

# ADVANCE INVEST

## Investment Objective

To seek long term capital appreciation through investments in stocks listed on the Bulgarian & Romanian markets. The fund is actively managed through bottom-up selection of undervalued stocks with high growth potential as determined by fundamental measures.



30 April 2020

### Fund Manager's Comment

Over the past month we witnessed a new wave of optimism flooding the markets around the world. Investors have become increasingly optimistic about many countries' plans for a "life after the pandemic". Optimism over the government's plans to gradually loosen the restrictions had a positive impact on the stock exchanges in Sofia and Bucharest too.

The Bulgarian SOFIX index rose by 6.7% in April. The shares of First Investment Bank (+ 52.05%) registered a strong gain and became the key constituent for the upward movement of the indices. Following the news that the Bulgarian government have committed themselves to proceed with Bulgaria's application for membership in the ERM II and the Banking Union, banks' shares experienced the positive impulse. Among the best performing index components were Real Estate Fund Bulgaria REIT (+17.50%), Chimimport (+15.63%) and Advance Terrafund REIT (+12.35%). The growth of the index was restricted by the decline of Sopharma's shares (-3.83%). Among the good surprises from the announced financial results for the first quarter were "CEZ Distribution Bulgaria" and "CEZ Electro". The two energy companies reported quarterly profit growth of respectively 250% and 90% on an annual basis.

The Romanian stock market was closely correlated with the movements of the developed markets. In April the BET rose 4.6%. Among the stocks that contributed positively were OMV Petrom (+28.59%), Banca Transilvania (+21.53%) and Transgaz (+10.51%). To a large extent, positive sentiment among market participants was driven by dividend announcements. At the opposite pole were the shares of BRD-Groupe Societe Generale (-1.05%) after the majority owner refused to vote for dividend distribution from last year's profit.

The good performance of our fund's portfolio was contributed by the shares of Eleven Capital, which after successful IPO procedure were listed for trading on the BSE-Sofia. Other contributed to the fund's good performance were IAR BRASOV (+20.8%), CONPET PLOIESTI (+18.3%) and CEZ Distribution Bulgaria (+13.3%).

In April Advance Invest gained 8.3%, while its benchmark MSCI EFM Europe + CIS ex RU rose by 7.6%. The yield data shows the fund's has strong outperformance YTD and for all other historical periods.

### Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 7.03 M
NAV/share	BGN 1.132
Launch date	10/05/2004
Benchmark	MSCI EFM Europe + CIS ex RU
Currency of account	BGN (1EUR = BGN 1.95583)
Subscription fee	up to 1.50%
Management fee	2.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

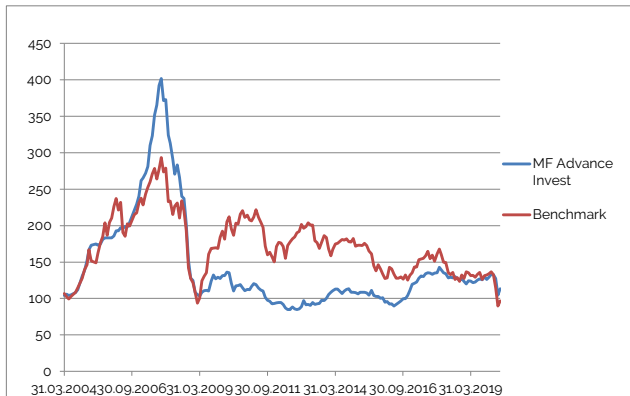
### Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

### Fund Results

	Fund	Benchmark
1 month	8.27%	7.62%
1 year	-7.09%	-26.86%
Year to Date	-14.87%	-29.26%
Since Launch (annualized)	0.78%	-0.36%

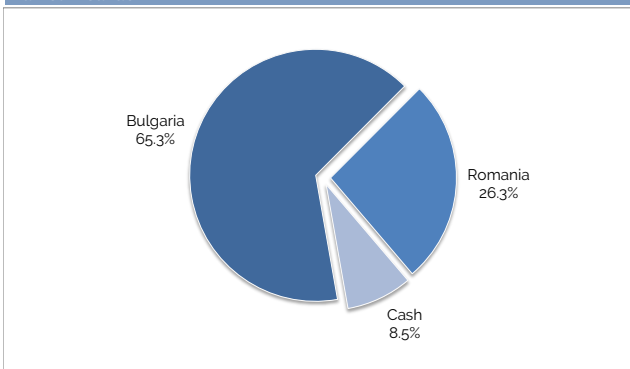
### Fund performance vs Benchmark



### Annual Performance

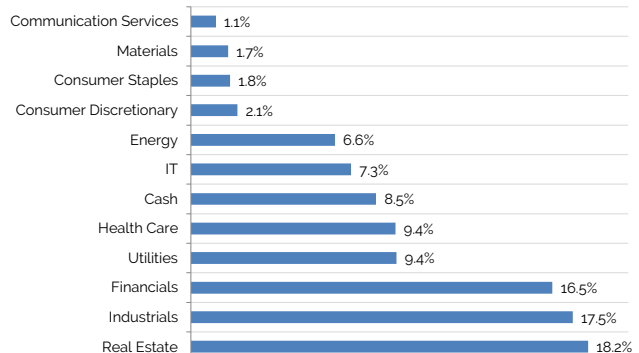
Year	Fund	Benchmark
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

### Market Breakdown



### Portfolio Breakdown

#### Sector Breakdown



### 5 Largest holdings

ACTIVE PROPERTIES (Bulgaria), Real Estate	CEZ AD (Bulgaria), Utilities	ELEVEN CAPITAL (Bulgaria), Information technology	Bulgarian Real Estate Fund (Bulgaria), Real Estate	SOPHARMA AD (Bulgaria), Health Care
---	------------------------------	---	--	-------------------------------------