

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 June 2021

Fund Manager's Comment

June was another month for the bulls to dominate the stock market. The Federal Reserve's cautious approach dampened investors' concerns about a quicker response and intervention against the surging inflation, which the US central banker views as temporary. The MSCI Emerging Markets Europe index grew by 4.7% in June in EUR terms, continuing May's good performance. Against this backdrop, the stock exchanges in Sofia and Bucharest continued to delight their investors with annual dividend yields and capital gains.

From the beginning of this year, the main index of the Bulgarian Stock Exchange (SOFIX), which measures the performance of the most liquid public companies on the BSE, has been flying up. In June the value of SOFIX rose to the level of 557.69 points, which is an increase of 5.7% for the month and an increase of 24.6% for the first six months of the year. In the second quarter alone it added 11%. The first half of the year ended positively for BGTR30, which increased 18.8% YTD, and in the last three months added 10.1%, reaching 592.78 points. From the beginning of the year the total turnover of the BSE reached BGN 243.3 million. SOFIX's share in the total turnover amounts to a little over BGN 68 million.

In June, the Bucharest Stock Exchange Index (BET-TR) rose to 20,620.64 points, a monthly increase of 5.0% and a growth of 24.9% for the first six months of the year. In Q2 alone it added 9.4%. Slight uncertainty over the Bucharest market was sparked by a no-confidence vote against the Florin Cițu government by the Social Democratic Party (PSD), which accused the coalition government of leading the country to disaster (higher prices, higher debt, salaries and pensions frozen, the National Recovery and Resilience Plan a catastrophe, etc.). The motion was held on 29 June and was rejected. This was the first no confidence vote against the current government. The best performers in June were: MedLife, up 23.2% mom; TeraPlast (+17.1% mom); Electromagnetica (+13.8% mom); Purcari Wineries (+13.4% mom) and BRD (+10.1% mom). The average daily turnover in the Romanian market stood at USD 7m in June, from USD 7.5m in May (-6.3% mom).

In June the value of the fund's units increased by +3.6%, while the benchmark index (MSCI EFM Europe + CIS ex RU) decreased by 0.9%. The fund maintained its strong performance against the benchmark index. Comparing the yields both for the period of last year and YTD, it can be seen that the performance of Advance Invest exceeds by more than 10% that of the index for both periods.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 8.85 M
NAV/share	BGN 1.494
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

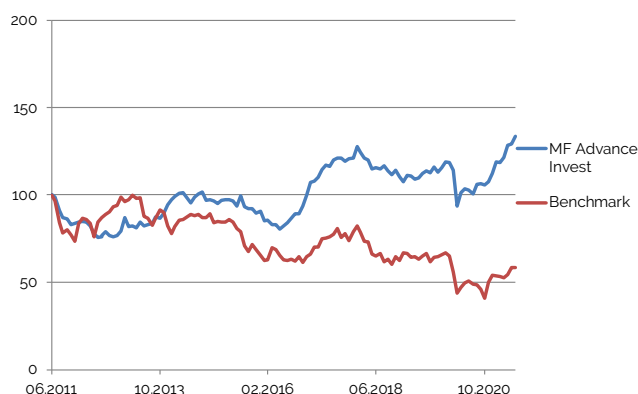
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

Fund Results

	Fund	Benchmark
1 month	3.62%	-0.35%
1 year	29.97%	14.94%
Year to Date	18.97%	8.15%
Since Launch (annualized)	2.37%	0.90%

Fund performance vs Benchmark

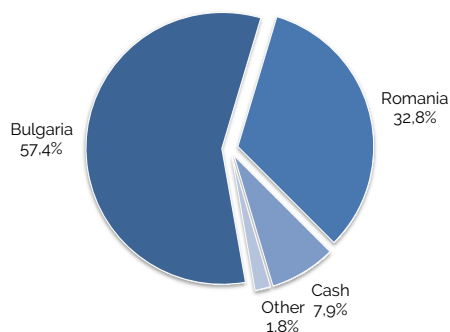


Annual Performance

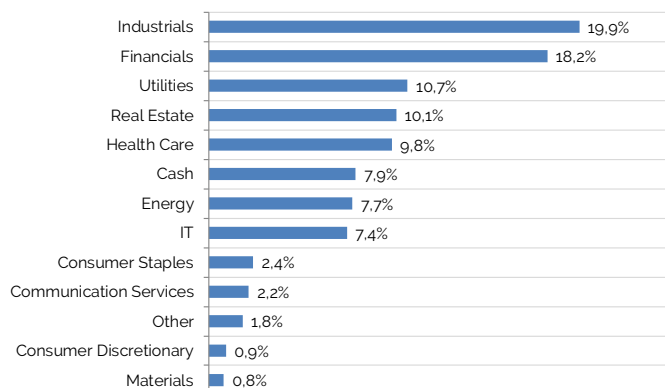
Year	Fund	Benchmark
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest holdings

CEZ AD (Bulgaria), Utilities

ELEVEN CAPITAL (Bulgaria), Information technology

Advance Terrafund REIT (Bulgaria), Real Estate

SOPHARMA AD (Bulgaria), Health Care

'Bulgarian real estate fund' REIT (Bulgaria), Real Estate