

FIB Avangard

January 2024

Data as per 31 January 2024

NAV	
NAV	BGN 3 192 512
NAV per share	BGN 0,5229

Return (%) / Statistics (%)	
Monthly (MoM)*	4,03%
Annual (YoY)*	14,66%
Year-to-date 2024*	4,03%
Since Inception (annualized)	-3,92%
Standard Deviation*	12,01%

TOP 5 POSITIONS	
NVIDIA CORP	5,55%
ADVANCED MICRO DEVICES, INC.	3,97%
ADOBE INC	3,49%
SALESFORCE.COM INC	3,17%
FIB BONDS	3,08%

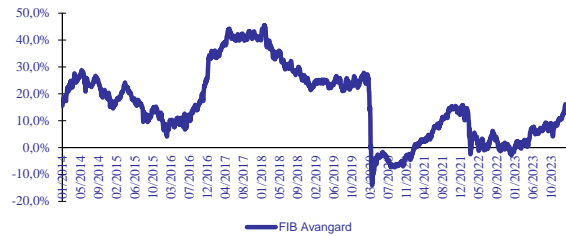
* see notes

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.

FIB Avangard's investment strategy for 2024 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

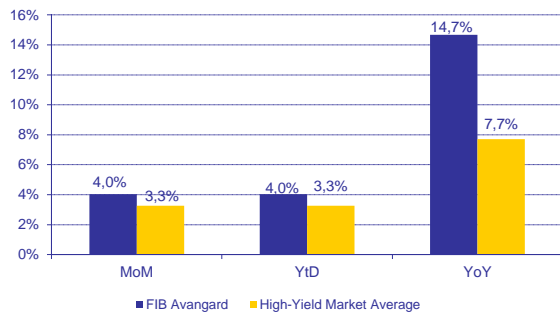
Type	Open-end equity fund
FSC Classification	High-yield fund
Manager	FFBH Asset Management
Custodian	First Investment Bank
Subscriptions/ Redemptions	Every Business Day
Incorporation	Bulgaria

Subscription*	
Entry fee	0,00%

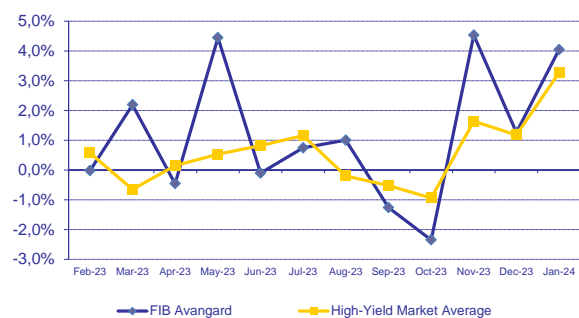
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

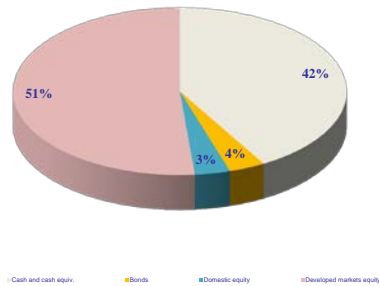


MoM return to HY market average*

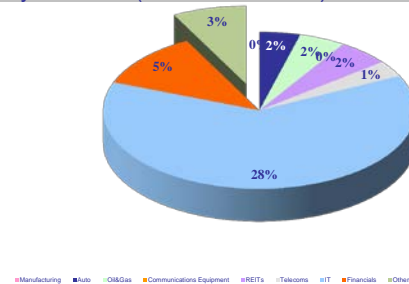


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Classic

January 2024

Data as per 31 January 2024

NAV	
NAV	BGN 5 181 839
NAV per share	BGN 0,8445

Return (%) / Statistics (%)	
Monthly (MoM)*	2,89%
Annual (YoY)	9,85%
Year-to-date 2024*	2,89%
Since Inception (annualized)	-1,04%
Standard Deviation*	7,47%

TOP 5 POSITIONS	
REPUBLIC OF BULGARIA	8,09%
REPUBLIC OF ROMANIA	4,13%
ADVANCED MICRO DEVICES, INC.	3,21%
ELI LILLY & CO	3,14%
FIB BONDS	3,04%

