

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.



This is marketing material

30 September 2022

Fund Manager's Comment

Global risk-off sentiment reached the Balkans this time. The Bulgarian SOFIX was relatively more resilient with a monthly loss of 4.1%, while the Romanian BET plunged 11.8%. Liquidity on the two exchanges improved after the summer lull, with the average daily turnover up 35% MoM and 41% MoM, in Bucharest and in Sofia, respectively.

Among the notable outperformers in Bulgaria were the healthcare stock SFT (+7.4%), supported by a key buyer, and the holding companies EUBG (+2.9%) and HVAR (+0.9%). On the other hand, worst hit, with double digit declines, were IHB (-12.5%), BREF (-11.8%) and A4L (-10.9%). The two listed banks underperformed markedly as well – FIB (-9.0%) and CCB (-8.9%).

Romanian equities were more sensitive to the growing recessionary risks in Europe, with index-heavy cyclical sectors – financials and energy – under severe pressure. Banks sold off more sharply, with BRD and TLV down 19.0% and 16.20%, respectively. Meanwhile, energy stocks' losses deepened amid continuing regulatory pressure and extension of the timeline for natural gas price caps. Even though the latest regulations are severely limiting the upside potential of very high gas prices in the next 12 months, both companies should maintain healthy returns.

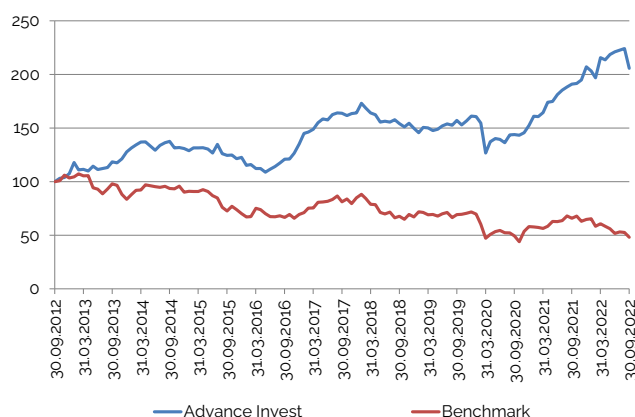
The Fund's monthly performance was between those of the two indices, declining 8.2% in September but keeping a solid 25pp outperformance vs the benchmark YTD. Financials, industrials and energy positions had the largest negative contribution to the monthly return, while healthcare stocks were the most resilient, almost flat last month.

Fund Facts	
Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 10.35 M
NAV/share	BGN 16967
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	ADMVMD BU

Fund Results		
	Fund	Benchmark
1 month	-8.24%	-8.67%
1 year	7.73%	-26.92%
Year to Date	-0.70%	-25.75%
Since Launch (annualized)	2.91%	-0.61%

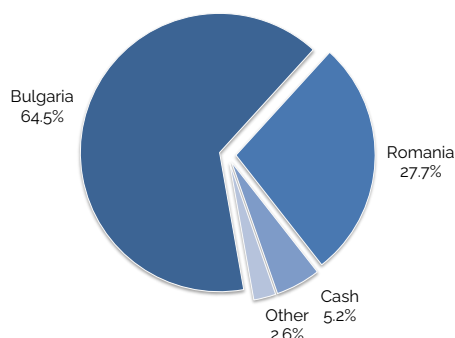
Fund performance vs Benchmark



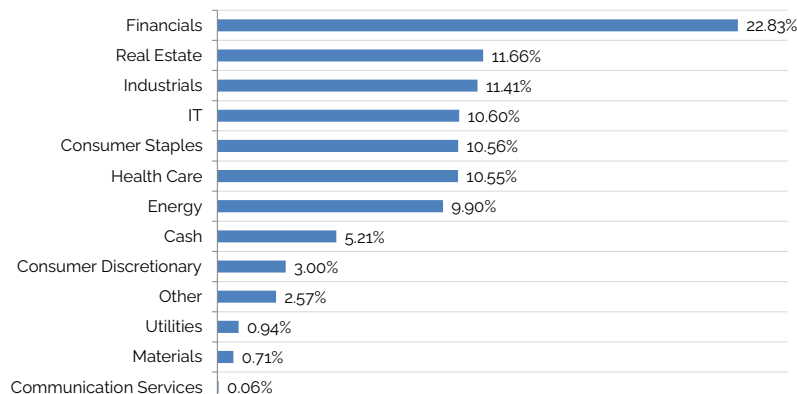
Annual Performance		
	Fund	Benchmark
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
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

Agria Group Holding Jsc (Bulgaria), Consumer Staples	Advance Terrafund REIT (Bulgaria), Real Estate	ELEVEN CAPITAL (Bulgaria), Information technology	SOPHARMA AD (Bulgaria), Health Care	OMV PETROM, Romania, Energy
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