

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.



29 February 2020

Fund Manager's Comment

February was a dramatic month for the capital market participants. The month began relatively quietly, but growing concerns of the spreading COVID-19 epidemic turned into a red wave across all markets. Tensions within the CEE region were intensified by heightened geopolitical risks in Turkey and a new escalation of political instability in Romania.

The Romanian parliament voted in a no-confidence in Ludovic Orban's cabinet. The no-confidence vote was tabled by the Social Democratic Party after the cabinet took responsibility before parliament for moving to mayoral elections in two rounds. Romanian President Klaus Iohannis initially nominated Ludovic Orban, but the Constitutional Court ruled that the re-nomination was unconstitutional. Following consultations with parliamentary parties, the Romanian president nominated former Finance Minister Florin Katzou as prime minister.

The ongoing procedure for the formation of a new government has further increased the uncertainty among stock market participants in Bucharest. In the context of the fast-paced stock market panic at the end of the month, the Romanian BET index suffered a serious fall of 9.0% and ended at 9121 points. The strongest decline was recorded by the shares of the energy and financial companies included in the main indexes BET-NG and BET-FI. The fall in the stock market price of oil further compounded the fall in the price of OMV PETROM (SNP) shares, which ended the month with a decrease of 15.5%. At the opposite pole of the performance were the shares of pharmaceutical BIOFARM (BIO) which increased by 2.5% within the month and ranked among the top of stocks gainers.

The BSE-Sofia's main index (SOFIX) fell by 4.4% to 550 points. The BGTR30 index erased 3.0% to 507 points. Within a month, shares of Active Properties REIT (5AX) reached a spectacular increase of 65.5% and topped the charts of stock gainers, while Sirma Group Holding recorded a 25% decline, topping the losers' chart.

In February, the value of Advance Invest's units declined by 3.8%, while its benchmark index (MSCI EFM Europe + CIS ex RU) collapsed by 13.6%. The fund's return over the last year remains positive (+2.6% YoY), while the benchmark reports a negative performance of -15.50%. The fund continues to solidly outperform over longer historical periods.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 8.00 M
NAV/share	BGN 1.2749
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	-3.85%	-13.58%
1 year	2.60%	-15.50%
Year to Date	-4.12%	-16.08%
Since Launch (annualized)	1.55%	0.71%

Fund performance vs Benchmark

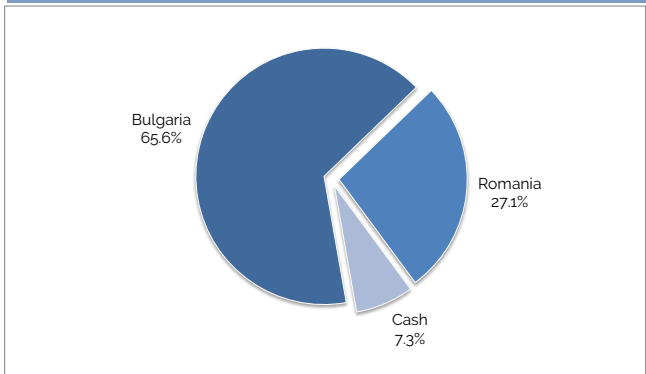


Annual Performance

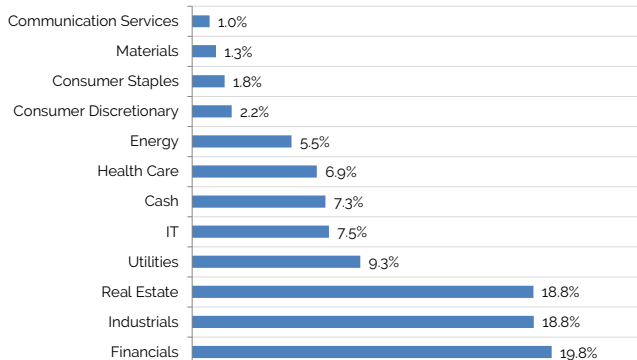
Year	Fund	Benchmark
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%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

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest holdings

ACTIVE PROPERTIES (Bulgaria), Real Estate	CEZ AD (Bulgaria), Utilities	CHIMIMPORT AD (Bulgaria), Industrials	SOPHARMA AD (Bulgaria), Health Care	Bulgarian Real Estate Fund (Bulgaria), Real Estate
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