

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 June 2023

Fund Manager's Comment

Stock indices in Bulgaria and Romania trailed behind the regional benchmark and the top performing CEE markets last month. The Bulgarian SOFIX inched up (+0.5%), while the Romanian BET was relatively stronger (+2.1%). Trading activity in Sofia remained elevated in the high of the dividend season, with equity turnover increasing 62% MoM. The average daily liquidity on the Bucharest Stock Exchange was also higher, up 34% MoM.

Among SOFIX constituents, financials outperformed – not only the two banks CCB (+11.4%) and FIB (+2.9%), but also the new index member the Bulgarian Stock Exchange (BSE, +7.0%). Shares of the exchange extended their rally, as the GSM voted for higher dividend than initially proposed. In line with MinFin's guidance for 100% payout of FY2022 NI for SOEs, BSE will pay a gross DPS of BGN 1.04 (ca. 10% DY). Among the gainers were also REITs – ATER (+1.8%) and BREF (+1.6%). Meanwhile, the GSM of NEOH voted for the initial dividend proposal of the management, which was lower than the alternative proposal of minority investors, sending the stock lower (-7.7%)

Among index-heavy components in the Romanian BET index, financials regained strength (+9.8%), while energy stocks gains were more modest (+3.4%). The month was marked by two key events. First, the long-anticipated IPO of Fondul Proprietatea's 20% stake in Hidroelectrica – Romania's largest and entirely green electricity producer. Both local and foreign institutional investor showed strong interest in the share offering, with books fully covered (EUR 1.9bn) on the first day of the book building. Meanwhile, OMV Petrom announced FID for Neptun Deep offshore gas project, jointly operated with Romgaz. Production is expected to start in 2027, and from 2028 onwards the field is estimated to boost Petrom's hydrocarbon production by 60% vs 2022 output for a 10 year period.

The fund's NAV per share was up 0.4% last month. Energy, financials and industrials contributed for most of the positive monthly return.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 11.23 M
NAV/share	BGN 1.8508
Launch date	10/05/2004
Benchmark	MSCI EFM Europe + CIS ex RU
Currency of account	BGN (1EUR = BGN 1.95583)
Subscription fee	up to 1.50%
Management fee	2.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

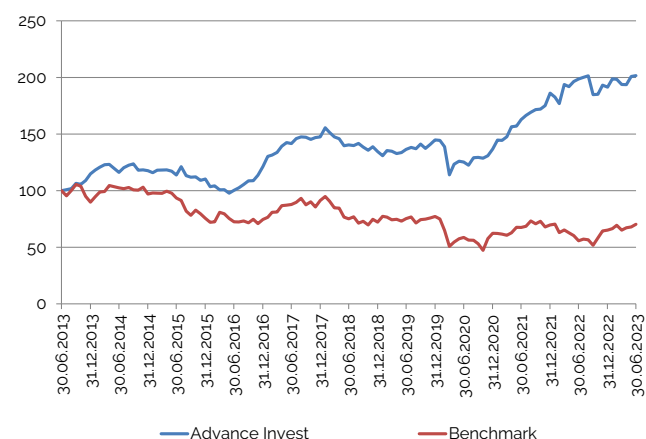
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADMVIMF BU

Fund Results

	Fund	Benchmark
1 month	0.37%	3.34%
1 year	1.46%	26.21%
Year to Date	5.32%	7.82%
Since Launch (annualized)	3.27%	1.02%

Fund performance vs Benchmark

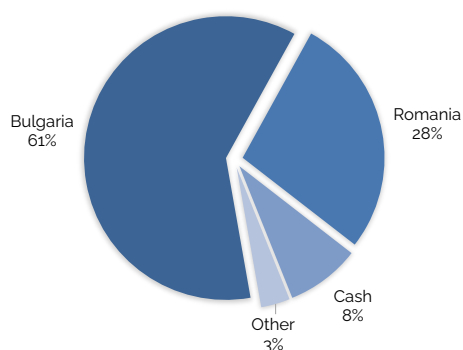


Annual Performance

Year	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

Financials	20.68%
IT	12.41%
Energy	11.34%
Real Estate	10.76%
Industrials	10.55%
Consumer Staples	9.87%
Health Care	9.29%
Cash	8.43%
Other	3.30%
Consumer Discretionary	1.23%
Utilities	1.16%
Materials	0.92%
Communication Services	0.06%

5 Largest holdings

Agria Group Holding Jsc (Bulgaria), Consumer Staples

Advance Terrafund REIT (Bulgaria), Real Estate

OMV PETROM, Romania, Energy

ELEVEN CAPITAL (Bulgaria), Information technology

SOPHARMA AD (Bulgaria), Health Care