

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 September 2021

Fund Manager's Comment

The stock markets in Sofia and Bucharest delighted investors with positive returns despite the instability and declines in most other Emerging markets. Investor sentiment showed resilience amid increased political risks in both countries. Despite continuing inflationary pressures, investors in the CEE region are showing confidence in the recovery of the region's economies.

The leading index of BSE-Sofia (SOFIX) registered a monthly increase of 3.4% ending the month at 585.36 points. In the third quarter the index added a new 5.0% to its value, and taking its YTD performance to 30.8%. The stocks that contributed to the rise of the index were Sopharma (SFA, +14.1%), Alterco (A4L, +17.1%) and Doverie United Holding (DUH, +19.7% MoM). The autumn rebalancing of SOFIX brought out the shares of Gradus (GRD, -13.0% MoM), Albena (ALB, -11.7% MoM) and Sirma Group Holding (SGH, -6.0% MoM). The new stocks that took their place were Sopharma Trading (SFT, -2.4% MoM), Monbat (MONB, -0.8% MoM) and Industrial Holding Bulgaria (IHB, -0.5% MoM).

The Romanian BET Index added 3.6% in EUR terms and 3.8% in local currency. Within the third quarter, the local currency index added a new 6.5% to its value, and since the beginning of the year the index has risen by a total of 29.0%. Among the stocks with the largest positive contribution was TeraPlast (TRP, +43.2% MoM) in September, followed by Nuclearelectrica (SNN, +27.3% MoM), Romgaz (+5.0% MoM). On the other hand, Electrica (EL, -3.4% MoM), Transelectrica (TEL, -3.4% MoM), Sphera (-9.1% MoM) ranked among the laggards within the main index. In September the Bucharest Stock Exchange (BVB) added the shares of real estate developer One United Properties (ONE) and freight forwarder Transport Trade Services (TTS) to the BET index.

On the political front we saw escalation of tension in Romania when at the beginning of September, the former justice minister, a member of USR Plus, was dismissed by the PM Ciu. In response, all USR Plus ministers in the government resigned, and USR Plus initiated a vote of no-confidence against the government, with the aim of removing PM Ciu. On 28 September, the Constitutional Court allowed this vote of no-confidence to proceed and be voted on in the parliament. A timeline for the discussion of this motion and vote has not been set yet.

Within the month of September the value of the fund's units increased by 1.4%, while the value of the benchmark index (MSCI EFM Europe + CIS ex RU) decreased by 3.3%. The fund maintained its strong performance against the benchmark index both for the last one year and in the long run.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 9.32 M
NAV/share	BGN 1.575
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
Kod в Bloomberg	ADVIMFD BU

Fund Results

	Fund	Benchmark
1 month	1.39%	-3.31%
1 year	32.64%	33.34%
Year to Date	25.42%	13.50%
Since Launch (annualized)	2.64%	1.16%

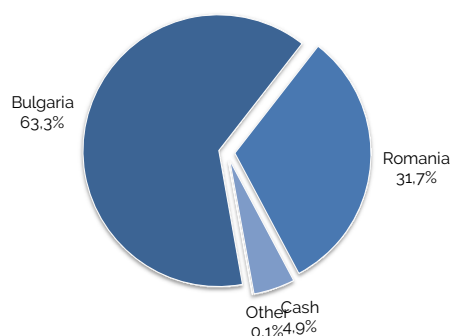
Fund performance vs Benchmark



Annual Performance

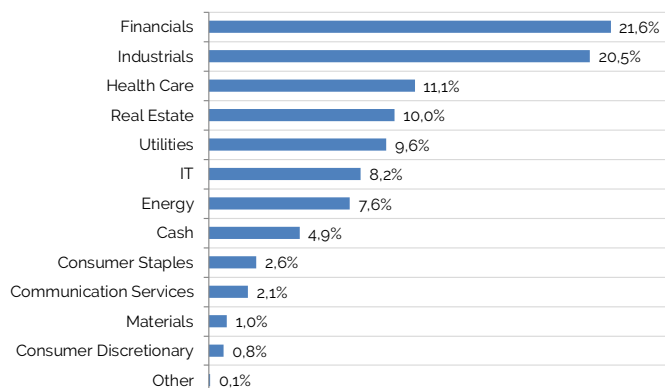
	Fund	Benchmark
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%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

Agria Group Holding Jsc (Bulgaria), Industrials