

# 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.



31 October 2019

### Fund Manager's Comment

October was a difficult month for the Bulgarian and Romanian stock exchanges. The political uncertainty influenced the performance of the both markets. The Romanian Parliament dismissed the PSD Government, which influenced by the Romanian market. Bulgarian equities were negatively affected by the refusal of the Competition Commission (CPC) to allow Eurohold Bulgaria to purchase CEZ's assets.

The major Bulgarian SOFIX index closed the month at 556 points - the lowest since three years and 2.6% lower than Sept-end. CPC's refusal to approve the CEZ deal was the event of the month. The initial reaction of market participants led to a sharp drop, but then the optimistic buyers returned pushing the price of CEZ Distribution Bulgaria back to BGN 195 per share, resulting in a monthly decline of 11.4%.

After its strong rise in September, the Bucharest Stock Exchange Index (BET) ended October 0.6% lower. The mood was strongly influenced by the political processes in the country. After all opposition parties united, the opposition won a no-confidence vote against the government of Viorica Dancila (PSD). The mandate to form a new government was handed over to Louis Orban from the National Liberal Party (PNL), who until now was the opposition leader. PNL released a draft government program focusing on budget deficit reduction and positive business sector reforms. The composition of the new cabinet is shaping up, and they will seek a vote of confidence in November.

Trace Group Hold, Digi Communications, Real Estate Fund Bulgaria REIT, IAR Brasov and Impact Bucuresti contributed to the fund's performance. The losses of CEZ Distribution Bulgaria, Activ Properties REIT, Agria Group Holding, Monbat and CEZ Electro Bulgaria led to the fund's under-performance.

In October Advance Invest declined by 2.66%, while the regional MSCI EFM Europe + CIS ex RU index added 0.55%. The fund's YTD return is 2.16%, while the benchmark's 3.67%. The fund continues to solidly outperform over longer historical periods.

### Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 7.91 M
NAV/share	BGN 1.2613
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

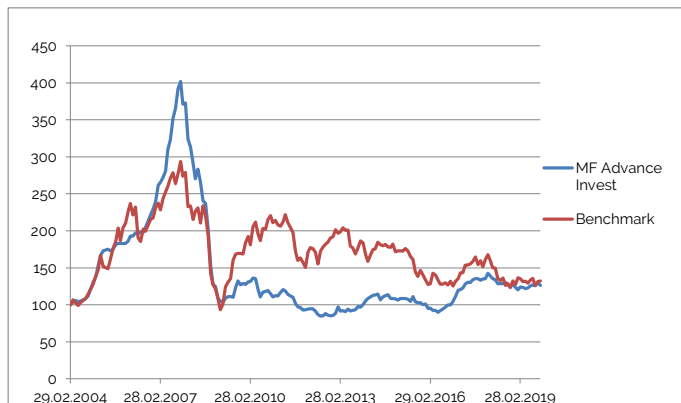
### Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

### Fund Results

	Fund	Benchmark
1 month	-2.66%	0.55%
1 year	1.23%	7.31%
Year to Date	2.16%	3.67%
Since Launch (annualized)	1.51%	1.67%

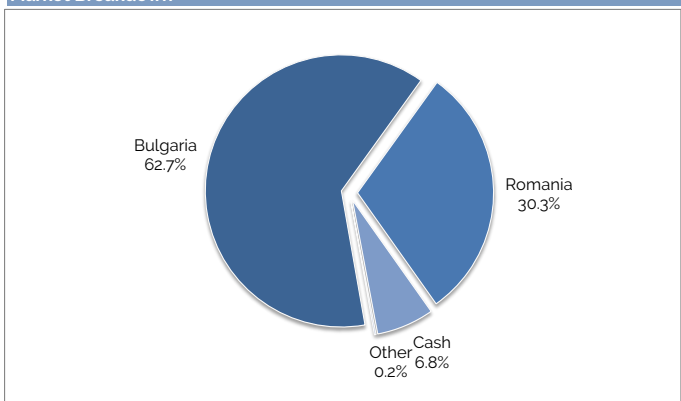
### Fund performance vs Benchmark



### Annual Performance

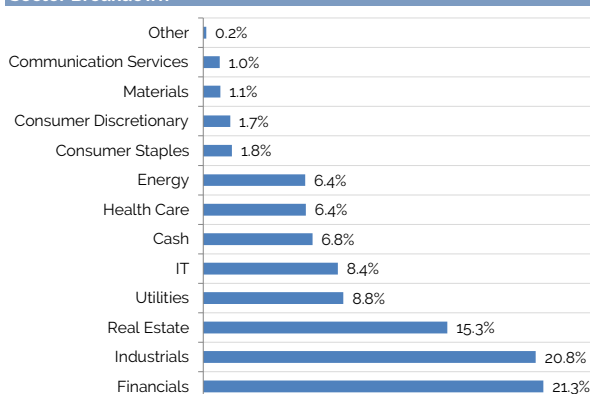
Year	Fund	Benchmark
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%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

### Market Breakdown



### Portfolio Breakdown

#### Sector Breakdown



### 5 Largest holdings

CHIMIMPORT (Bulgaria), Industrials	CEZ (Bulgaria), Utilities	SOPHARMA AD (Bulgaria), Health Care	ADVANCE TERRAFUND (Bulgaria), Real Estate	BULGARIAN REAL ESTATE FUND (Bulgaria), Real Estate
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