

## FIB Avangard

February 2024

Data as per 29 February 2024

NAV		Return (%) / Statistics (%)		TOP 5 POSITIONS	
NAV	BGN 3 213 961	Monthly (MoM)*	3,60%	NVIDIA CORP	7,10%
NAV per share	BGN 0,5417	Annual (YoY)*	18,80%	ADVANCED MICRO DEVICES, INC.	5,40%
		Year-to-date 2024*	7,78%	QUALCOMM INC	3,54%
		Since Inception (annualized)	-3,69%	SALESFORCE.COM INC	3,47%
		Standard Deviation*	12,03%	ELI LILLY & CO	3,38%

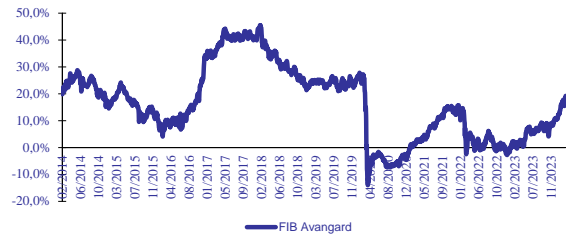
\* see notes

### 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



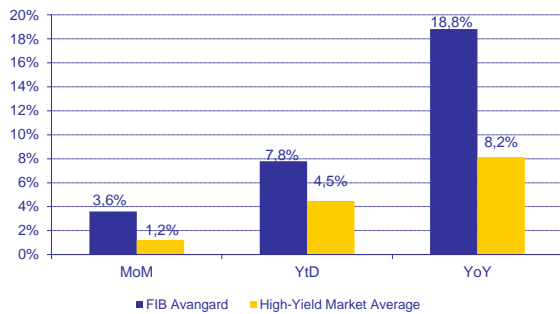
Source: FFBH Asset Management

### Fact sheet and fee information

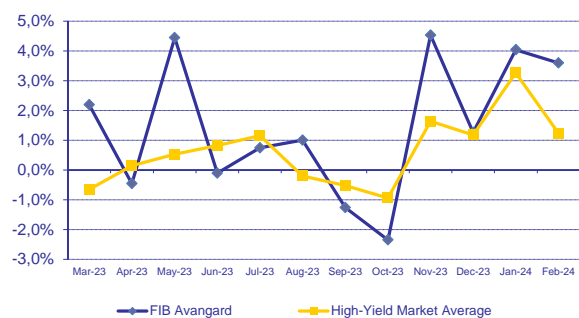
Type	Open-end equity fund	Subscription*	
FSC Classification	High-yield fund	Entry fee	0,00%
Manager	FFBH Asset Management	Redemption fee	0,00%
Custodian	First Investment Bank	Management fee (annual % of average AUM)	2,00%
Subscriptions/ Redemptions	Every Business Day		
Incorporation	Bulgaria		

\* Minimum subscription is BGN 50

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

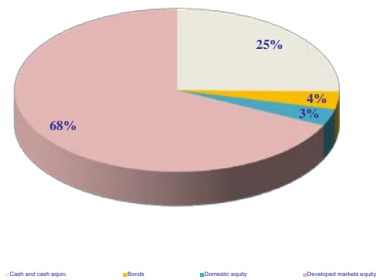


### MoM return to HY market average\*

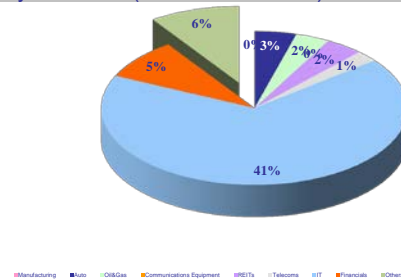


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Classic

February 2024

Data as per 29 February 2024

NAV	
NAV	BGN 5 287 796
NAV per share	BGN 0,8619

Return (%) / Statistics (%)	
Monthly (MoM)*	2,06%
Annual (YoY)	12,17%
Year-to-date 2024*	5,01%
Since Inception (annualized)	-0,91%
Standard Deviation*	7,47%

