

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 December 2022

Fund Manager's Comment

Stock indices in Bulgaria and Romania declined slightly in December. The Bulgarian SOFIX lost 0.3%, while the Romanian BET was down 0.6%. Trading activity was seasonally subdued in Sofia, with average daily turnover down 48% MoM. At the same time, FP's full exit from SNP through accelerated bookbuilding boosted the average daily liquidity on the Bucharest Stock Exchange, up 161% MoM.

Among SOFIX constituents, banks outperformed – FIB (+7.6%) and CCB (+4.5%). IT stocks were also stronger than the overall market – SGH (+7.1%) and A4L (+3.5%), after the company reported robust sales growth during its key Black Friday campaign. Other advancers were agriculture-related names ATER (+4.6%) and EAC (+2.0%). At the bottom of performance ranking last month was NEOH (-9.7%), followed by holding companies DUH (-5.0%), EUBG (-4.3) and CHIM (-4.1%).

In Romania, index-heavy bank stocks finished in the red - TLV (-0.9%) and BRD (-2.6%). O&G names remained under regulatory pressure, as the government adopted a 60% windfall tax for fossil fuel producers and refiners on December 28. Although this synchronization with the earlier introduced European council regulations was anticipated, it still surprised negatively in terms of its magnitude – almost double the minimum required 33% tax. Romgaz (SNG) declined 5.6%, while OMV Petrom (SNP) took additional hit from Fondul Proprietatea's (FP) full exit from the company via ABB.

The fund's NAV per share fell 0.9%, wrapping up for a 2.8% gain in 2022. IT, utilities and the non-classified FP contributed positively to the monthly return, while energy and financials were the biggest drag on the portfolio's performance.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 10.73 M
NAV/share	BGN 1.7573
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	ADVIMF BU

Fund Results

	Fund	Benchmark
1 month	-0.93%	1.14%
1 year	2.84%	-6.49%
Year to Date	2.84%	-6.49%
Since Launch (annualized)	3.07%	0.64%

Fund performance vs Benchmark

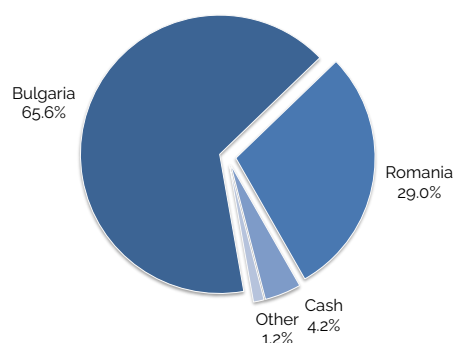


Annual Performance

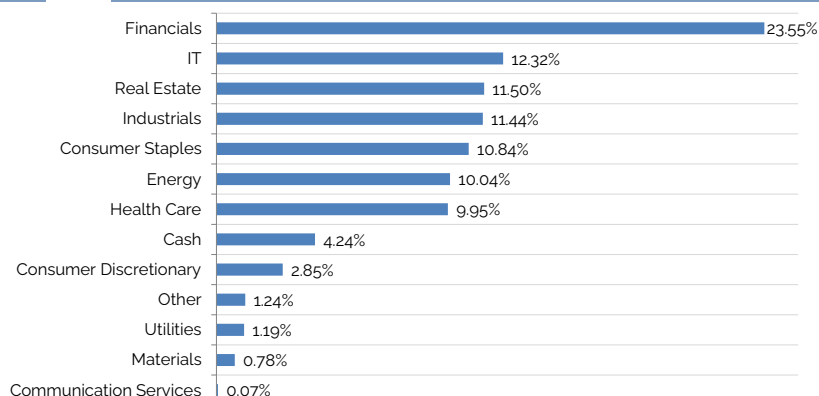
	Fund	Benchmark
2022	2.84%	-6.49%
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%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

Advance Terrafund REIT
(Bulgaria), Real Estate

ELEVEN CAPITAL (Bulgaria),
Information technology

OMV PETROM, Romania, Energy

SOPHARMA AD (Bulgaria),
Health Care