

# 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 2024

### Fund Manager's Comment

The stock indices of Bulgaria and Romania once again demonstrated resilience amid increased global markets volatility. SOFIX rose by 2.3%, while the Romanian BET increased by 2.1%. Trading activity on both exchanges was seasonally weak, with equity turnover on the Bulgarian Stock Exchange down by 61% MoM, and the average daily liquidity in Bucharest 33% lower than the previous month.

The shares of Sirma Group continued to rise, leading the performance among the constituents of SOFIX for the second consecutive month with a gain of 14.9%. Double-digit increases were also recorded by First Investment Bank (FIB: +11.8%) and Chimimport (CHIM: +10.1%), where there was a noticeable increase in trading activity in the absence of clear catalyst. The highest positive contribution to the performance of the Bulgarian blue-chip index came from Shelly Group (SLYG: +5.6%). The shares of the IoT manufacturer were finally transferred to the newly established EuroBridge segment on the Bulgarian Stock Exchange in mid-July and are now traded in euros. The company reported preliminary sales of EUR 41.7 mn in 1H2024, with growth accelerating to 49.0% YoY from 45.5% YoY in 1Q24.

Among the index-heavy sectors in Romania, energy (+4.4%) and the financials (+3.1%) outperformed the broader market, while utility stocks lagged behind (+1.7%). On the macro front, the NBR started a cycle of rate normalization by lowering the key rate by 25 bp to 6.75% after more than a year and a half of a restrictive monetary stance. This change in monetary policy is expected to lead to some compression in banking sector NIMs in 2025. The fund's NAV per share were up by 2.1%. Sector-wise, information technology and financials had the highest positive contribution to the monthly return. On the other hand, health care and consumer staples were a slight drag for the overall performance of the portfolio.

### Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 17.56 M
NAV/share	BGN 2.41
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	BGg000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

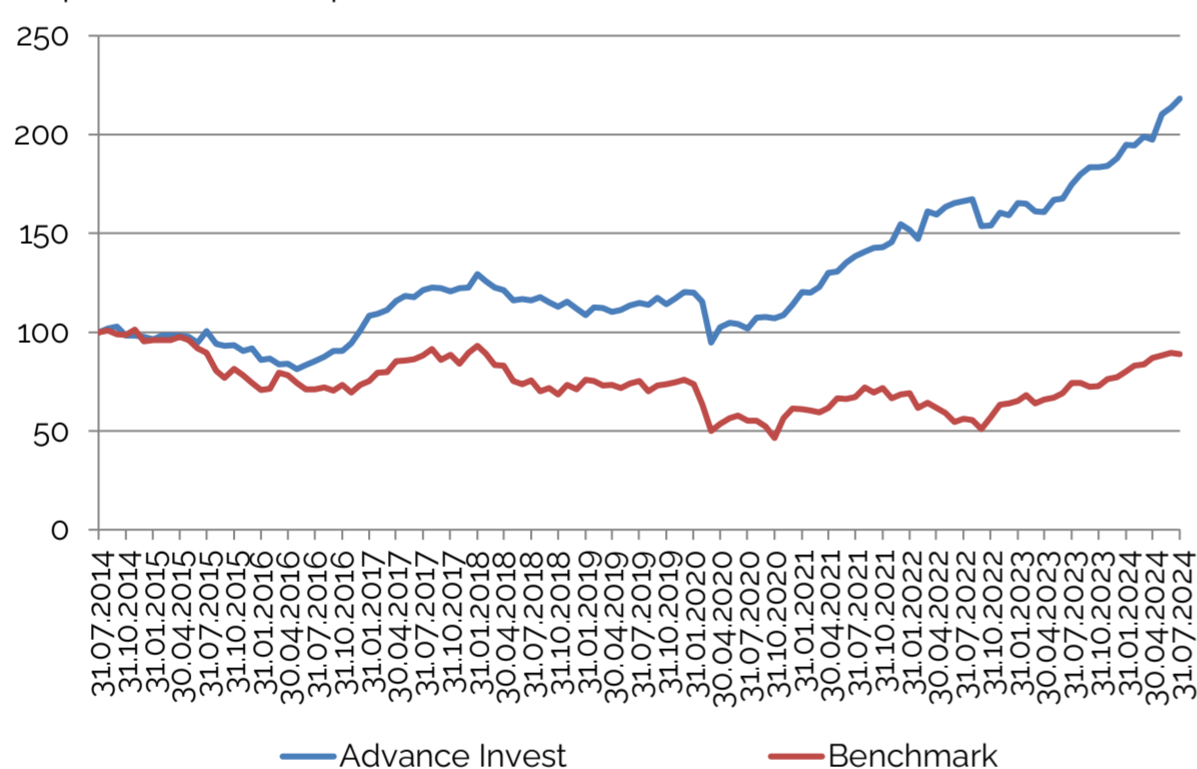
Past performance does not predict future returns.

