

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.



30 November 2019

Fund Manager's Comment

The market trends in Bulgaria and Romania saw little change in November. The Bucharest stock exchange is a new phase of a consistent uptrend, with the leading BET index ending November at 9887 points, resulting in a monthly gain of 3.9%. The index reached a new 12-year high and is close to its July 2007 record level. The positive investor sentiment was fueled by the companies' Q3 financial results announced during the month and the announced government's intentions to remove the taxation on banks and energy companies' based on GEO 114 from December 2018. For the first nine months, the companies constituting BET index reported a consolidated revenue growth of 12.7% and an increase of 15.4% in net profits.

In November, BRD - Groupe Societe Generale (BRD) and Banca Transilvania (TLV) shares made the biggest contribution to BET's growth. The two banking institutions, which are expected to enter the FTSE Russell indices in the fall of 2020, contributed the most to the index increase by registering a monthly gains of 7.75% and 7.14% respectively. The shares of aluminum producer Alro Slatina (ALR) depreciated by 6.17%, the most significant decline among all companies in the BET index. The downward trend began last summer, following the failure of a secondary offer for 53.77% of the company's share capital, through which Vimetco NV and Conef tried to distribute their significant equity interest.

The Bulgarian stock market remained at the opposite pole of sentiment and extended its downward direction. The main index SOFIX lost 1.7% at the end of November declining to 547 points, while the weighted benchmark BGTR30 recorded a decline of 2.3% to 496 points. The posted consolidated Q3 results failed to quench the bearish sentiment prevailing among BSE-Sofia investors.

In November, Advance Invest UCITS gained +2.50% (+4.71% YTD), while its benchmark MSCI EFM Europe + CIS ex RU benchmark registered a weaker growth of 1.33%. The fund continues to solidly outperform over longer historical periods. Based on this, Advance Invest UCITS was awarded the best EM equity mutual fund by Investor.bg for a second consecutive year.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 8.10 M
NAV/share	BGN 1.2928
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	2.50%	1.33%
1 year	1.46%	1.50%
Year to Date	4.71%	5.05%
Since Launch (annualized)	1.66%	1.75%

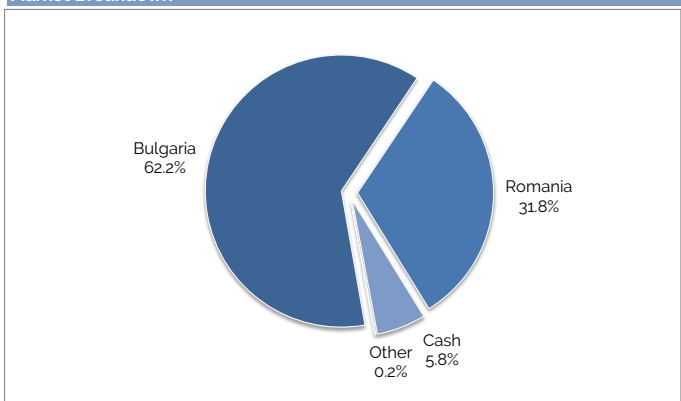
Fund performance vs Benchmark



Annual Performance

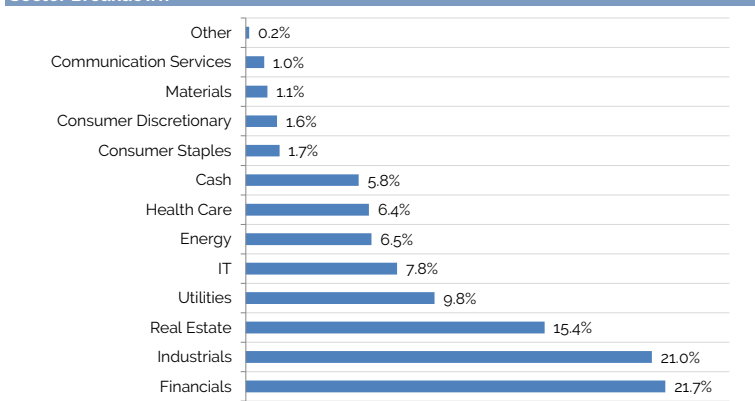
Year	Fund	Benchmark
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

Market Breakdown



Portfolio Breakdown

Sector Breakdown



5 Largest holdings

CEZ (Bulgaria), Utilities	CHIMIMPORT (Bulgaria), Industrials	IAR BRASOV (Romania), Industrials	SOPHARMA AD (Bulgaria), Health Care	ADVANCE TERRAFUND (Bulgaria), Real Estate
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