

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 May 2021

Fund Manager's Comment

The capital markets in Sofia and Bucharest took a breather after being some of the best performers in the CEE region in the previous months. The mood of the stock exchange participants was rather positive, but a number of them remained on hold for the Q1 earnings announcements.

The leading Bulgarian index SOFIX, which is among the best performing indices in Europe YTD, ended the month at 527.61 points, posting a 1.0% return in May. The increase was driven by the shares of Alterko (+11.19% MoM), Advance Terrafund REIT (+7.08% MoM) and Bulgarian Real Estate Fund REIT (+3.95% MoM). On the other end of the spectrum were Gradus AD (-9.43% MoM) and Telelink Business Services Group (-16.05% MoM) which were the biggest drag on the index performance.

An upcoming event at the BSE-Sofia that will be followed closely is the secondary share offering of "Eurohold Bulgaria". The holding will issue 79 million new ordinary shares, each with a nominal value of BGN 1 and an issue value of BGN 2.5. Upon successful subscription of the issue, the holding will raise up to EUR 100 million, which will be used to finance the acquisition of CEZ Group's companies in Bulgaria.

In Romania, the BET Index gained 1.0% in EUR terms and 0.8% in local currency terms. MedLife (+13.9% MoM) was the best performer, followed by Banca Transilvania (+8.6% MoM), Fondul Proprietatea (+6.2% MoM) and SIF4 (+5.0% MoM). Alro, on the other hand, declined by 15.3% mom, followed by Bittnet (-13.0% MoM) and SSIF Broker (-10.2% m MoM om).

A long-awaited event for the Romanian stock market is the secondary share offering of TRANSPORT TRADE SERVICES (TTS) SA, which will issue 15 million existing shares through a book-building procedure, putting the market capitalization of the company in the range between EUR 150 mn. - EUR 182 mn.

In May the value of the fund's units increased by +0.4%, underperforming the benchmark index (MSCI EFM Europe + CIS ex RU), which was up by 7.9%. On a long-term basis the fund maintains its strong performance against the benchmark. Comparing the yields for the period of last year and YTD, the return of Advance Invest exceeds that of the benchmark by more than 5% in both cases.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 8.55 M
NAV/share	BGN 1.4418
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	0.39%	7.89%
1 year	24.65%	17.84%
Year to Date	14.81%	8.53%
Since Launch (annualized)	2.17%	0.92%

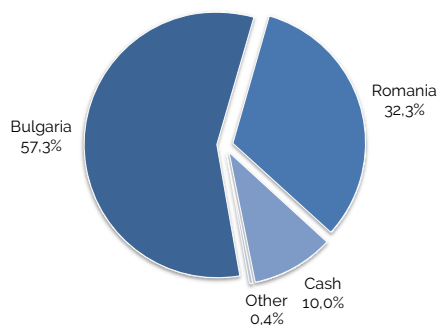
Fund performance vs Benchmark



Annual Performance

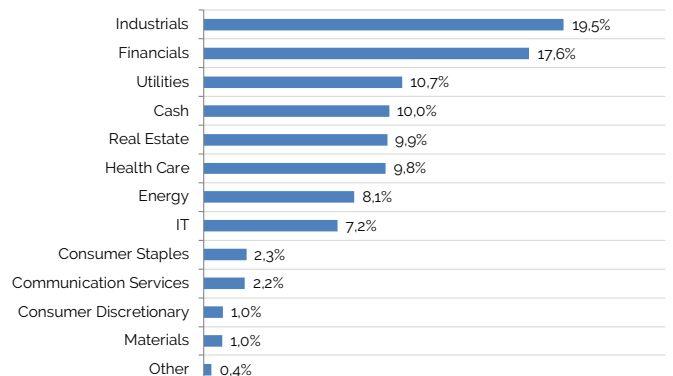
Year	Fund	Benchmark
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%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

SOPHARMA AD (Bulgaria), Health Care

Agria Group Holding Jsc (Bulgaria), Industrials