR.USD	Oct-23	1.0544	Nov-23	1.0886	3.2%
ZEW Economic Sentiment	Oct-23	2.3	Nov-23	13.8	11.5
GDP (QoQ)	Q2 (P)	0.1%	Q3 (P)	-0.1%	-0.2%
CPI (MoM)	Oct-23	0.1%	Nov-23	-0.5%	-0.6%
PPI (MoM)	Sep-23	-12.4%	Oct-23	-9.4%	3.0%
Unemployment	Sep-23	6.5%	Oct-23	6.5%	0.0%
Retail Sales (MoM)	Sep-23	-0.1%	Oct-23	0.1%	0.2%
HC OB Eurozone Manufacturing PMI	Oct-23	43.1	Nov-23	44.2	1.1
Industrial Production (MoM)	Aug-23	0.6%	Sep-23	-1.1%	-1.7%

### November 2023: Record month in a shaky environment

Markets closed November in a positive mood thanks to tentative signs of economic moderation in the US and falling inflation across developed markets. Data releases broadly supported the view that **central banks have reached the peak of their tightening cycles**, aiding both equities and fixed income.

**Global stocks recorded their strongest month in three years** – nearly retracing the summer losses – in a broad-based rally that saw cyclical sectors outperform. **Meanwhile, bond yields declined sharply**: the US 10-year note yield fell by 58bps, delivering the **best monthly return in more than 10 years**. In the geopolitical sphere, **US-China tensions appeared to thaw**: a resumption in high-level military communication was agreed at the Biden-Xi meeting.

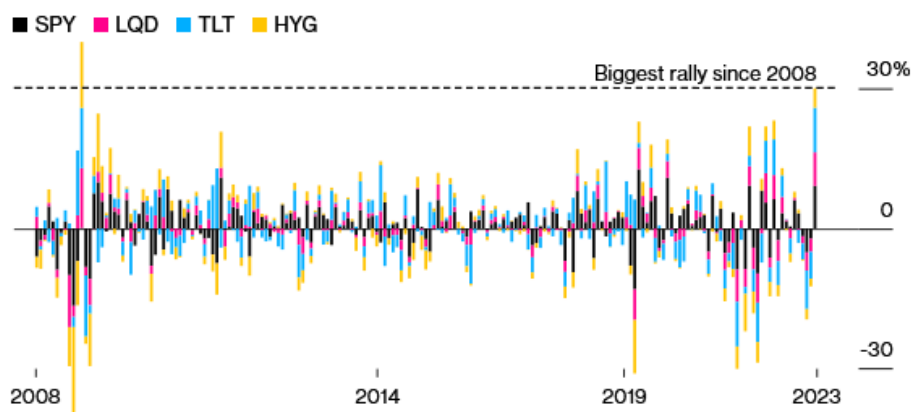
In Europe, the German 10-year yield fell around 36 basis points. Commodity prices contracted from their October peaks. Despite the ongoing conflict in the Middle East, the price of a barrel of Brent crude oil fell to \$80, in part thanks to an increase in US supply and OPEC+ members' failure to adhere to production quotas.

Table 3

Targeted Markets - Performance Statistics	1M	3M	6M	YTD	12M
S&P 500 (1)	8.9%	1.3%	9.3%	18.8%	12.0%
NASDAQ 100 (2)	10.7%	2.9%	11.9%	45.8%	32.6%
STOXX 600 (3)	6.4%	0.7%	2.2%	8.6%	4.9%
S&P GSCI Index (4)	-3.7%	-6.0%	5.2%	-9.0%	-10.5%
S&P 500® Investment Grade Corporate Bond Index (5)	5.8%	1.2%	1.1%	4.0%	3.4%
S&P Eurozone Investment Grade Corporate Bond Index (6)	2.1%	1.8%	2.5%	5.2%	3.4%

By almost any measure, November's advance was a huge one. Plunging Treasury yields set the stage for powerful rallies in stocks and bonds. **Gains of major ETFs tracking various assets jump to best month since 2008**. Pls. see **Chart 1** where: SPY is SP500, LQD – Investment grade bonds, TLT – US Treasuries long end and HYG is Hygh yield bonds/

Chart 1 – ETFs tracking major asset classes



Source: Bloomberg

### Equity Markets

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

While economic data remained resilient, there were some signs that the **US economy is cooling**.

The market was particularly encouraged by the release of the US Consumer Price Index (CPI) reading for October, which was **cooler than expected**. Ongoing economic momentum, particularly in the US, and tight labour markets **reinforced market hopes for a soft landing**. This supported equity markets through November, with the S&P 500 Index now up 19% year-to-date. **Lower bond yields and healthy corporate earnings boosted growth stocks and the tech sector**, which outperformed value peers. Small caps rallied in November. However, large caps have still outperformed year to date, by around 12 percentage points.

