

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

31 January 2024

Fund Manager's Comment

Sentiment on the Bulgarian stock exchange was moderately optimistic, with SOFIX gaining 2.8% in January. At the same time, the Romanian BET lagged relative to the strong performance of other regional markets, up 0.9%. Total equity turnover was down 29% MoM in Sofia, while the average daily liquidity on the Bucharest Stock Exchange increased 16% MoM.

The performance of SOFIX was somewhat reminiscent of the US indices, with index return heavily concentrated in a single tech name. Shelly Group (SLYG: +24.9%) was the top performer with double-digit gain for a second consecutive month, as the IoT developer's market capitalization exceeded the BGN 1 bn milestone, placing it at the top of the blue-chip companies. Shares of the Bulgarian stock exchange also rallied strongly (BSE: +17.9%) on expectations of higher dividend for FY2023. Banks were also well bid – CCB (+8.1%) and FIB (+6.9%) – as non-consolidated 4Q23 results showed strong bottom-line growth. However, FIB shares were under significant pressure in the early days of February on media reports of large non-performing credit exposure.

Among the index-heavy sectors of the Romanian BET, banks (+2.6%) and energy (+1.4%) were in the black. At the same time, utilities declined 1.3%, as shares of Hidroelectrica were under pressure due to falling electricity prices in Europe, which brought about some analyst downgrades. Meanwhile, consolidation of the banking sectors continues, with Banca Transilvania expected soon to announce the acquisition of OTP Romania according to Bloomberg sources, and Societe Generale Group exploring options to sell its Romanian subsidiary BRD.

The fund's NAV per share increased 3.6%. Sector-wise, information technology positions were the largest contributor to the monthly return, followed by industrials and healthcare. On the other hand, utilities and consumer discretionary recorded modest declines.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 14.04 M
NAV/share	BGN 2.1525
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

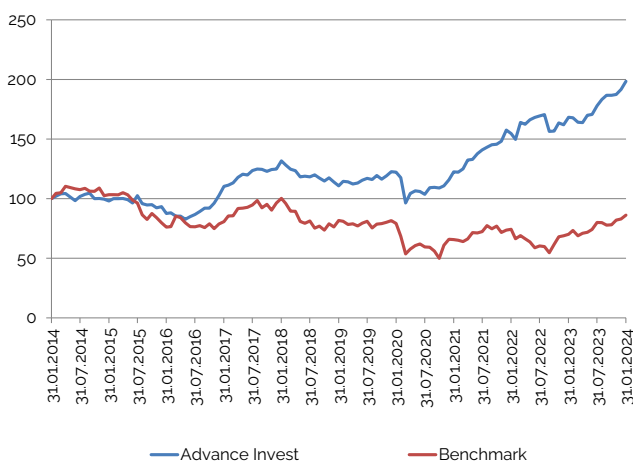
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

Fund Results

	Fund	Benchmark
1 month	3.59%	3.79%
1 year	17.95%	22.73%
Year to Date	3.59%	3.79%
Since Launch (annualized)	102.71%	37.11%

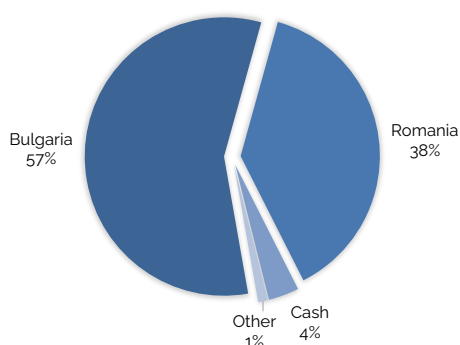
Fund performance vs Benchmark



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%

Market Breakdown



Portfolio Breakdown

Sector Breakdown

Energy	24.59%
IT	23.25%
Financials	20.09%
Health Care	10.84%
Industrials	7.82%
Real Estate	4.88%
Cash	3.55%
Utilities	1.27%
Other	1.12%
Consumer Discretionary	0.87%
Materials	0.85%
Consumer Staples	0.77%
Communication Services	0.09%

5 Largest holdings

Shelly Group, Bulgaria, IT	Sopharma, Bulgaria, Health Care	SIRMA HOLDING, Bulgaria, IT	OMV PETROM, Romania, Energy	S.P.E.E.H. HIDROELECTRICA S.A., Romania, Energy
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