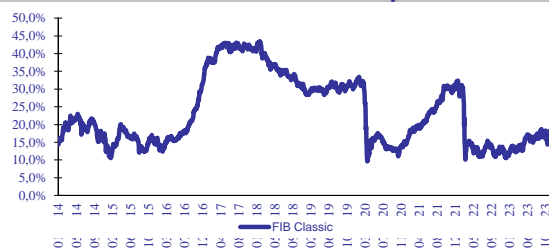
* see notes

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 2024 remains equity-focused, which includes holding equity allocation close to the fund's limits. Equities will be concentrated in 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

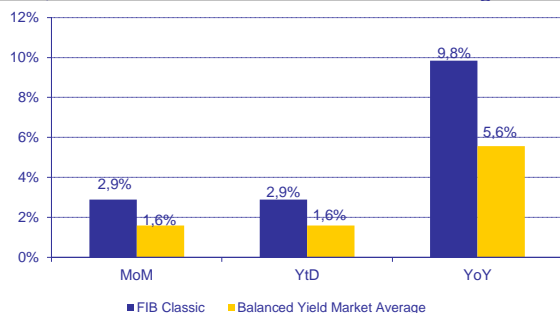
Fact sheet and fee information

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

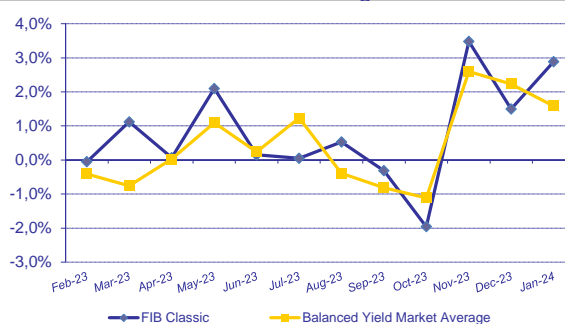
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to BY market average*

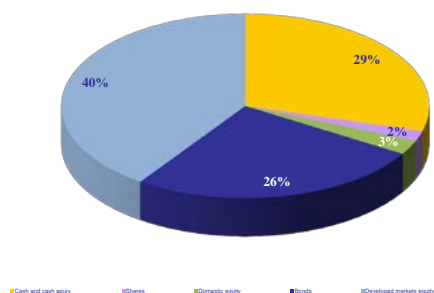


MoM return to BY market average*

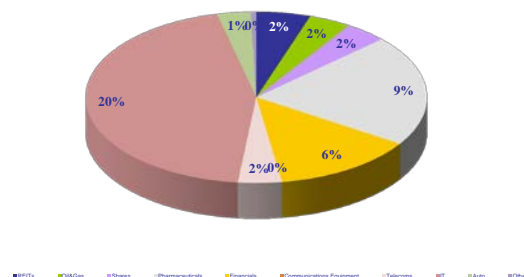


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

FIB Garant

January 2024

Data as per 31 January 2024

NAV	
NAV	BGN 4 979 147
NAV per share	BGN 1,1630

* see notes

Return (%) / Statistics (%)	
Monthly (MoM)*	0,54%
Annual (YoY)*	2,72%
Year-to-date 2024*	0,54%
Since Inception (annualized)*	0,94%
Standard Deviation*	3,48%

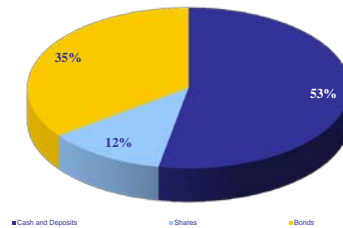
TOP 5 POSITIONS	
REPUBLIC OF BULGARIA 36	8,42%
REPUBLIC OF ROMANIA 29	4,30%
REPUBLIC OF ROMANIA 26	3,96%
REPUBLIC OF CROATIA 31	3,53%
REPUBLIC OF BULGARIA 30	3,18%

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	2,950%	03/09/2024	EUR	3,70%
Eurobond	2,625%	26/03/2027	EUR	3,08%
Eurobond	3,000%	21/03/2028	EUR	3,22%
Eurobond	4,125%	23/09/2029	EUR	3,52%
Eurobond	4,500%	27/01/2033	EUR	3,81%
Eurobond	1,375%	23/09/2050	EUR	3,69%
3 months			BGN	4,57%
12 months			BGN	4,16%