TOP 5 POSITIONS	
REPUBLIC OF BULGARIA	7,97%
REPUBLIC OF ROMANIA	4,05%
ROLLS-ROYCE HOLDINGS PLC	3,73%
ADVANCED MICRO DEVICES, INC.	3,61%
ELI LILLY & CO	3,60%

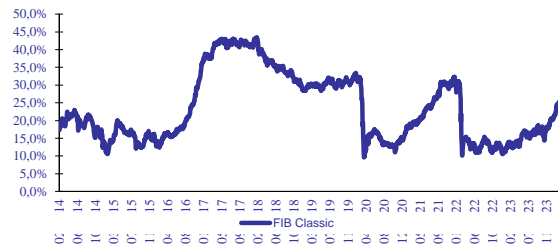
\* see notes

### 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

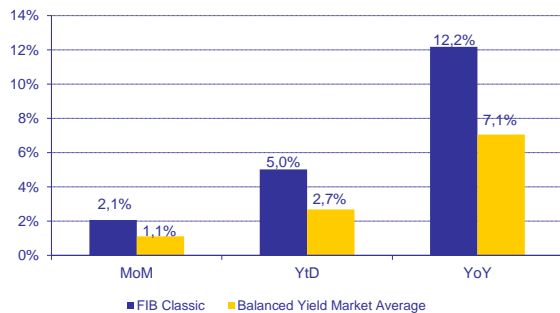
### Fact sheet and fee information

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

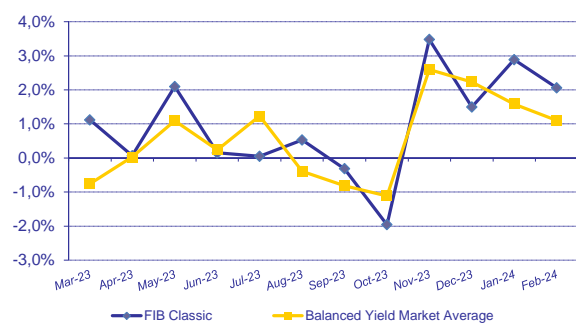
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,50%

\* Minimum subscription is BGN 50

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

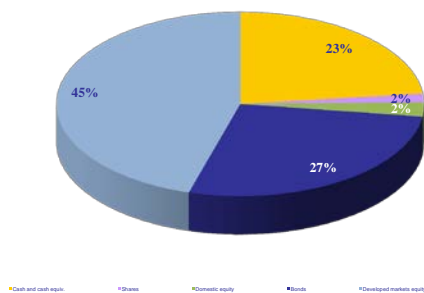


### MoM return to BY market average\*

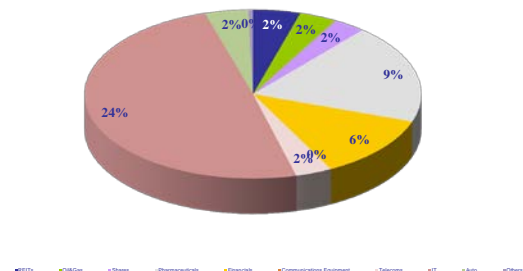


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## FIB Garant

February 2024

Data as per 29 February 2024

NAV	
NAV	BGN 4 988 771
NAV per share	BGN 1,1654

Return (%) / Statistics (%)	
Monthly (MoM)*	0,20%
Annual (YoY)*	3,27%
Year-to-date 2024*	0,74%
Since Inception (annualized)*	0,94%
Standard Deviation*	3,48%

TOP 5 POSITIONS	
REPUBLIC OF BULGARIA 36	8,46%
REPUBLIC OF ROMANIA 29	4,29%
REPUBLIC OF ROMANIA 26	3,82%
REPUBLIC OF CROATIA 31	3,50%
REPUBLIC OF BULGARIA 30	3,18%

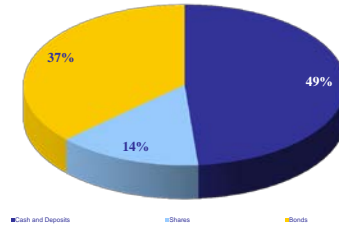
\* see notes

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

Type	Coupon	Maturity (dd/mm/yyyy)	Currency	Yield
Eurobond	2,950%	03/09/2024	EUR	3,90%
Eurobond	2,625%	26/03/2027	EUR	3,14%
Eurobond	3,000%	21/03/2028	EUR	3,25%
Eurobond	4,125%	23/09/2029	EUR	3,55%
Eurobond	4,500%	27/01/2033	EUR	3,88%
Eurobond	1,375%	23/09/2050	EUR	3,72%
3 months			BGN	4,10%
12 months			BGN	3,89%

