

# 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 2020

### Fund Manager's Comment

Central and Eastern European markets were pretty hesitant in October. Against this background, trading activity with the most liquid companies on the stock exchanges in Sofia and Bucharest was weak. Trading with Romanian stocks was subject to a general trend in Western European markets, where leading banking institutions and energy companies were sold off by investors.

In October the Bucharest Stock Exchange main index BET lost 5.5%. The decline comes on the background of low trading volume in Bucharest, as it was down by 68% compared to the previous month. The stocks that performed best in October were the telecommunications company DIGI Communications (+ 6.7%), the industrial TeraPlast (+ 5.3%) and the power utility Transelectrica (+ 3.0%). The largest contributors to the negative performance of the index were the bank shares of BRD-GSG (-11.4% MoM) and Banca Transilvania (-5.9%), as well as the energy concerns Romgaz (-10.4% MoM) and OMV Petrom (-5.7% MoM).

The main index of BSE-Sofia SOFIX showed stability and even managed to withstand the turbulence, ending the month almost flat. A total of eight SOFIX companies increased their capitalization in October, the largest gain posted by Monbat (+10.4%). Elana Agrocredit added 5.6%, while the industrial holding Stara Planina Hold was up by 5.2%. The worst performers for the month were Chimimport (-7.9% MoM), Sirma Group Holding (-8.2% MoM) and Central Cooperative Bank (-9.7% MoM).

The news on the long-awaited approval of the purchase of the majority stakes in the Bulgarian companies of the CEZ group by the financial group of Eurohold Bulgaria by the Commission for Protection of Competition provided positive impulse to the trade. The news raised the price of the shares of CEZ Distribution (+ 9.9%), which in turn had the largest contribution to the fund's monthly result. The extremely strong growth in the market valuation of the technology company Alterco had a positive effect on the fund performance as well.

In October the value of the fund's units decreased by 0.5%. At the same time, MSCI EFM Europe + CIS ex RU fell by 11.0%. The fund has maintained its strong outperformance against the benchmark both from the beginning of the year and in the long run.

### Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 7.28 M
NAV/share	BGN 1.1815
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	-0.50%	-10.97%
1 year	-6.33%	-36.85%
Year to Date	-11.15%	-38.76%
Since Launch (annualized)	1.02%	-1.22%

### Fund performance vs Benchmark

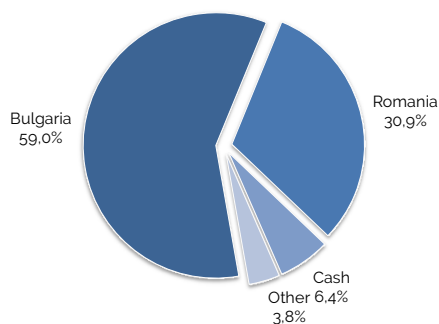


### Annual Performance

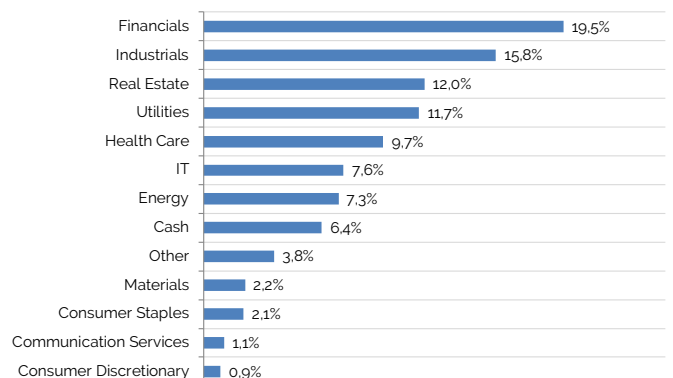
Year	Fund	Benchmark
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest holdings

CEZ AD (Bulgaria), Utilities

ELEVEN CAPITAL (Bulgaria), Information technology

SOPHARMA AD (Bulgaria), Health Care

FONDUL PROPRIETATEA SA (Romania), Financials

Advance Terrafund REIT (Bulgaria), Real Estate