

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

31 January 2023

Fund Manager's Comment

Stock indices in Bulgaria and Romania increased in January, as risk appetite was broadly higher across the globe. The Bulgarian SOFIX gained 2.2%, while the Romanian BET added 4.1%. Trading activity in Sofia remained muted, down 32% MoM. Due to high base effect, the average daily liquidity on the Bucharest Stock Exchange declined 57% MoM.

Among SOFIX constituents, FIB (+7.6%) was the top performer for a second consecutive month without any specific news, but following a long period of underperformance. Other stocks that outperformed the overall market were DUH (+6.0%), ATER (+5.6%), CCB (+3.0%) and A4L (+2.4%), which reported preliminary sales figures for the FY2022 above the twice upwardly revised guidance. There was no change at the bottom of the ranking, namely EUBG (-4.3%) and NEOH (-2.4%), as the fertilizer producer reported yet another force majeure halt of production.

In Romania, almost all index constituents were in the black, except for TLV (-0.7%). O&G names recovered from the initial sell-off that was triggered by the introduction of 60% solidarity tax. Romgaz (SNG, +6.8%) reported preliminary FY2022 results, with net income beating estimates, although expected to decline 15% this year due to the negative impact of the windfall tax according to the FY20223. OMV Petrom outperformed the main index (SNP, +9.9%), as the management announced the company does not expect to be subject to the solidarity contribution for FY2022, having less than 75% of its turnover in the defined areas: the extraction of crude, the extraction of natural gas, the extraction of coal, and the refining business.

The fund's NAV per share gained 3.9% in January. Financials and industrials had the highest contribution to monthly return, followed by energy and real estate positions. At an aggregate sector level only consumer discretionary recorded a modest decline, which translated into negligible impact on the performance.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 11.14 M
NAV/share	BGN 1.8249
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	3.85%	1.94%
1 year	8.85%	-5.60%
Year to Date	3.85%	1.94%
Since Launch (annualized)	3.26%	0.74%

Fund performance vs Benchmark

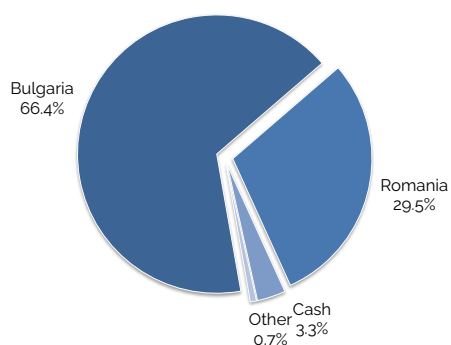


Annual Performance

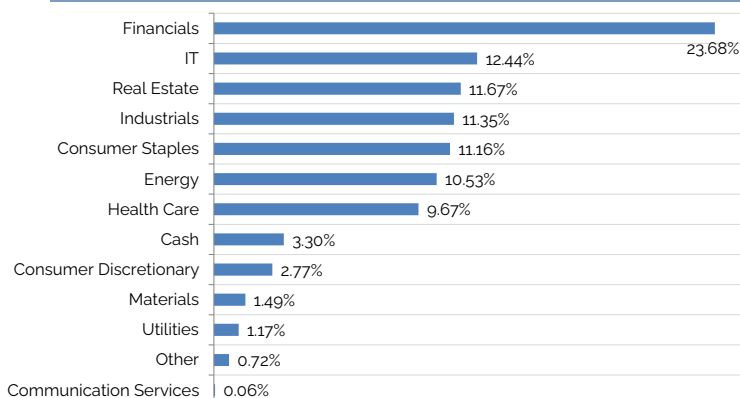
	Fund	Benchmark
2022	2.84%	-6.49%
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
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	OMV PETROM, Romania, Energy	SOPHARMA AD (Bulgaria), Health Care
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