

# 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

29 February 2024

### Fund Manager's Comment

Market euphoria didn't spill over to stock indices in Bulgaria and Romania, which lagged behind the top gainers in the CEE region. The Bulgarian SOFIX was little changed (+0.2%), creeping toward the 800 level, while the Romanian BET increased 2.4%. The total equity turnover was markedly up 65% MoM in Sofia, but this robust growth was largely driven by a single block trade with shares of GR6. Meanwhile, the average daily liquidity on the Bucharest Stock Exchange decreased 33% MoM.

The best performing stock among SOFIX constituents was BSE (+8.5%). The stock exchange reported 3x higher net income (BGN 12.7mn) in FY2023, driven by similarly strong growth of interest income, which could translate into up to BGN 1.90 gross dividend (~12.5% DY) if the company keeps last years' payout of 100%. Second and third monthly gainers were SFA (+3.4%) and DUH (+2.2%), with the latter rallying on the announcement of BGN 24mn dividend payment from Moldindconbank – the largest position of the holding. Following a strong rally in January, shares of Shelly Group had muted dynamics (+0.7%), even though 4Q23 results were slightly above expectations. The IoT maker doubled its net profit to BGN 33mn in FY2023, while the management guided a conservative revenue growth of 40% in 2024 and stable EBIT margin around 25%.

Among the index-heavy sectors of the Romanian BET, banks markedly outperformed (+6.1%) on stronger operating and financial 4Q23 results. At the same time, energy and utilities were under pressure from potential changes in the energy regulatory framework aimed to offset the high budget deficit. Among listed companies, the negative impact is estimated to be highest for Romgaz at ca. 50% of 2024e EBITDA.

The fund's NAV per share slightly decreased, down 0.3%. Sector-wise, energy, health care and consumer discretionary had positive, albeit marginal, contribution to the monthly return. On the other hand, industrials, IT and financials recorded modest declines and were a slight drag for the overall portfolio performance.

### Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 14.18 M
NAV/share	BGN 2.1461
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

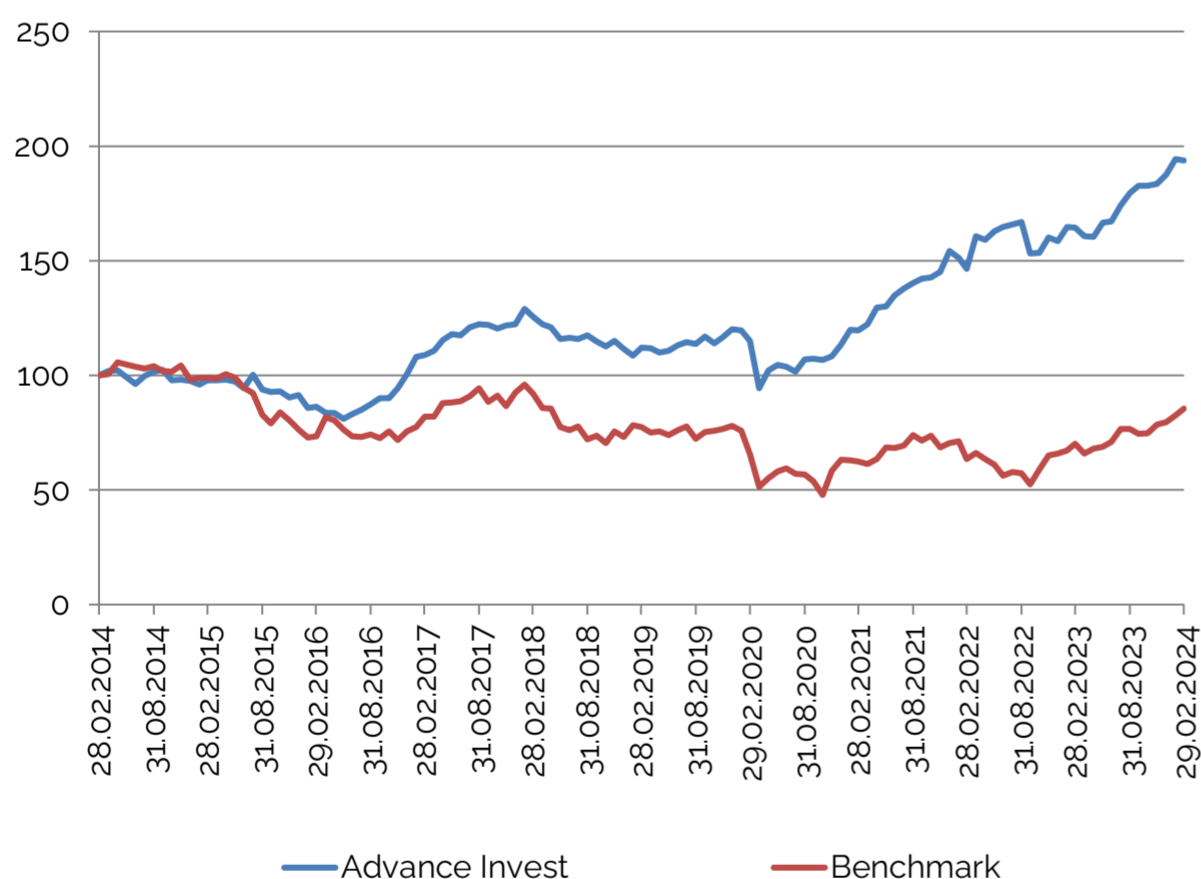
### Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

### Fund Results

	Fund	Benchmark
1 month	-0.30%	3.63%
1 year	17.82%	21.71%
Year to Date	3.28%	7.56%
Since Launch (annualized)	4.01%	1.97%