Source: Bloomberg

Asset Allocation



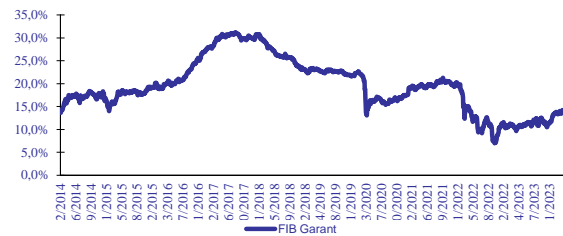
Source: FFBH Asset Management

### 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 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

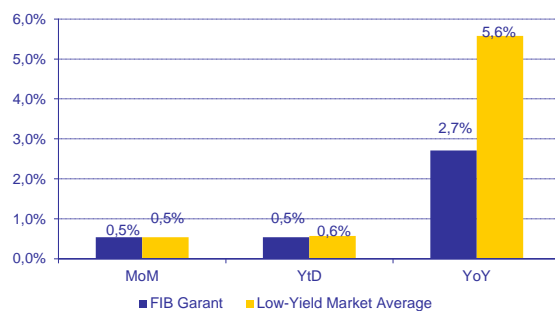
### Fact sheet and fee information

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

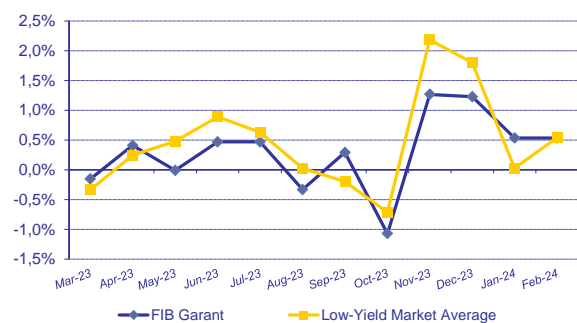
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	1,00%

\* 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

February 2024

Data as per 29 February 2024

NAV	
NAV	BGN 550 299
NAV per share	BGN 0,4664

Return (%) / Statistics (%)	
Monthly (MoM)*	2,89%
Annual (YoY)*	14,64%
Year-to-date 2024*	9,72%
Since Inception (annualized)	-5,35%
Standard Deviation*	20,57%

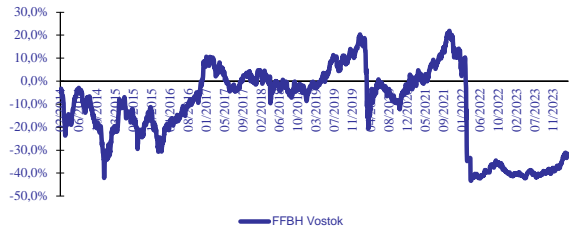
TOP 5 POSITIONS	
ADVANCED MICRO DEVICES, INC.	7,57%
NVIDIA CORP	5,19%
ELI LILLY & CO	4,94%
ASML HOLDING N.V.	4,94%
QUALCOMM INC	4,65%

\* 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

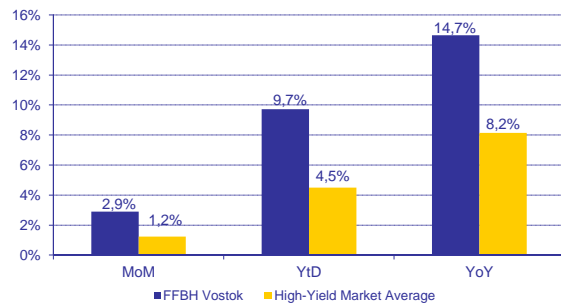
### Fact sheet and fee information

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

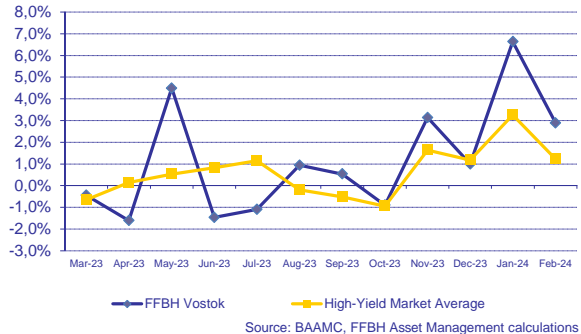
Subscription*	
Entry fee	0,00%
Redemption fee	0,00%
Management fee (annual % of average AUM)	2,00%