### Fund Results ( 31.07.2024 )

	Fund	Benchmark
1 month	2.10%	-0.68%
1 year	24.92%	19.29%
Year to Date	15.98%	15.07%
Since Launch (annualized)	4.54%	2.27%

### Fund performance vs Benchmark

Past performance does not predict future returns.



### Annual Performance

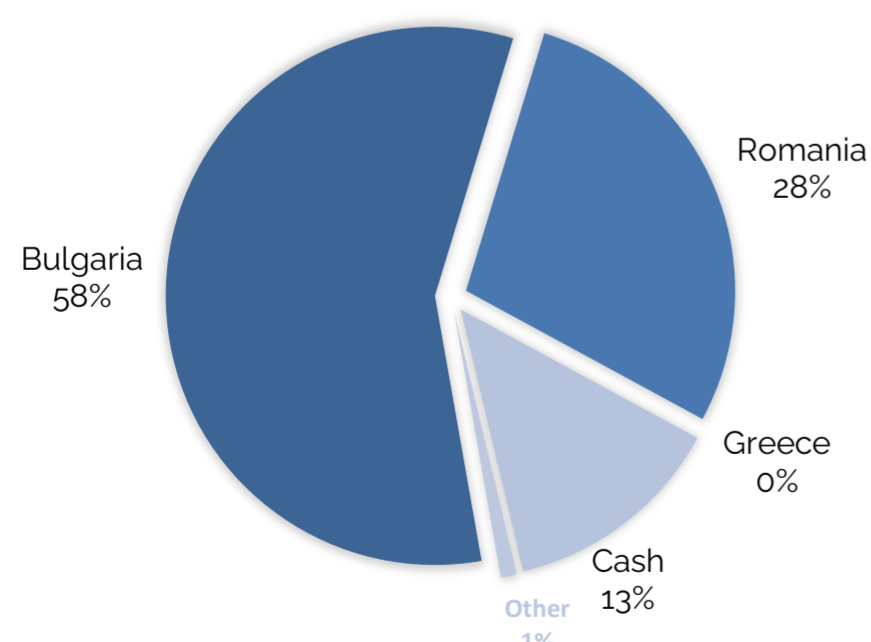
Year	Fund	Benchmark
2023	18.25%	20.55%
2022	2.84%	-6.49%
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%

Source: The calculated yield is based on net asset value per unit and does not include issuance and redemption costs, according to the Fund's Rules and Prospectus. \*Benchmark information is based on official data from www.msci.com