#### Europe /Table 3, (3)/

In Europe, Eurostat's flash CPI release for November showed **headline and core inflation slowing to 2.4% y/y and 3.6% y/y** respectively. Lower energy prices were the major contributor to the fall, but within the core print both goods and services inflation also eased. Despite recent progress, the minutes of the European Central Bank's last meeting suggested it remains vigilant to upside inflation risks. **European industrial production and manufacturing activity remain depressed**, mainly **due to poor data from Germany and France**. However, eurozone Q3 employment growth was robust, rising 0.3% quarter-on-quarter (q/q).

On fiscal policy, Germany was forced to suspend its debt brake for the fourth consecutive year.

Eurozone shares gained in November. At sector level, top gainers in the eurozone included real estate, information technology and industrials. The energy sector underperformed, as did less economically sensitive sectors such as healthcare.

**While markets rallied on hopes of imminent rate cuts, comments from European Central Bank President Christine Lagarde were more cautious**. Lagarde said that eurozone inflation would come back to the 2% target if rates remained at current levels for "long enough".

Other data pointed to weakness in the eurozone economy. The flash HCOB eurozone purchasing managers' **index for November showed business activity continuing to fall with a reading of 47.1**, albeit this was up from 46.5 in October.

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

November was a positive month for fixed income markets. Government bonds, credit (both investment grade and high yield) and securitised assets **all rallied amid growing speculation that central banks might be very close to ending rate hikes**. Encouragingly, inflation pressures continued to ease as did concern around higher oil prices. Despite ongoing concerns around expansive fiscal policy, **there was better news in terms of supply, with the Quarterly Refunding Announcement being lower than expected** (\$112 billion versus \$114 billion). Nevertheless, **Moody's announced a change to its AAA US rating outlook from stable to negative** due to increased downside fiscal risks.

Outside of sovereign bonds, **the entire fixed income market benefited from lower yields and more rate cuts expected in 2024**. Investment grade bonds gained, and rising hopes for a soft landing supported high yield bonds.

**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.

#### Commodities /Table 3, (4)/

The S&P GSCI Index fell in November. Energy and livestock were the worst performing components of the index, while precious metals, industrial metals and agriculture achieved modest gains in the month.

### December outlook: Typical FOMO bying spree, would trigger a sideways pause for a while

November was a strange month. **Typical FOMO month**. Fiona Cincotta from Citi Index commented: "Optimism that the Fed's next move is going to be a rate cut, optimism that the US economy is going to avoid a hard landing — they're strong drivers, and it has been a tremendous pivot. **Could we see a hangover in January? Potentially, if the Fed does stick to the higher-for-longer narrative.**" JPMorgan CIS Dubravko Lakos added to the above statement: **"Equities are now richly valued with volatility near**



the historical low, while geopolitical and political risks remain elevated. We expect lackluster global earnings growth with downside for equities from current levels.”

FFBH AM believes that market overshoot strongly to the overbought territory. Nothing special happened to justify the stretched prices in a short while. Just FOMO. Respectively, a minor correction /3-4%/ or a 30-40 days sideways move is logical and imminent.

## FFBH AM Mutual Funds Key Figures:

### Portfolio Performance, Portfolio composition

Table 6

	YTD, %	Equity %	Fixed Income %	Cash, %
<i>FIB Avangard</i>	12.37%	71.8%	5.9%	22.2%
<i>FIB Classic</i>	7.25%	53.1%	21.5%	25.3%
<i>FIB Garant</i>	1.62%	19.4%	44.7%	35.8%
<i>FFBH Vostok</i>	3.51%	57.0%	-	42.9%

### Regional Diversification

Table 7

	US, Canada %	Eurozone %	BG %	Other %
<i>FIB Avangard</i>	53.7%	22.8%	22.6%	0.7%
<i>FIB Classic</i>	36.8%	19.3%	28.4%	15.2%
<i>FIB Garant</i>	8.3%	18.1%	40.9%	32.5%
<i>FFBH Vostok</i>	89.4%	7.4%	3.2%	-

### 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>	33.6%	28.7%	9.4%	0.7%	-	5.2%
<i>FIB Classic</i>	29.5%	21.0%	2.5%	8.7%	-	12.9%
<i>FIB Garant</i>	19.4%	-	-	23.1%	6.3%	15.2%
<i>FFBH Vostok</i>	12.9%	27.8%	16.3%	-	-	-

## 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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