Source: Bloomberg

Asset Allocation



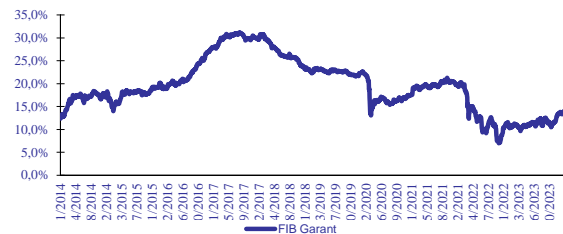
Source: FFBH Asset Management

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 2024 investment strategy includes significant allocation 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

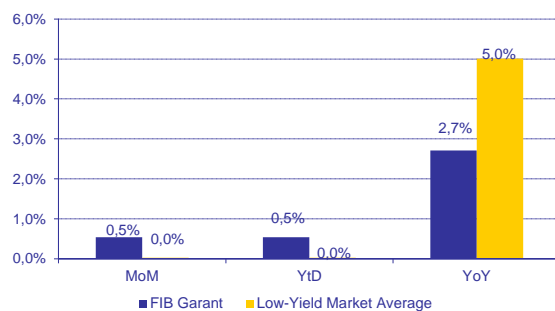
Fact sheet and fee information

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

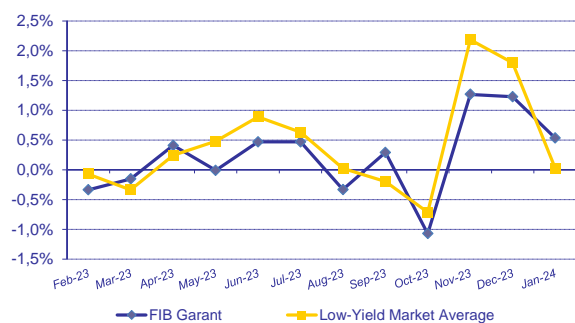
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

* 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

January 2024

Data as per 31 January 2024

NAV	
NAV	BGN 524 112
NAV per share	BGN 0,4533

Return (%) / Statistics (%)	
Monthly (MoM)*	6,63%
Annual (YoY)*	12,47%
Year-to-date 2024*	6,63%
Since Inception (annualized)	-5,57%
Standard Deviation*	20,55%

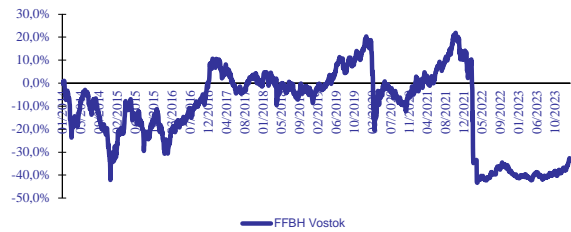
TOP 5 POSITIONS	
CROWDSTRIKE HOLDINGS INC - A	7,04%
ADVANCED MICRO DEVICES, INC.	6,92%
ASML HOLDING N.V.	4,76%
ELI LILLY & CO	4,44%
ADOBE INC	4,25%

* 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

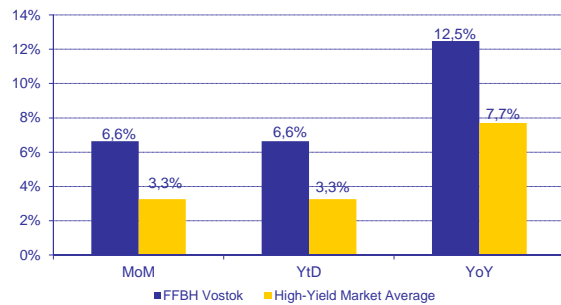
Fact sheet and fee information

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

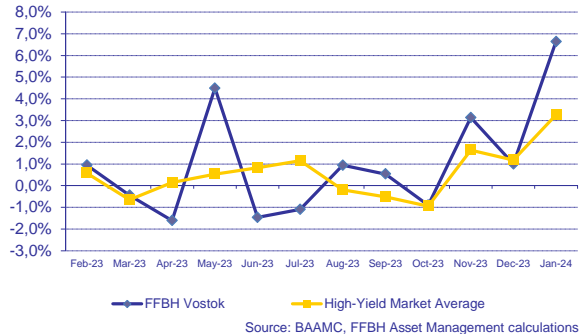
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