\* Minimum subscription is BGN 50

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

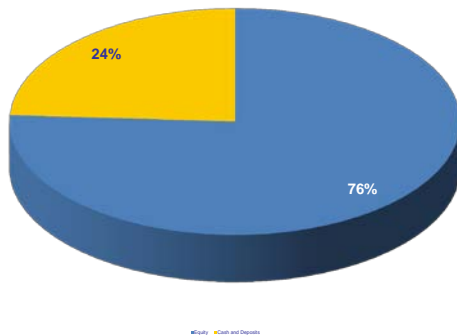


### MoM return to HY market average\*

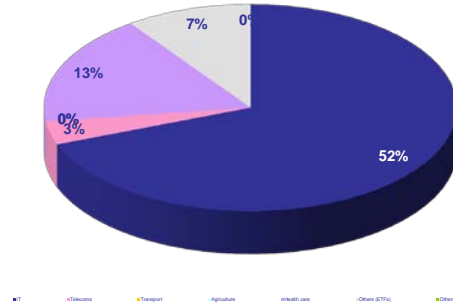


Source: BAAMC, FFBH Asset Management calculations

### Asset Allocation



### Equity Portfolio (% of total assets)



Source: FFBH Asset Management

## #Marketing Communication

### Targeted Markets' Key Statistics - February 2024

Table 1

USA	Previous	Prev. Value	Current	Curr.Value	Change
SP 500	Jan-24	4,848.9	Feb-24	5,096.3	5.1%
Nasdaq 100	Jan-24	17,137.2	Feb-24	18,043.9	5.3%
2Y US Treasury Yield	Jan-24	4.209	Feb-24	4.623	0.41
10Y US Treasury Note Yield	Jan-24	3.918	Feb-24	4.254	0.34
USD index (DX)	Jan-24	103.09	Feb-24	104.10	1.0%
Consumer Sentiment	Jan-24	79	Feb-24	76.9	-2.1
GDP (QoQ)	Q3	4.9%	Q4 (P)	3.2%	-1.7%
Core CPI (MoM)	Dec-23	0.3%	Jan-24	0.4%	0.1%
Core PPI (MoM)	Dec-23	-0.1%	Jan-24	0.5%	0.6%
Unemployment	Dec-23	3.7%	Jan-24	3.7%	0.0%
Core Retail Sales (MoM)	Dec-23	0.4%	Jan-24	-0.6%	-1.0%
S&P Global Manufacturing PMI	Dec-23	47.9	Jan-24	50.7	2.8
ISM Non Manufacturing	Dec-23	50.5	Jan-24	53.4	2.9

Table 2

Eurozone	Previous	Prev. Value	Current	Curr.Value	Change
STOXX 600	Jan-24	485.7	Feb-24	494.6	1.8%
DAX	Jan-24	16,903.8	Feb-24	17,678.2	4.6%
2Y German Bund Yield	Jan-24	2.407	Feb-24	2.885	0.48
10Y German Bund Yield	Jan-24	2.161	Feb-24	2.401	0.24
EUR.USD	Jan-24	1.0816	Feb-24	1.0803	-0.1%
ZEW Economic Sentiment	Jan-24	22.7	Feb-24	25	2.3
GDP (QoQ)	Q3	-0.1%	Q4 (P)	0.0%	0.1%
CPI (MoM)	Jan-24	-0.9%	Feb-24	0.7%	1.6%
PPI (MoM)	Dec-23	-0.9%	Jan-24	-0.9%	0.0%
Unemployment	Dec-23	6.5%	Jan-24	6.4%	-0.1%
Retail Sales (MoM)	Dec-23	-0.6%	Jan-24	0.1%	0.7%
HCOB Eurozone Manufacturing PMI	Jan-24	46.6	Feb-24	46.5	-0.1
Industrial Production (MoM)	Nov-23	0.4%	Dec-23	2.6%	2.2%

### February: Boring month, with “not so boring” fresh all time highs for stocks.

- Stock indices rise to new all time highs despite bond yields moving also higher;
- Economic resilience persists both in US and Europe;
- Disinflation continue in both sides of the Atlantic.

