

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.



31 August 2020

Fund Manager's Comment

August saw few events that provoked strong emotions among stock market participants in the region of Central and Eastern Europe (CEE). What drove stock prices on the exchanges in Sofia and Bucharest was the news related to the financial results for the first half of the year and expectations for dividend payments by companies that postponed decisions on profit distribution due to uncertainty caused by the pandemic crisis.

Romania's stock index continued its upward movement and ranked among the most profitable markets in the CEE region. The BET price index grew by 7.4% reaching a level of 8997.28 points. The basis of the upward momentum was the gain of the shares of banks and energy companies, which within the month published financial statements with results exceeding the previously expected financial results. The three companies with the highest share price growth that contributed the most were those of OMV Petrom (+ 16.4%), Banka Transilvania (+ 12.3%) and Electrica (11.3%).

In August, the leading Bulgarian stock exchange index SOFIX ranked third in monthly decline among CEE indices. At the end of the month, the BSE-Sofia index ended at a level of 434.21 points, which accounts to a monthly decline of 0.5%. Investors were disappointed with the results of industrial and financial companies. The three companies that weighed in on the performance of the index were M+S Hydraulic (-15.9%), Albena (-13.5%) and Chimimport (-5.9%).

In August Advance Invest gained 5.4%. At the same time, MSCI EFM Europe + CIS ex RU fell by 0.3%. The fund maintained its consistently strong performance against the benchmark index both YTD and in the long run.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 7.36 M
NAV/share	BGN 1,1848
Launch date	10/05/2004
Benchmark	MSCI EFM Europe + CIS ex RU
Currency of account	BGN (1EUR = BGN 1.95583)
Subscription fee	up to 150%
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	5.36%	-0.32%
1 year	-5.86%	-21.30%
Year to Date	-10.90%	-27.28%
Since Launch (annualized)	1.04%	-0.19%

Fund performance vs Benchmark

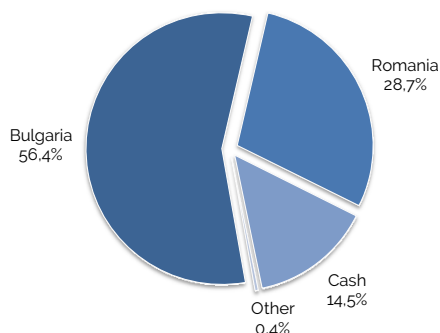


Annual Performance

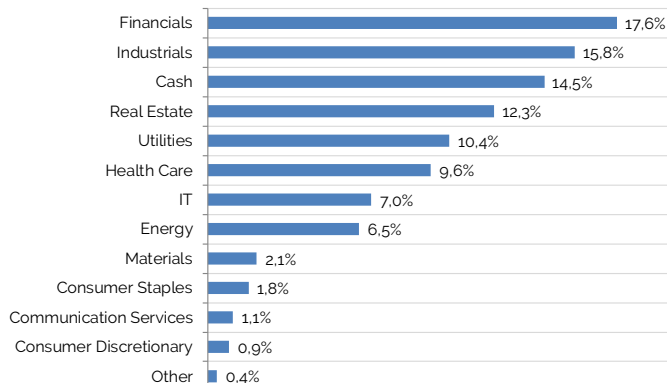
Year	Fund	Benchmark
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%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

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest holdings

CEZ AD (Bulgaria), Utilities

ELEVEN CAPITAL (Bulgaria), Information technology

SOPHARMA AD (Bulgaria), Health Care

Advance Terrafund REIT (Bulgaria), Real Estate

Bulgarian Real Estate Fund REIT (Bulgaria), Real Estate