* Minimum subscription is BGN 50

MoM, YoY and YtD return to HY market average*

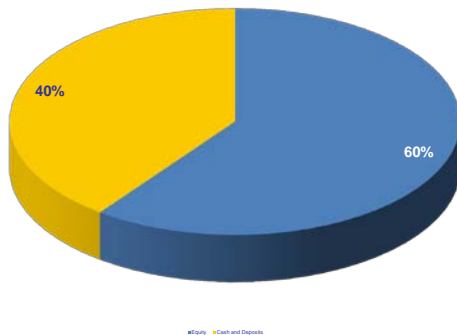


MoM return to HY market average*

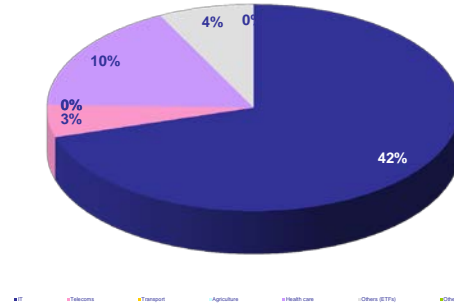


Source: BAAMC, FFBH Asset Management calculations

Asset Allocation



Equity Portfolio (% of total assets)



Source: FFBH Asset Management

#Marketing Communication

Targeted Markets' Key Statistics - January 2024

Table 1

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Dec-23	4,769.8	Jan-24	4,848.9	1.7%
Nasdaq 100	Dec-23	16,825.9	Jan-24	17,137.2	1.9%
2Y US Treasury Yield	Dec-23	4.250	Jan-24	4.209	-0.04
10Y US Treasury Note Yield	Dec-23	3.866	Jan-24	3.918	0.05
USD index (DX)	Dec-23	101.03	Jan-24	103.09	2.0%
Consumer Sentiment	Dec-23	69.7	Jan-24	79	9.3
GDP (QoQ)	Q3	4.9%	Q4 (P)	3.3%	-1.6%
Core CPI (MoM)	Nov-23	0.3%	Dec-23	0.3%	0.0%
Core PPI (MoM)	Nov-23	-0.1%	Dec-23	-0.1%	0.0%
Unemployment	Nov-23	3.7%	Dec-23	3.7%	0.0%
Core Retail Sales (MoM)	Nov-23	0.2%	Dec-23	0.4%	0.2%
S&P Global Manufacturing PMI	Nov-23	49.4	Dec-23	47.9	-1.5
ISM Non Manufacturing	Nov-23	52.7	Dec-23	50.6	-2.1

Table 2

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Dec-23	479.0	Jan-24	485.7	1.4%
DAX	Dec-23	16,751.6	Jan-24	16,903.8	0.9%
2Y German Bund Yield	Dec-23	2.400	Jan-24	2.407	0.01
10Y German Bund Yield	Dec-23	2.028	Jan-24	2.161	0.13
EUR.USD	Dec-23	1.1037	Jan-24	1.0816	-2.0%
ZEW Economic Sentiment	Dec-23	23	Jan-24	22.7	-0.3
GDP (QoQ)	Q3	-0.1%	Q4 (P)	0.0%	0.1%
CPI (MoM)	Dec-23	0.5%	Jan-24	-0.9%	-1.4%
PPI (MoM)	Nov-23	-0.3%	Dec-23	-0.8%	-0.5%
Unemployment	Nov-23	6.4%	Dec-23	6.4%	0.0%
Retail Sales (MoM)	Nov-23	0.3%	Dec-23	-1.1%	-1.4%
HCOB Eurozone Manufacturing PMI	Dec-23	44.4	Jan-24	46.6	2.2
Industrial Production (MoM)	Oct-23	-0.7%	Nov-23	-0.3%	0.4%

January: Q4 Earning season kicks off well, US economy is resilient, FED and ECB can afford to skip another meeting or two.

