

# 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.



\*This is marketing material

30 November 2023

### Fund Manager's Comment

Against the backdrop of global risk-on sentiment, stock indices in Bulgaria and Romania trailed behind the top performers in the region. The Bulgarian SOFIX was marginally lower (-0.1%), while the Romanian BET recorded a moderate gain of 3.5%. Trading activity in Sofia deteriorated further, with total turnover down 54% MoM. The average daily liquidity on the Bucharest Stock Exchange declined as well (-23% MoM).

Among the major SOFIX components, ATER (+0.9%) and SLYG (0.3%) were modestly in the black, while SFA and EUBG declined, down 0.6% and 2.9%, respectively. In late November, Sofarma's GSM approved the BGN 0.90 DPS proposal, while the pharma company also reported solid financial results for gM23, with top and bottom line growth in the low teens. Shelly Group's 3Q23 reported figures were robust as well, with margins markedly improving YoY, while BF sales posted record high growth of 115% YoY. At the end of the earnings season, a positive surprise came from BSE, as the gM23 net profit of the stock exchange increased 76% YoY boosted by BGN 5.7mn interest income.

All index-heavy sectors of the Romanian BET were in the black, with utilities (+6.9%) in the lead, followed by energy (+2.4%) and financials (+2.3%). Shares of Hidroelectrica were well bid following robust 3Q23 financial results and guidance upgrade of FY2023 production – up to 17.3 TWh from 16.3 TWh previously. Banks' 3Q23 reports were expectedly strong, resulting in a relatively muted market reaction. BRD's dividend proposal for RON 0.92 from FY2022 net income came as a slightly negative surprise, as the payout ratio of 50% was below the historical average of 70%.

The fund's NAV per share recorded a modest gain of 0.4%. Sector wise, utilities had the largest positive contribution to the monthly return, followed by energy and real estate positions. At the same time, IT and financial stocks were a modest drag.

### Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 13.28 M
NAV/share	BGN 2.0327
Launch date	10/05/2004
Benchmark	MSCI EFM Europe + CIS ex RU
Currency of account	BGN (1EUR = BGN 1.95583)
Subscription fee	up to 1.50%
Management fee	2.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

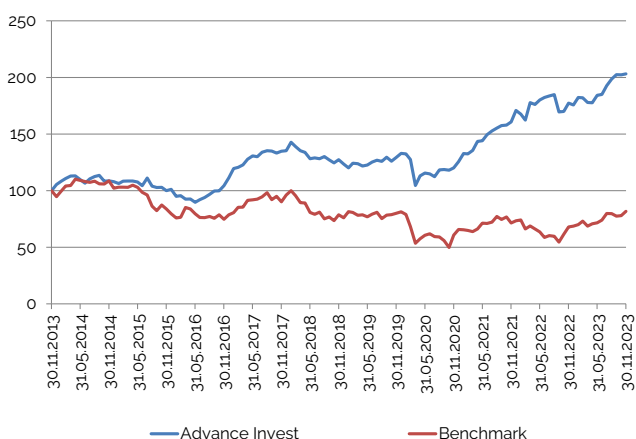
### Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

### Fund Results

	Fund	Benchmark
1 month	0.39%	4.90%
1 year	14.60%	20.43%
Year to Date	15.67%	19.07%
Since Launch (annualized)	3.69%	1.51%

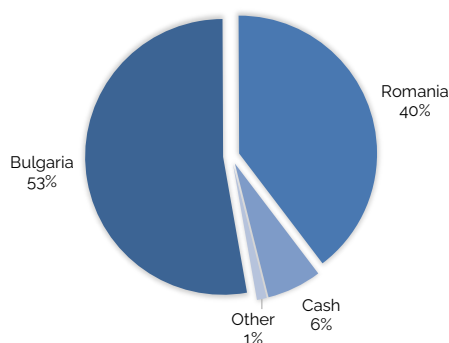
### Fund performance vs Benchmark



### Annual Performance

	Fund	Benchmark
2022	2.84%	-6.49%
2021	36.06%	11.71%
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

Energy	24.91%
Financials	18.83%
Health Care	13.77%
IT	11.88%
Real Estate	9.85%
Industrials	8.66%
Cash	6.40%
Consumer Staples	1.50%
Utilities	1.16%
Other	1.15%
Consumer Discretionary	1.01%
Materials	0.83%
Communication Services	0.06%

### 5 Largest holdings

Sopharma, Bulgaria, Health Care	Shelly Group, Bulgaria, IT	OMV PETROM, Romania, Energy	S.P.E.E.H. HIDROELECTRICA S.A., Romania, Energy	Advance Terrafund REIT (Bulgaria), Real Estate
---------------------------------	----------------------------	-----------------------------	---	--