

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.



30 April 2021

Fund Manager's Comment

April brought in another wave of good mood for market participants in Bulgaria and Romania after a series of news showing steady reduction in the number of new COVID-19 cases that began in late March, and the gradual lifting of restrictions by the end of April.

For a second month in a row the Bulgarian stock market demonstrated that it has significant potential to catch up with the rest of the markets in the CEE region. The benchmark of the Bulgarian stock market (SOFIX) increased by 4.0%, reaching a level of 522.39 points at the end of April. An even stronger momentum was displayed by the broader measure of the market BGTR30, which registered a monthly growth of 5.6%, reaching 568.78 points. The basis of the positive trading mood in Sofia is the expectation for the deal with the assets of CEZ in Bulgaria, which is to be announced after a successful capital increase by the buyer Eurohold Bulgaria. In April, the top performing stocks that contributed the most to the fund's return were Eleven Capital (+ 38.2% MoM), Alterco (+ 33.3% MoM) and Monbat (+ 27.2% MoM).

In Romania, the BET index rose 1.2% in euros and 1.4% in local currency in April. Among the high fliers in April were the shares of Biofarm Bucuresti (+ 15.0% MoM), Alro (+ 13.9% MoM) and MedLife (+ 13.3% MoM). At the opposite pole were the shares of DIGI Communications (-3.3% MoM) and Fondul Proprietatea (-2.8% MoM) and Romgaz (-1.8% MoM), which weighed heavily on the fund's performance. In April, S&P, Fitch and Moody's revised Romania's rating. Fitch and Moody's kept their ratings and negative outlook unchanged. S&P was slightly more positive, maintaining the BBB- rating, but revising the outlook from negative to stable, taking into account the declining fiscal risks for the country.

In April the value of the fund's units increased by + 5.9%, while the benchmark index (MSCI EFM Europe + CIS ex RU) increased by 3.6%. The fund maintained its strong performance against the benchmark index. Comparing the yields both for 2020 and YTD in 2021, it can be seen that the return of Advance Invest exceeds by more than 12pp the benchmark's return in both cases.

Fund Facts

| | |
|---------------------|-----------------------------|
| Fund type | open-end |
| Fund Manager | Tihomir Kaundzhiev |
| Fund size | BGN 8.77 M |
| NAV/share | BGN 1.4362 |
| 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 |

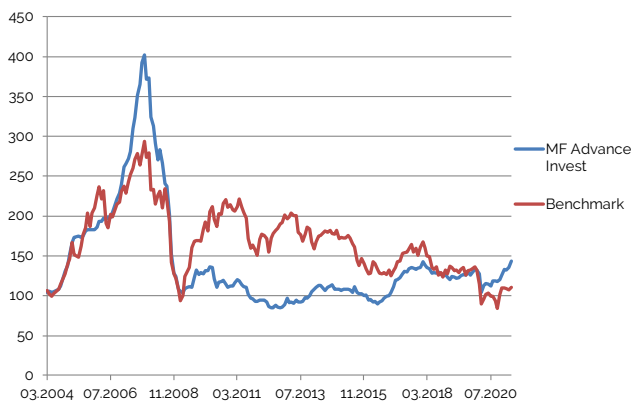
Fund Identifiers

| | |
|-----------------|--------------|
| ISIN | BG9000014134 |
| Reuters Lipper | 68417296 |
| Код в Bloomberg | ADVIMFD BU |

Fund Results

| | Fund | Benchmark |
|---------------------------|--------|-----------|
| 1 month | 5.93% | 3.58% |
| 1 year | 26.87% | 14.91% |
| Year to Date | 14.37% | 0.60% |
| Since Launch (annualized) | 2.15% | 0.48% |

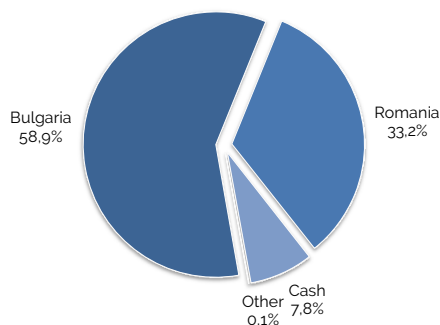
Fund performance vs Benchmark



Annual Performance

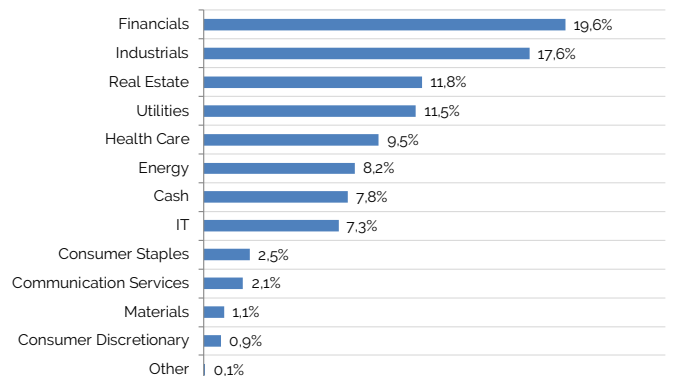
| Year | Fund | Benchmark |
|------|---------|-----------|
| 2020 | -5.56% | -19.20% |
| 2019 | 7.62% | 6.91% |
| 2018 | -8.79% | -20.91% |
| 2017 | 21.56% | 22.39% |
| 2016 | 10.02% | -1.29% |
| 2015 | -6.26% | -22.13% |
| 2014 | 5.61% | 2.24% |
| 2013 | 18.95% | -16.81% |
| 2012 | -5.02% | 34.08% |
| 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% |

Market Breakdown



Portfolio Breakdown

Sector Breakdown



5 Largest holdings

CEZ AD (Bulgaria), Utilities

ELEVEN CAPITAL (Bulgaria), Information technology

Advance Terrafund REIT (Bulgaria), Real Estate

FONDUL PROPRIETATEA SA (Romania), Financials

SOPHARMA AD (Bulgaria), Health Care