

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 May 2023

Fund Manager's Comment

Stock indices in Bulgaria and Romania moved in opposite directions last month. The Bulgarian SOFIX rallied markedly, up 9.8%, while the Romanian BET was almost flat (-0.3%). Trading activity in Sofia received a boost ahead of the dividend season, with equity turnover increasing 119% MoM. The average daily liquidity on the Bucharest Stock Exchange was also higher, up 13% MoM.

Among SOFIX constituents, EUBG (+31.6%) recorded the strongest return after a prolonged period of decline, albeit at relatively modest volumes. A4L (+24.6%) also posted solid gain on significant upward revision of management's forward guidance. Dividend announcements and expectations were key factors for a handful of stocks, e.g. DUH (+12.6%) where investors expect higher dividends from the holding's key portfolio position in Moldincombank, NEOH (+10.3%) following a minority shareholder proposal for higher dividend distribution, as well as BSE (+6.3%) which proposed a record high gross dividend of BGN 0.74 (ca. 8% DY).

Among index-heavy components in Romania, financials continued to underperform (-1.8%), while energy stocks advanced for a second consecutive month despite macro headwinds (+7.3%). OMV Petrom (SNP) rallied on an announcement of much lower than market consensus solidarity tax contribution for FY2022 (RON 1.5bn vs RON 4.7bn est. for the worst-case scenario).

The fund's NAV per share advanced 3.8% last month. Tech stocks had the largest positive contribution to the monthly return, followed by energy, health care and industrials. Meanwhile, real estate positions had a modest negative contribution.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 11.07 M
NAV/share	BGN 1.8439
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

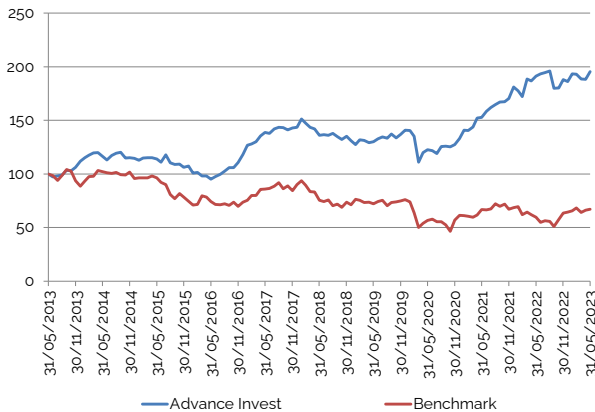
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

Fund Results

	Fund	Benchmark
1 month	3.76%	1.25%
1 year	2.28%	12.79%
Year to Date	4.93%	4.34%
Since Launch (annualized)	3.26%	0.85%

Fund performance vs Benchmark

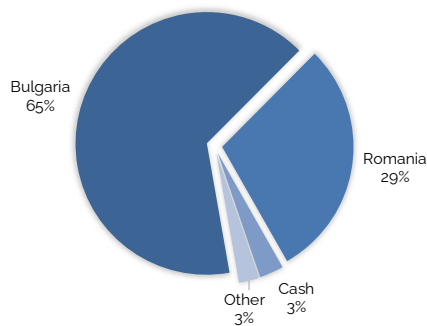


Annual Performance

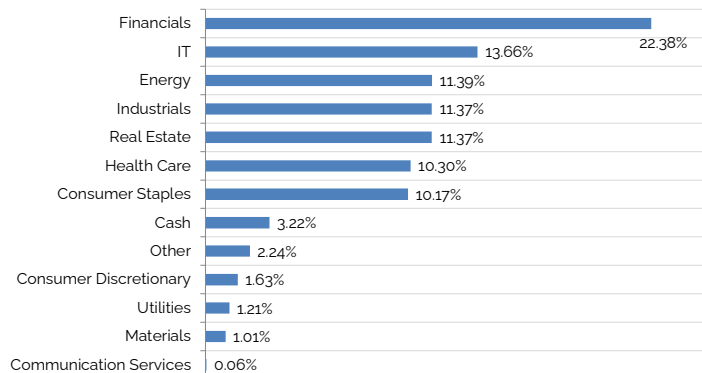
Year	Fund	Benchmark
2022	2.84%	-6.49%
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
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



5 Largest holdings

Agria Group Holding Jsc (Bulgaria), Consumer Staples

ELEVEN CAPITAL (Bulgaria), Information technology

Advance Terrafund REIT (Bulgaria), Real Estate

SOPHARMA AD (Bulgaria), Health Care

OMV PETROM, Romania, Energy