

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 August 2019

Fund Manager's Comment

In August, the Central and Eastern European (CEE) market was under selling pressure from market participants willing to de-risk in the face of global uncertainty. The average stock exchanges in the CEE region had to be made in August in order to register guides. The average profitable markets are Romanian, with a positive change in the leading BET index of 0.4% in the month. The benchmark of the Bulgarian stock exchange (SOFIX), registered the biggest decline on a monthly basis for this year and ended at the end of August in 12th place out of a total of 19 markets in the region.

Indeed, the situation of eliminating political instability in Romania, the stock market registered a leader last month. Positivism in the Romanian market was saved by the good economic data. The flash estimates show that Romania's GDP increased by 4.4% year on year in the second quarter, leaving a positive surprise above the market consensus of 4.2% growth.

Even the news that the ruling coalition in Romania is split did not stop the market uptrend. On August 26, ALDE announced that it would split the coalition with the PSD, seeking to forge an alliance with Pro Romania. The coalition partner announces that it is being used after a three-year run with the Social Democratic Party (PSD) against the backdrop of a plant variety that must be done properly, politically, and announce itself to accept cabinet restructuring. Registered market participants believe that political situations have remained favorable, as the PSD, which lacks a majority, is not in the House of Deputies or in the Senate, which should reduce the budget uncertainty ahead, while minimising the risk of negative surprises.

The consolidated financial results of Bulgarian issuers did not succeed to inject positivism and the prices of the most traded stocks on BSE-Sofia remain under pressure from the seller. During the month, SOFIX dropped to 567.45 points, which resulted in loss of 2.3% MoM. The broader benchmark index (BGTR30) declined by 1.7% to 502.53 points. The news for declined in monthly sales impacted most significantly on the quotations of industrial stocks - Stara Planina Hold (9.0%), M + C Hydraulic (4.8%) and Monbat (3.0%).

In August, Advance Invest declined 0.84%, while MSCI EFM Europe + CIS ex RU fell by 6.89%. The fund continues to outperform its benchmark on a long-term basis.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 7.95 M
NAV/share	BGN 1.2586
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

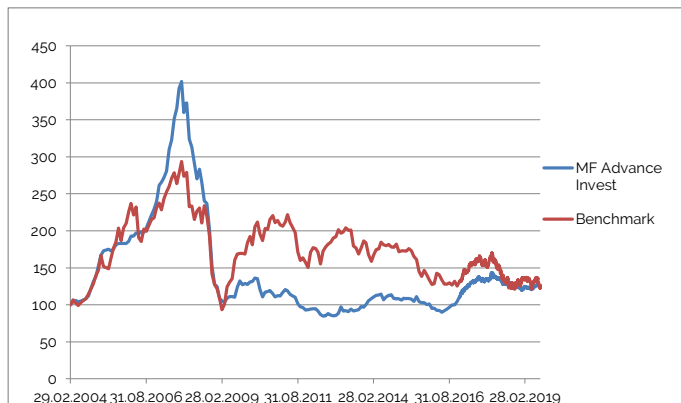
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

Fund Results

	Fund	Benchmark
1 month	-0.84%	-6.89%
1 year	-3.30%	0.14%
Year to Date	1.94%	-1.10%
Since Launch (annualized)	1.51%	1.38%

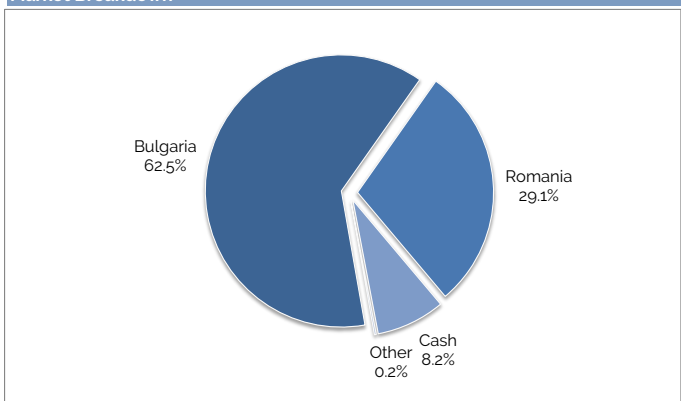
Fund performance vs Benchmark



Annual Performance

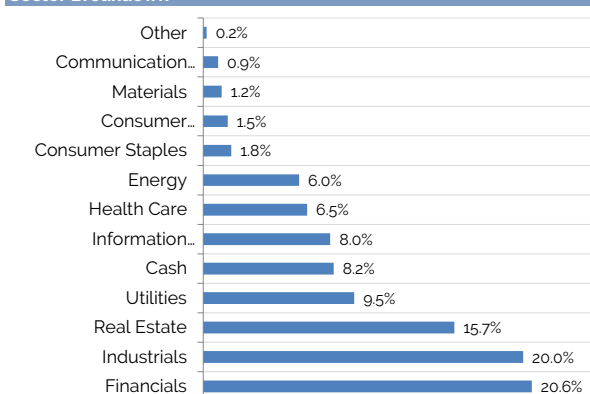
Year	Fund	Benchmark
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

Market Breakdown



Portfolio Breakdown

Sector Breakdown



5 Largest holdings

CEZ (Bulgaria), Utilities	CHIMIMPORT AD (Bulgaria), Industrials	SOPHARMA AD (Bulgaria), Health Care	ADVANCE TERAFUND (Bulgaria), Real Estate	ACTIVE PROPERTIES (Bulgaria), Real Estate
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