February was a fairly good month for stock markets, with continued strength in the US economy, combined with signs of an uptick in European activity. **Stock indices rose to record levels across the globe, including the S&P 500, Euro Stoxx 600 and Nikkei 225.** “Growth” companies continued to lead the markets.

In contrast, **fixed income markets were broadly down**, as investors continued to push out interest rate cuts further into 2024, as likelihood of imminent rate cuts decreased.

Worth mentioning /apart from comments biased toward targeted markets for FFBH AM/ that, **Chinese equity markets had hit five-year lows.**

Table 3

Targeted Markets - Performance Statistics	1M	3M	6M	YTD	12M
S&P 500 (1)	5.1%	11.6%	13.1%	6.8%	28.4%
NASDAQ 100 (2)	5.3%	13.1%	16.4%	7.2%	49.8%
STOXX 600 (3)	1.8%	7.1%	7.9%	3.3%	7.3%
S&P GSCI Index (4)	0.5%	0.4%	-5.7%	4.2%	-4.1%
S&P 500® Investment Grade Corporate Bond Index (5)	-1.5%	2.5%	3.7%	-1.6%	5.8%
S&P Eurozone Investment Grade Corporate Bond Index (6)	-0.8%	1.7%	3.5%	-0.7%	6.3%

## Equity Markets

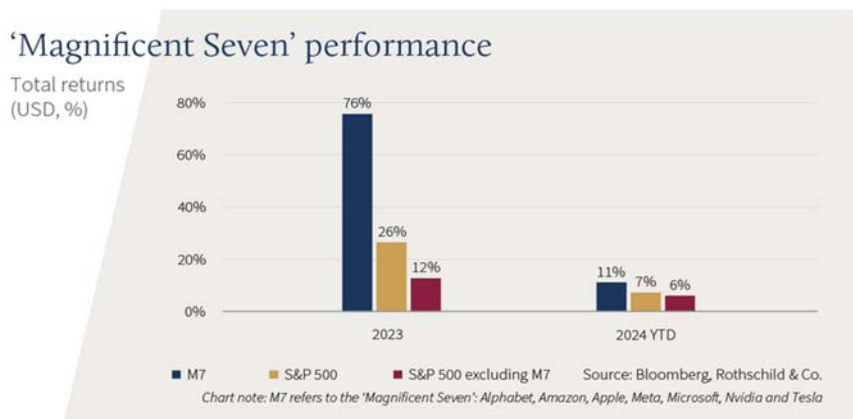
### US /Table 3, (1)&(2)/

A bit boring month for US stocks. Macro-data released in February did little to change the picture.

Releases generally demonstrated ongoing economic resilience, **which complicated the case for near-term interest rate cuts.**

Annual inflation (as measured by the consumer price index) slowed to 3.1% in January from 3.4% in December. However, **the core CPI component (which strips out food and energy prices as these can be volatile) was up 3.9%** year-on-year, in line with December's reading.

Earnings season continued, with **five of the 'magnificent seven' heavy weights (Apple, Google, Amazon, Microsoft, Tesla, Nvidia and Meta) reporting results** for the previous quarter. These companies broadly met or exceeded expectations, **contributing to a 5.3% gain in the S&P 500** over the month. **With over 90% of S&P 500 firms having reported, nearly three quarters have beaten analysts' earnings forecasts.**



Overall, **the earnings season was better than anticipated: the Q4 earnings growth rate was 4%, taking the annual figure to a modest 0.9%.**

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

Eurozone stocks also advanced, but lagged the gains made by US markets. Top performing sectors included consumer discretionary, industrials and information technology /as far as there are any in Europe/. Real estate and utilities lagged; these are sectors that had rallied in late 2023 on hopes of imminent rate cuts.

