

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 2021

Fund Manager's Comment

The past year brought many reasons for joy to investors in the stock markets in Sofia and Bucharest. For 2021, the main index of BSE-Sofia ranked second, and that of the Bucharest Stock Exchange ranked third in the profitability ranking of the Central and Eastern Europe markets.

2021 will go down in history as one of the most successful for the stock market on the Bulgarian Stock Exchange. The main index of the BSE (SOFIX) ranked second in CEE with a 42% return, ending December at 635.68 points, a monthly gain of 2.1%. Among the positive contributors were Eurohold Bulgaria (+ 12.8% MoM), Sopharma (+ 4.2% MoM) and Sopharma Trading (+ 7.6% MoM). At the opposite end, the declines in the shares of Alterco (-3.1% MoM), Real Estate Fund Bulgaria (-7.5% MoM) and Advance Terrafund REIT (-1.7% MoM) detracted from the growth of the index.

With an annual increase of 37.8% in 2021, the main index of the Romanian capital market (BET-TR) ranks third in the CEE region. In December, it rose 7.1% in both euro and local currency terms. The stocks that contributed positively during the month were Fondul Proprietatea (+ 9.9% MoM), OMV Petrom (+ 11.6% MoM) and Romgaz (+ 16.4% MoM), while those that weighed on the performance of the index were Teraplast (-9.7% MoM), Alro (-26.2% MoM) and One United Properties (-5.2% MoM).

Inflation in Romania declined after the government capped energy prices. Consumer prices in Romania remained stable in November compared to October, and inflation even fell on an annual basis to 7.8% from 7.9%. In annual terms, the main drivers of inflation are fuel prices (+ 25% on an annual basis) and energy (electricity, gas, heating + 23% on an annual basis). Similarly, against the background of the sharp rise in prices in Bulgaria, members of the newly formed parliament voted to freeze the prices of electricity, water and heating until the end of March 2022. Consumer prices in Bulgaria rose 7.3% YoY in November, reaching a ten-year high after rising 6% YoY a month earlier.

In December, the value of the fund's units rose by 6.3% while the benchmark index (MSCI EFM Europe + CIS ex RU) posted an increase of 2.7%. The fund maintained its strong out-performance against the benchmark index YTD, as well as for the last 3 and 5 years.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 10.43 M
NAV/share	BGN 1.7087
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	6.31%	2.67%
1 year	36.06%	11.71%
Year to Date	36.06%	11.71%
Since Launch (annualized)	3.08%	1.06%

Fund performance vs Benchmark

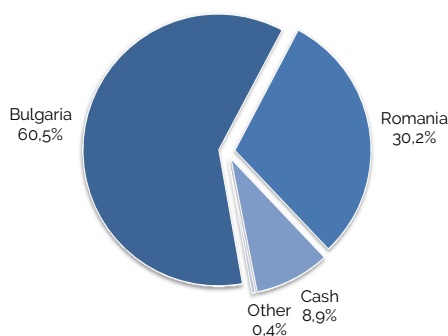


Annual Performance

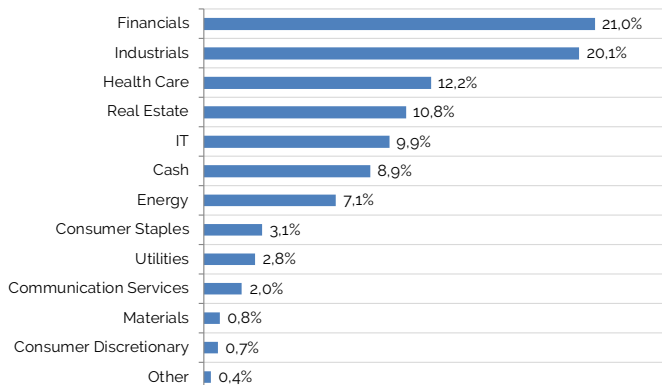
Year	Fund	Benchmark
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest holdings

ELEVEN CAPITAL (Bulgaria), Information technology

SOPHARMA AD (Bulgaria), Health Care

Advance Terrafund REIT (Bulgaria), Real Estate

Agria Group Holding Jsc (Bulgaria), Industrials

FONDUL.PROPRIETATEA SA (Romania), Financials