

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 October 2021

Fund Manager's Comment

The capital markets in Bulgaria and Romania remained almost unchanged in October. The upward trend in both markets was put on hold by political and macro factors in both countries. The month was accompanied by a new series of events related to the ongoing political crisis in both countries. The situation of political tension was compounded by a number of economic and health problems related to the rising new wave of the pandemic and the rapid rise in energy prices.

The leading stock exchange index in Bulgaria (SOFIX) ended the month at a level of 583.95 points, a monthly decrease of 0.2%. The shares which upheld the level of the index were those of Eurohold Bulgaria (+ 7.8% MoM), Advance Terrafund (+ 5.4% MoM) and Elena Agrocredit (+ 1.8% MoM). At the same time, the declines in the shares of Monbat(-8.6% MoM), Alterco (-4.4% MoM) and Sopharma (-1.4% MoM) did not allow the index to exceed the previous highest point of 585.36 points reached at the end of September.

In early October, the parliament in Romania voted a no-confidence vote initiated by the Social Democrats, which led to the fall of the government led by Florin Chitu. The president nominated Dacian Cioloș, the leader of the USR, a former member of the ruling coalition, to form a government, but he also failed to form a coalition and get the necessary votes in parliament. The president then nominated Nicolae Chuka of the Liberal Party as prime minister. If Nicolae Chuka fails to hold a vote of confidence, the president could dissolve parliament and call new elections.

In October, the leading Romanian index (BET-TR EUR) fell 0.4% to 20275.52. The best-performing stocks during the month were those of MedLife (+15.8% MoM), Nuclearelectrica (+12.8% MoM) and SSIF Broker (+9.0% MoM). The shares which dragged down the index for the month were TeraPlast (-13.5% MoM), SIF2 (-8.7% MoM) and Fondul Proprietatea (-7.7% MoM).

In October the value of the fund's units increased by 0.3% while the benchmark index (MSCI EFM Europe + CIS ex RU) increased by 2.7%. However, the fund maintained a strong performance against the benchmark index in the period from the beginning of the year. The fund maintains its strong performance against the benchmark index for the last 3 and 5 years, as well as in the long run.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 9.86 M
NAV/share	BGN 1,5798
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	0.30%	2.99%
1 year	33.71%	54.25%
Year to Date	25.80%	16.89%
Since Launch (annualized)	2.65%	1.33%

Fund performance vs Benchmark

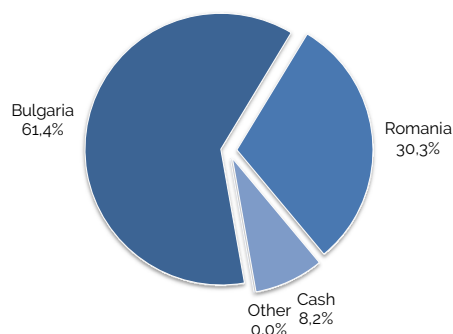


Annual Performance

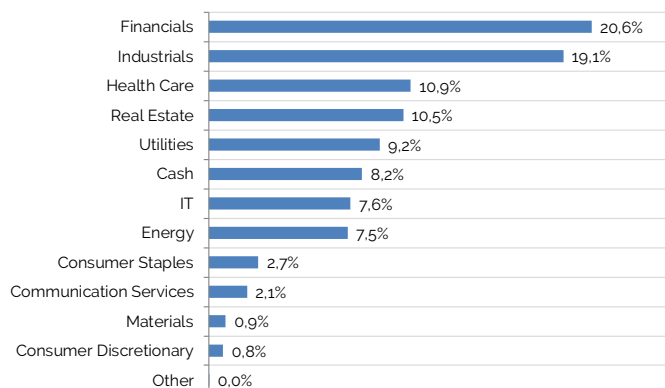
Year	Fund	Benchmark
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%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

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest holdings

CEZ AD (Bulgaria), Utilities

SOPHARMA AD (Bulgaria), Health Care

Advance Terrafund REIT (Bulgaria), Real Estate

ELEVEN CAPITAL (Bulgaria), Information technology

Agria Group Holding Jsc (Bulgaria), Industrials