

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 May 2020

Fund Manager's Comment

The gradual easing of the pandemic-related restrictions had a positive impact on stock trading in Romania and Bulgaria, which followed the recovery trend of the European stock markets. The timid market rebound in April was followed by much faster catch up recovery in May, with Romania's BET index achieving the highest return in the CEE region.

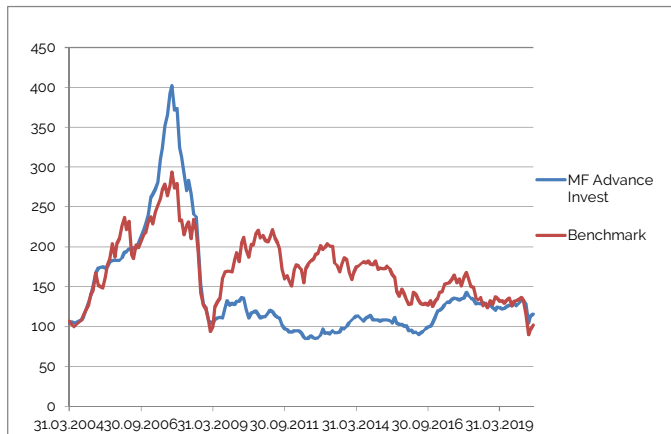
The Romanian market continued its broad and rapid market recovery, with the two main market indices BET and BET-BK ending the month with significant growth of 9.1%. The BET-TR index, including dividends, rose by 10.9% to 14,165 points. The energy companies NUCLEARELECTRICA (+19.4%), OMV PETROM (+15.1%), TRANSELECTRICA (+14.9%) and TRANSGAZ (+10.3%) were positively affected by the strong growth of oil quotes within the month and played a key role in terms of the market recovery. At the heart of the positive trend was the adequacy of Romanian government's actions in announcing that support for will continue after the state of emergency (15 May), extending the partial support of wages for workers returning to work.

The Bulgarian capital market lagged significantly behind the general recovery trend, with a slower growth rate compared to the indices in Europe and the CEE region. SOFIX increased by 1.2% and the broader BGTR30 index rose by 1.1%. The growth in the share prices of FIRST INVESTMENT BANK (+7%), the agricultural land fund ADVANCE TERRAFUND (+5.6%) and the generic producer SOPHARMA (+4.5%) contributed the most for the positive performance of SOFIX. FIB launched a long-awaited procedure for capital increase. Eventual successful recapitalization of the bank's balance sheet will remove the last obstacle for Bulgaria to apply for membership in the banking union and the currency mechanism ERM2. An additional reason for the anaemic rise in the BSE-Sofia indices was the collapse of the stock price of MONBAT (-12.2%) at the very end of the month. The collapse of the shares of the battery manufacturer came after an action of the specialized prosecutor's office, whereby the executive director of the company was detained.

In May Advance Invest gained 2.2%. MSCI EFM Europe + CIS ex RU added 5.2%. The fund maintained its stronger performance against the benchmark index both YTD and in the long run.

Fund Facts		Fund Identifiers	
Fund type	open-end	ISIN	BG9000014134
Fund Manager	Tihomir Kaundzhiev	Reuters Lipper	68417296
Fund size	BGN 7.03 M	Код в Bloomberg	ADVIMFD BU
NAV/share	BGN 1132		
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 performance vs Benchmark



Fund Results

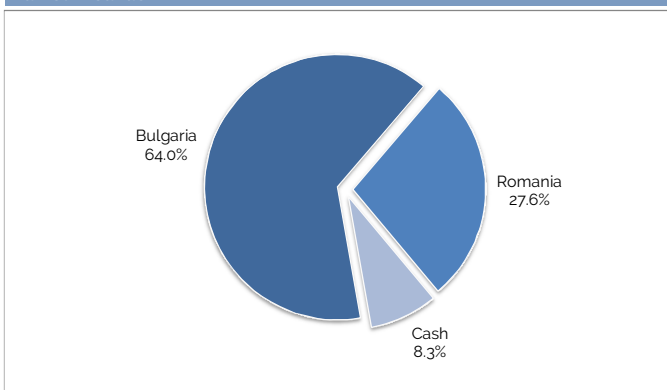
	Fund	Benchmark
1 month	2.18%	5.21%
1 year	-5.77%	-21.35%
Year to Date	-13.01%	-25.58%
Since Launch (annualized)	0.91%	-0.05%

Annual Performance

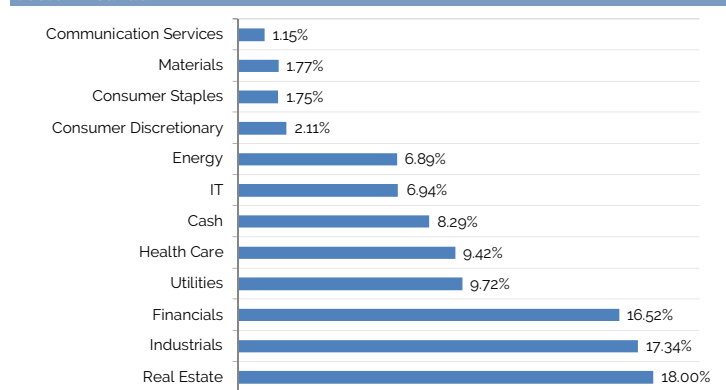
	Fund	Benchmark
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%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

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest holdings

ACTIVE PROPERTIES (Bulgaria), Real Estate	CEZ AD (Bulgaria), Utilities	ELEVEN CAPITAL (Bulgaria), Information technology	Advance Terrafund REIT (Bulgaria), Real Estate	SOPHARMA AD (Bulgaria), Health Care
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