- US growth-inflation mix improves further; European activity remains softer;
- Major central banks leave policy rates unchanged, with rate cut timing in focus;
- Middle East conflict continues; no major China response after Taiwan elections.

Following the excitement seen at the end of last year, January offered mixed results for investors. While equity markets were initially boosted by the strength of recent activity data, this **optimism was slightly tempered at the end of the month when the Federal Reserve (the Fed) struck a less dovish tone** at its January meeting. Bond markets were volatile, as **strong growth data did not justify the magnitude of rate cuts priced in at the end of last year**. US outperformance continued in January. **S&P 500 briefly rose to a record high**. 'Growth' and 'cyclicals' led the market higher, with the 'Magnificent Seven' stocks outperforming.

Commodities also performed well, with the broad Bloomberg Commodity Index rising 0.4% over January. **The European Central Bank (ECB) kept rates on hold at its January meeting and re-iterated its commitment to remain data-dependent**. The composite purchasing managers' index (PMI) rose 0.3 pts to a preliminary 47.9 in January, **its highest level since July**.

Table 3

Targeted Markets - Performance Statistics	1M	3M	6M	YTD	12M
S&P 500 (1)	1.7%	15.6%	5.7%	1.7%	18.9%
NASDAQ 100 (2)	1.9%	18.9%	8.8%	1.9%	41.6%
STOXX 600 (3)	1.4%	12.0%	3.0%	1.4%	7.2%
S&P GSCI Index (4)	3.6%	-3.8%	-6.5%	3.6%	-8.4%
S&P 500® Investment Grade Corporate Bond Index (5)	-0.1%	10.1%	4.5%	-0.1%	4.0%
S&P Eurozone Investment Grade Corporate Bond Index (6)	0.1%	4.7%	4.6%	0.1%	5.7%

Equity Markets

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

In the US, the **S&P 500 Index was propelled to record highs** in early January as optimism around a 'soft landing' scenario continued the rally. A number of data releases pointed to the ongoing **resilience of the US economy**. **Robust jobs report** /for December/, alongside with a **blowout GDP print of 3.3%** /annualised for Q4/ was significantly above consensus expectations.

Communication services and information technology were the strongest sectors in January, supported by robust earnings and positive outlook statements from some of the "Magnificent Seven" large cap companies.

The Fed held a policy-setting meeting at the end of the month. Interest rates were kept on hold, as expected, at 5.25-5.5%. Comments from Fed chair Jerome Powell indicated that, while rates have peaked, a **rate cut as soon as the next meeting in March is unlikely**.

Europe /Table 3. (3)/

Eurozone shares posted a gain in January, led higher by shares in the information technology (IT) sector. The communication services sector also performed strongly. Sectors that had rallied in late 2023 on hopes of imminent rate cuts – including utilities and real estate – were among the weaker performers.

Hopes of an early interest rate cut from the European Central Bank (ECB) began to fade after inflation (as measured by the consumer price index) for December was confirmed at 2.9%, up from 2.4% in November. However, inflation eased again in January with the flash estimate at 2.8% y/y. The ECB kept interest rates unchanged at its January meeting. However, **rate cuts are still expected to come later in the year**. ECB president Christine Lagarde said that **"the disinflation process is at work"**.

The eurozone economy registered **zero GDP growth in Q4 2023**. This followed a -0.1% contraction in Q3. This mean annual GDP growth for the single currency bloc was 0.5% in 2023. The German economy was the main drag on growth, shrinking -0.3% in Q4.

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

While strong economic data added credence to market hopes for a 'soft landing', it also made pre-emptive rate cuts in the first quarter look less likely. On fiscal policy, **US Congress passed a temporary spending bill to avoid a government shutdown**. In the geopolitical sphere, conflict spread in the Middle East, after a US military base was attacked in Jordan. Red Sea disruptions also continued and caused global spot container rates to more than double in January