### Fund performance vs Benchmark

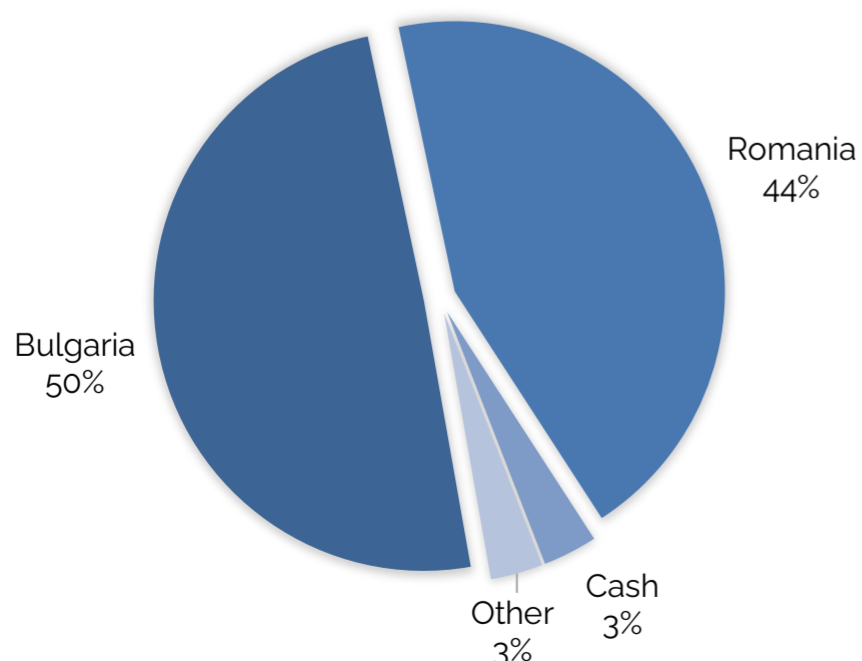


### Annual Performance

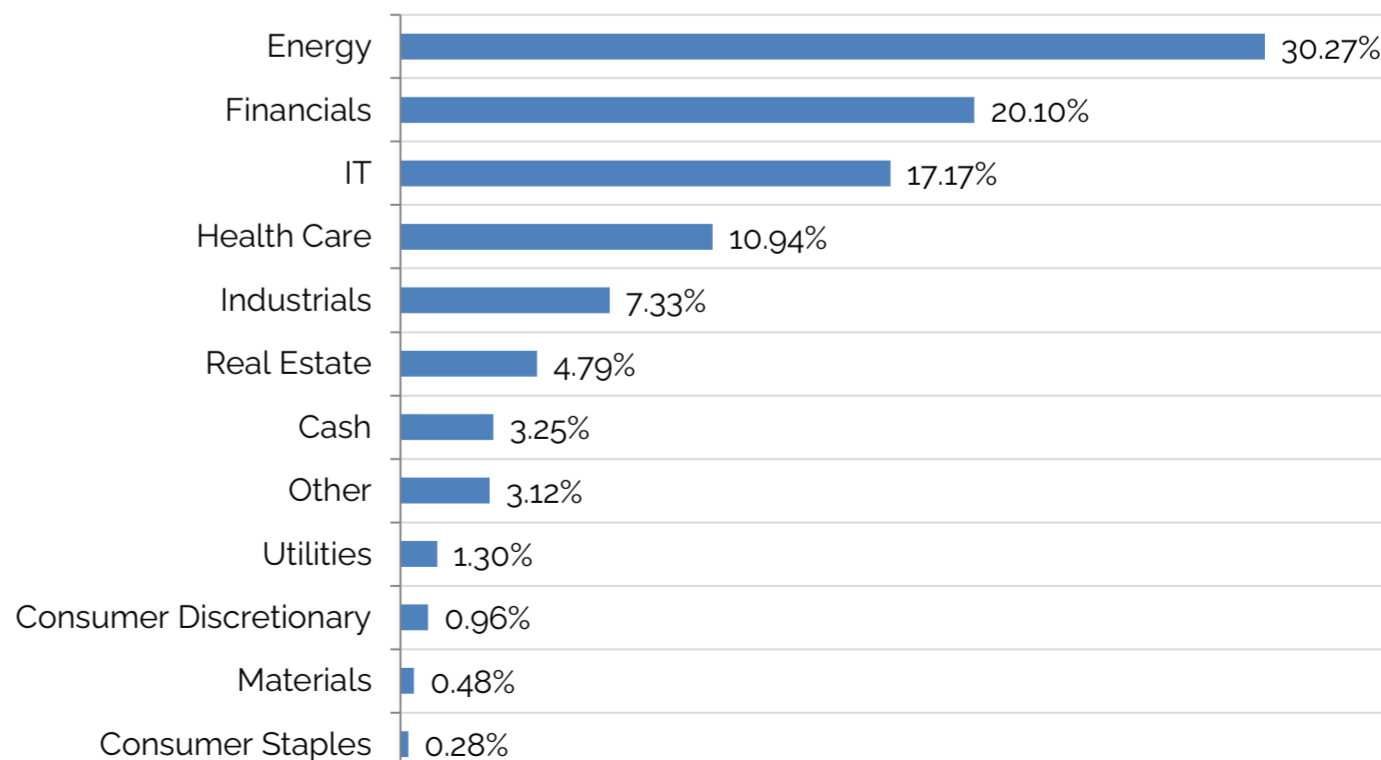
Year	Fund	Benchmark
2023	18.25%	20.55%
2022	2.84%	-6.49%
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
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%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest holdings

Shelly Group, Bulgaria, IT	Sopharma, Bulgaria, Health Care	OMV PETROM, Romania, Energy	SIRMA HOLDING, Bulgaria, IT	Agria Group Hodling JSC, Bulgaria, Energy
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