

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 July 2022

Fund Manager's Comment

The blue chip indices of Bulgaria and Romania posted mix returns last month, both underperforming the regional benchmark. Equity turnover was 25% MoM lower in Sofia, while trading activity on the Bucharest stock exchange picked up (+31% MoM).

The Bulgarian SOFIX declined 2.2% in July, finishing the month below the psychological level of 600. Among outperformers were IHB (+7.2%), CCB (+2.3%), as well as the two REITs - BREF and ATER, up 4.6% and 1.4%, respectively. Meanwhile, the other listed bank - FIB - was again a laggard, with the gap versus CCB remaining substantial over 1Y and 2Y horizon (-50pp and -80pp, respectively). Markedly weaker stood MONB (-9.1%) and holding stocks - EUBG (-8.3%), DUH (-7.7%) and CHIM (-4.1%).

The Romanian BET was up 1.3%, led by gains in the energy sector. OMV Petrom (SNP) rallied 17.3%, as the company reported record high Q2 revenue and earnings, while the management kept robust 2H2022 guidance (both upstream and downstream). Nord Stream gas flow disruptions and the subsequent spike of TTF gas prices supported stocks of Transgaz (TGN, +2.8%) and Romgaz (SNG, +0.9%). At the same time, banks remained under pressure of macro headwinds and fears of sector windfall tax to address the public budget deficit.

The fund's NAV per share was almost flat at the end of July (+0.1%), but kept a solid YTD outperformance vs the benchmark. Energy, financials and real estate positions contributed the most to the monthly return, with notably positive selection effect in financials, while industrials were the biggest drag on the fund's performance.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 1123 M
NAV/share	BGN 18367
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	BG0000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMF BU

Fund Results

	Fund	Benchmark
1 month	0.69%	2.68%
1 year	20.16%	-16.53%
Year to Date	7.49%	-17.97%
Since Launch (annualized)	3.39%	-0.07%

Fund performance vs Benchmark

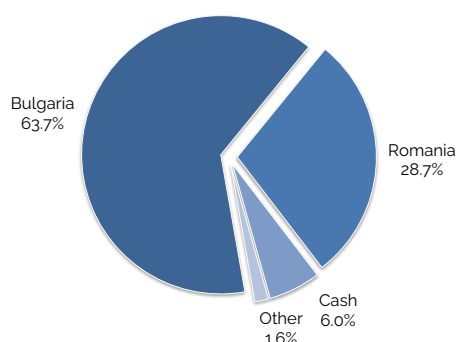


Annual Performance

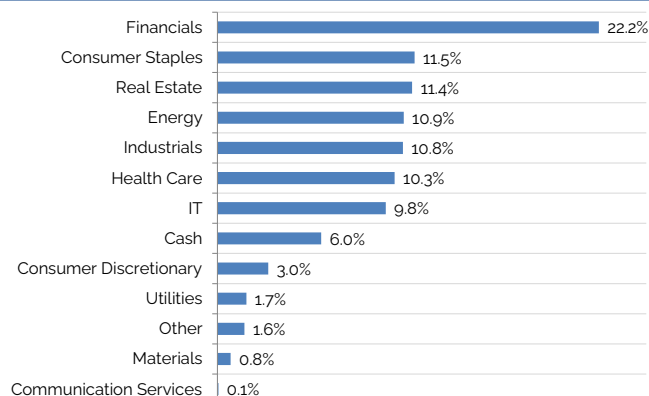
	Fund	Benchmark
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
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	OMV PETROM, Romania, Energy	SOPHARMA AD (Bulgaria), Health Care
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