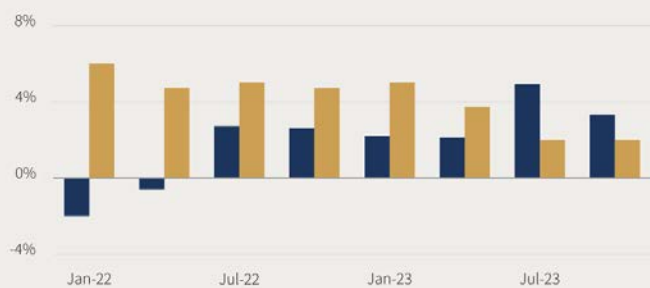
Core government bonds reversed some of last year's gains, as markets scaled back the number of rate cuts priced for 2024. **Investment grade (IG) corporate bonds posted negative returns**, yet they still outperformed government bonds with new issuance being absorbed well and spreads tightening further on the hopes of a soft landing. **Within high yield, the eurozone was the notable outperformer**, with tighter spreads and positive total returns which exceed its investment grade counterparts.

From a macroeconomic perspective, the theme was one of **ongoing regional divergence**. **The US economy sustained its momentum**. **By contrast, the eurozone's growth remained lacklustre**. This sluggishness was underscored by a disappointing German Ifo Index – typically a reliable growth indicator - which unexpectedly fell in January. Additionally, consumer confidence has also dipped across the region. Inflation pressures continued to ease.

The Federal Open Market Committee's (FOMC) preferred measure, **core PCE inflation, softened to 2.9% year-on-year in December, inching closer to the Federal Reserve's (Fed) 2% target**.

US GDP and core PCE deflator

Quarter over quarter, annualised (%)



■ US GDP ■ US core PCE deflator

Source: Bloomberg, Rothschild & Co.

Commodities /Table 3. (4)/

The S&P GSCI Index rose in January. **Oil prices rose amid ongoing conflict in the Middle East and disruption to shipping in the Suez canal**. **Industrial metals was the worst-performing component** of the index, with price gains for lead and copper prices failing to offset price falls for aluminium, nickel, and zinc. In precious metals, gold and silver prices were both lower in the month.

February / ST outlook: FED changes the tone, markets accepted the message ... for now.

What if, newly adjusted discount rates are happened to be wrong?

In light of the swift shift in market expectations towards rate cuts that transpired late last year, investors closely monitored central bank meetings for signs of any pushback against this stance and they got it.

Powell's comments during the press conference after the FOMC rate decision /31 January/, **seemingly raising the bar for the first rate cut to be delivered as early as March, needing to see greater confidence that "inflation is moving sustainably towards 2%."**

Just to remind you, some 3-4 weeks ago, markets agreed on 6 to 7 rate cuts. Now expectations /CBOT rate futures/are reduced to four FOMC moves. Some 89% of the market strategists are confident; rates are going lower in May. What if, FED surprises again?

FFBH AM has been expecting that policy shift /December market bulletin/, and still maintains its stance. A minor adjustment's been made since. We expect some 150bp rate cuts, starting from Jun 2024 /previously indicated – 200bp, starting from Jun 2024/.

FFBH AM Mutual Funds Key Figures:

Portfolio Performance, Portfolio composition

Table 6

	YTD, %	Equity %	Fixed Income %	Cash, %
<i>FIB Avangard</i>	4.0%	62.4%	3.4%	33.9%
<i>FIB Classic</i>	2.9%	46.6%	26.6%	26.7%
<i>FIB Garant</i>	0.5%	12.4%	34.9%	52.6%
<i>FFBH Vostok</i>	6.6%	62.3%	-	37.4%

Regional Diversification

Table 7

	US, Canada %	Eurozone %	BG %	Other %
<i>FIB Avangard</i>	49.5%	12.2%	37.8%	0.4%
<i>FIB Classic</i>	34.7%	22.0%	30.2%	13.0%
<i>FIB Garant</i>	7.1%	17.7%	56.2%	19.0%
<i>FFBH Vostok</i>	83.5%	7.3%	9.2%	-

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>	25.2%	30.7%	6.5%	0.4%	-	3.0%
<i>FIB Classic</i>	23.7%	21.6%	1.2%	9.9%	8.0%	8.7%
<i>FIB Garant</i>	12.4%	-	-	12.2%	15.1%	7.6%
<i>FFBH Vostok</i>	11.3%	40.6%	10.5%	-	-	-

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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