

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 January 2021

Fund Manager's Comment

Sentiment among investors on Sofia and Bucharest stock markets was extremely positive in January.

The major Bulgarian index SOFIX tried to catch up sharply surging 11.6% in the past month. The news that the country's energy regulator gives green light to CEZ Group to sell its assets in Bulgaria to the Eastern European Electric Company, part of the group of the financial holding Eurohold Bulgaria (4EH, +49.4% MoM) provided solid impetus to trading. Another long-awaited news related to the planned capital increase of Doverie United Holding (5DOV, +31.2% MoM) was appreciated by the investors, which made stock the second best performer on the local market in January.

The price dynamics on the Bucharest Stock Exchange remained positive. Among the eight indices on the Bucharest Stock Exchange, the top gains were registered by the energy index (BET-NG), which advanced by 9.25%, supported mainly by the shares of Conpet (COTE, +16.8% MoM), Nuclearelectrica (SNN, +14.8% MoM) and Transelectrica (TEL, +10.5% MoM). In January, the main Romanian index BET gained 5.1%. Among its 17 constituents only Sphera (SFG, -0.3% MoM) and Medlife (M, -4.9% MoM) finished on negative territory for the month. Investors have expectations for generous dividends payments, with companies that are expected to distribute high dividends are becoming more and more attractive to investors. The forthcoming period for disclosure of preliminary 2020 financial statements will give investors the first indications of last year profits and dividends.

In January the value of the fund's units gained 5.7%. At the same time, the benchmark index (MSCI EFM Europe + CIS ex RU) fell by 0.4%. The fund maintained its usual strong performance against the benchmark both for the last year and in the long run. The largest contributors to the outperformance of the fund in January were the shares of CEZ Distribution Bulgaria (3CZ, +17.2% MoM), Allterco (A4L, +25.2% MoM) and Agria Group Holding (A72, +21.7% MoM).

Fund Facts		Fund Identifiers	
Fund type	open-end	ISIN	BG9000014134
Fund Manager	Tihomir Kaundzhiev	Reuters Lipper	68417296
Fund size	BGN 8.18 M	Код в Bloomberg	ADVIMFD BU
NAV/share	BGN 1,3279		
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 performance vs Benchmark



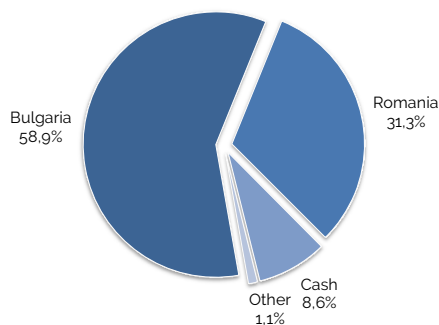
Fund Results

	Fund	Benchmark
1 month	5.74%	-0.36%
1 year	0.15%	-17.08%
Year to Date	5.74%	-0.36%
Since Launch (annualized)	1.71%	0.43%

Annual Performance

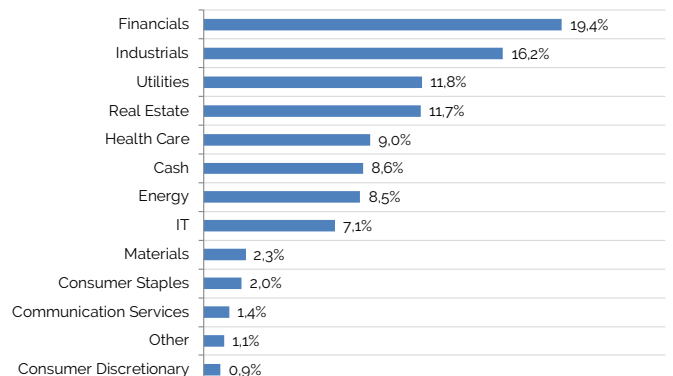
Year	Fund	Benchmark
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	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

SOPHARMA AD (Bulgaria), Health Care

ELEVEN CAPITAL (Bulgaria), Information technology

Advance Terrafund REIT (Bulgaria), Real Estate

FONDUL PROPRIETATEA SA (Romania), Financials