

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 March 2023

Fund Manager's Comment

Stock indices in Bulgaria and Romania declined in March amid broader market turmoil. The Bulgarian SOFIX declined 2.9%, while the Romanian BET lost 1.6%. Trading activity in Sofia improved, with equity turnover up 22% MoM. The average daily liquidity on the Bucharest Stock Exchange was also higher, up 30% MoM.

Investors on BSE had a hard time navigating not only through the turbulent global market environment, but also the treacherous waters of Bulgarian public finance. The shocking and incompetent comments by the caretaker finance minister and MinFin's apocalyptic forecasts echoed through the stock market, especially considering the proposed across-the-board one-time windfall profit tax. Public companies with high net income growth in FY2022 were sold-off, e.g. AGH (-10.4%) and NEOH (-7.8%). Among SOFIX constituents, EUBG (-16.9%) was the worst performer, as the holding's insurance business lost its license in its key market – Romania. Bank stocks were under pressure from the broader European sector risk-off sentiment, with CCB and FIB down 12.7% and 4.4%, respectively. The few gainers were REITs (ATER up 6.4% and BREF up 3.8%) and healthcare major SFA (+1.9%).

In Romania, index-heavy energy (-2.5%) and financials (-3.2%) were under pressure of the broader risk-off sentiment. Meanwhile, Fondul Proprietatea (+0.2%) and utilities (+0.6%) were resilient last month.

The fund's NAV per share fell 2.3% in March. Only real estate positions had a positive contribution to the monthly return. At the other hand, financials and industrials were a key drag for the performance for a second consecutive month.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 10.78 M
NAV/share	BGN 1.7796
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

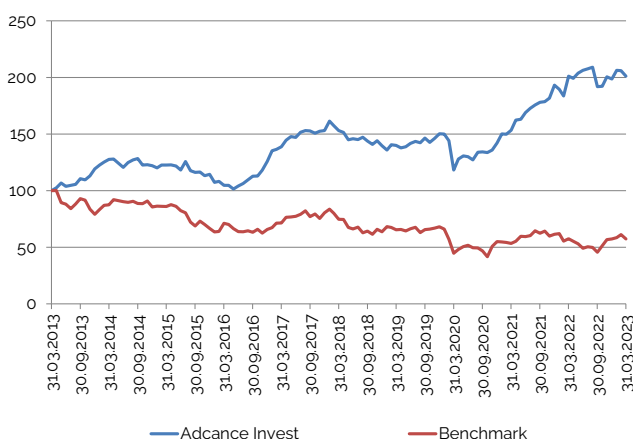
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADMVIMF BU

Fund Results

	Fund	Benchmark
1 month	-2.30%	-6.18%
1 year	0.04%	-0.23%
Year to Date	1.27%	-0.05%
Since Launch (annualized)	3.10%	0.63%

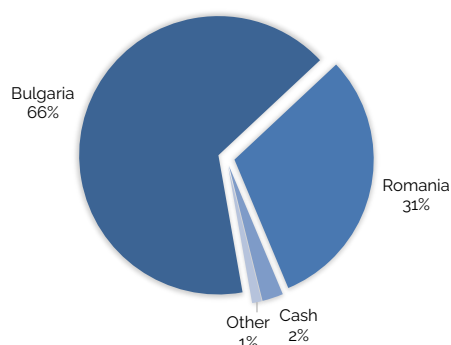
Fund performance vs Benchmark



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%

Market Breakdown



Portfolio Breakdown

Sector Breakdown

Financials	23.07%
Real Estate	12.40%
IT	11.64%
Energy	11.47%
Industrials	11.44%
Health Care	10.76%
Consumer Staples	10.24%
Consumer Discretionary	2.79%
Cash	2.43%
Materials	1.33%
Utilities	1.27%
Other	1.11%
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
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