

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 December 2020

Fund Manager's Comment

Optimism for the global economy, strongly supported by ongoing liquidity infusions from central banks, made December an extremely hot month for market participants in the CEE region. All markets in the region saw their stock indices rising due to a wave of increased appetite for emerging markets assets globally.

The main indices of the markets in Sofia and Bucharest posted gains in December influenced by the general trend. At the same time, we observed political tensions declining in the two countries. In the December 6th parliamentary elections PSD received 29% of the vote, but after lengthy negotiations, center-right, pro-European parties PNL (25%), USR Plus (15%) and UDMR (6%) reached an agreement to form a government and appointed the former minister of Finance Florin Citu as Prime Minister. The new Romanian government received parliamentary approval on December 23rd.

In Romania, the BET index rose by 5.6% in December. The average daily trading volumes on the Bucharest Stock Exchange advanced by 36.2% compared to November. The top performer was MedLife (M), which after a series of corporate events jumped by 37.1%, the rest of the gainers were shares of SIF Banat Crisana (SIF1) and SIF Muntenia (SIF4) gained 15.8%. Only the stock of Transgaz (TGN) ended in negative territory, losing 2.4% within the month.

The SOFIX index rose 4.6%. The broad market gauge BGTR30 was up by 2.7%. The companies whose price increase helped the growth of the index were Eurohold Bulgaria (4EH BU), Stara Planina Hold (5SR) and Sopharma (3JR). The negative change in the prices of Doverie United Holding (5DOV) and Sirma Group Holding (SKK) did not allow a more significant rise in the blue chip index.

In December the value of the fund's units gained 4.5%. At the same time, MSCI EFM Europe + CIS ex RU increased by 8.3%. The fund however maintained its usual strong outperformance against the benchmark both from the beginning of the year and in the long run. The solid outperformance placed the fund for a third consecutive year in a row in first place as the most successful fund in the category "Equity Funds, Emerging Markets" in the ranking of the Investor Finance Forum 2020.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 7.73 M
NAV/share	BGN 1.2558
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

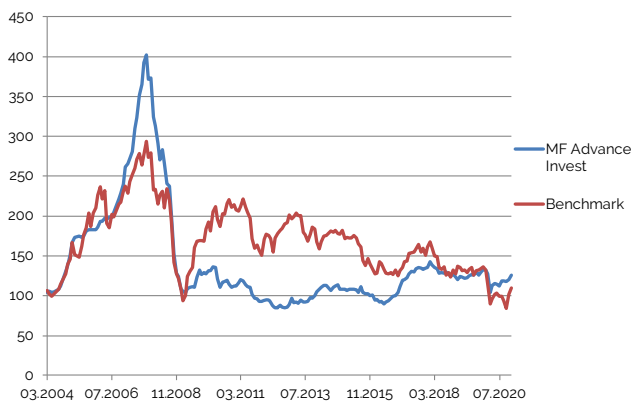
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

Fund Results

	Fund	Benchmark
1 month	4.55%	8.27%
1 year	-5.56%	-19.20%
Year to Date	-5.56%	-19.20%
Since Launch (annualized)	1.38%	0.45%

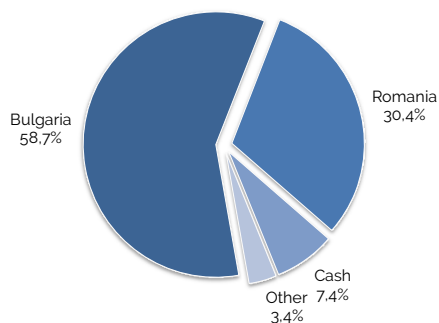
Fund performance vs Benchmark



Annual Performance

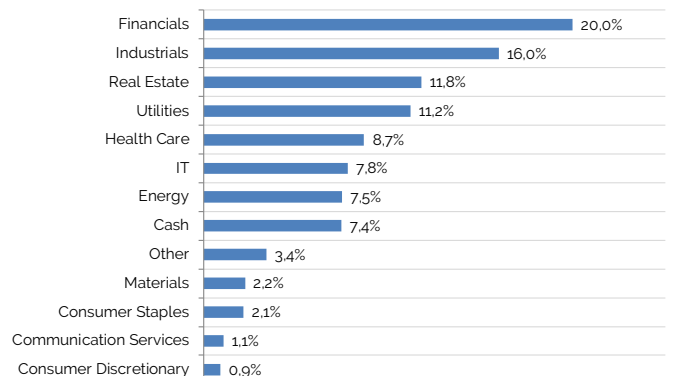
Year	Fund	Benchmark
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

Market Breakdown



Portfolio Breakdown

Sector Breakdown



5 Largest holdings

CEZ AD (Bulgaria), Utilities

ELEVEN CAPITAL (Bulgaria), Information technology

SOPHARMA AD (Bulgaria), Health Care

FONDUL PROPRIETATEA SA (Romania), Financials

Advance Terrafund REIT (Bulgaria), Real Estate