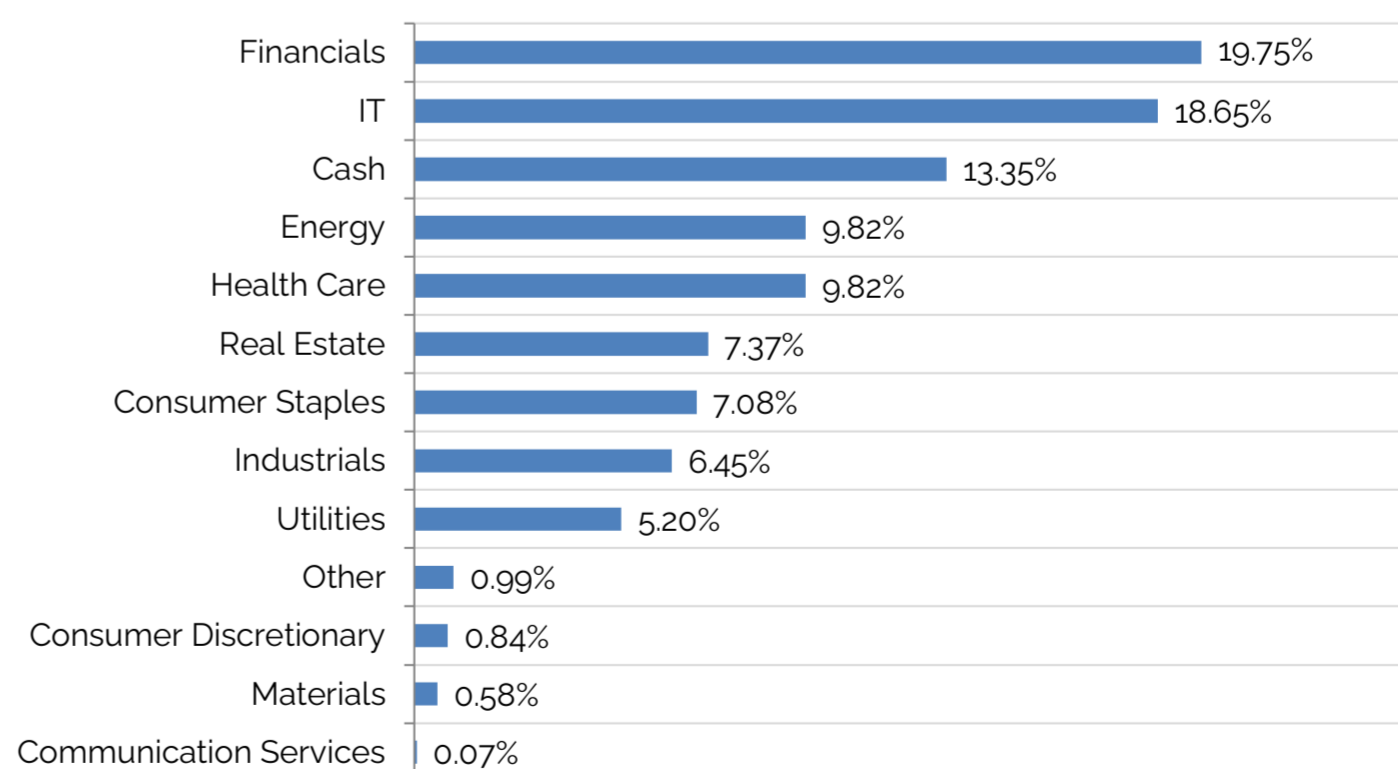
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest holdings

Shelly Group, Bulgaria, IT	Sopharma, Bulgaria, Health Care	OMV PETROM, Romania, Energy	Sirma Group Ad, Bulgaria, IT	Agria Group Holding AD, Bulgaria, Consumer Staples
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This is a marketing message. Please review the prospectus and key information document of the relevant fund before making an investment decision. The information is valid at the date of issue of the marketing material and may change in the future. The information provided does not constitute investment advice, advice, investment research or investment recommendation and should not be construed as such. The value of the Fund's units and the income from them may decline, profit is not guaranteed and investors bear the risk of not recovering their investment in full. Investments in funds are not guaranteed by a guarantee fund created by the state or by any other type of guarantee. Previous results of the activity have no connection with the future results of an investment company. Future results are subject to taxation depending on the personal circumstances of each investor and may change in future periods. The documents are available in Bulgarian on the website [www.karollcapital.bg](http://www.karollcapital.bg), and upon request they can be obtained free of charge in paper form at the office of the Management Company. The fund is actively managed and does not follow an index. A summary of shareholder rights is available at [https://karollcapital.bg/uploads/2023/Prava\\_na\\_pritejatelite.pdf](https://karollcapital.bg/uploads/2023/Prava_na_pritejatelite.pdf)