Data for February showed that eurozone inflation (as measured by the consumer price index) eased to 2.6% from 2.8% /**core stood at 3.1% in January**. There were also some signs of improving business activity. The flash **eurozone purchasing managers' index (PMI), closely watched by FFBH AM, rose to 48.9 from 47.9 in January**. A reading is still below 50 /meaning, recession is still in cards/, but improving, compared to the gloomy data announced in recent months.

European Central Bank President **Christine Lagarde continued to downplay the chances of an imminent interest rate cut**, telling the European Parliament that **the central bank does not want to run the risk of reversing any cuts.**

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

In fixed income, US (4.3%), UK (4.2%) and German (2.5%) 10-year **government bond yields rose across the board to year-to-date highs, as labour markets remained strong and inflation data surprised to the upside. This reduced investors' expectations for Federal Reserve interest rate cuts over 2024 further.**

Credit markets outperformed, with the economic outlook remaining relatively positive and the rate environment providing longer-term support. **European investment grade (IG) outperformed its US counterpart.** High yield (HY) was once again the standout performer, generating positive returns both relatively and on a total return basis.

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

The S&P GSCI Index was modestly higher in February, with **price gains for livestock and energy offsetting falls in agriculture, industrial metals, and precious metals.** In industrial metals, prices for aluminium, copper, lead, and zinc all fell, while nickel achieved a robust price gain. In precious metals, gold and silver prices both fell in the month.

## March / ST outlook: Focused on the FED and ECB interest rate policy lively talks with the markets, investors seem to miss a huge component of the big picture. China is struggling to get back on track. SSI Composite lost 23% for ten months.

In the foreword, we warned that something big is happening in China and the markets seem to ignore it by far. **Chinese equities had hit five-year lows coming into the month /FEB 05, SSI low is at 2635.09/.** This is huge! OK, FED and ECB rule the markets. Interest policy is on the top of analysts' and investment strategists' minds, **but large portion of the earnings in SP500 and STOXX600 are doomed to disappear, shall China failed to reshape its economy and restore sustainable growth** close to and above 5.5-6%. **Many economists doubt, this is possible right now.**

**What would be the implications? Earnings recession for western counterparts. Dramatic companies' valuation cuts. Price target cuts. Eventually, deep market correction /prolonged bear market/.**

Fortunately, activity data over the Lunar New Year holiday period strengthened, and the Chinese government announced a number of supportive interventions, including a cut to the 5-year loan prime rate (a benchmark for mortgage rates), curbs on short selling, and stock purchases by state-owned investment firms. We believe, a lot more is coming.

Nevertheless, it's with being vigilant. No matter, if the FED is cutting in May, June or later. No matter who's taking the steering wheel at the White house, or the seat at the commercial department. If China fails, all fails.

## FFBH AM Mutual Funds Key Figures:

### Portfolio Performance, Portfolio composition

Table 6

	YTD, %	Equity %	Fixed Income %	Cash, %
<i>FIB Avangard</i>	7.8%	71.1%	3.6%	25.2%
<i>FIB Classic</i>	5.0%	48.4%	28.3%	23.2%
<i>FIB Garant</i>	0.7%	14.4%	36.8%	48.6%
<i>FFBH Vostok</i>	9.7%	75.8%	-	24.0%

### Regional Diversification

Table 7

	US, Canada %	Eurozone %	BG %	Other %
<i>FIB Avangard</i>	55.1%	25.1%	19.2%	0.5%
<i>FIB Classic</i>	34.7%	20.5%	29.8%	14.7%
<i>FIB Garant</i>	6.9%	14.8%	56.0%	20.8%
<i>FFBH Vostok</i>	81.9%	10.2%	7.8%	0.01%

### 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>	27.5%	35.5%	8.1%	0.5%	-	3.1%
<i>FIB Classic</i>	24.4%	22.9%	1.0%	9.9%	8.0%	10.5%
<i>FIB Garant</i>	14.4%	-	-	12.1%	15.1%	9.6%
<i>FFBH Vostok</i>	13.2%	48.1%	14.5%	-	-	-

## 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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