

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 December 2019

Fund Manager's Comment

The month of December brought a festive mood to the investors in Bulgaria and Romania. At the end of the month a series of events unlocked positive sentiment among participants in both markets, which led to an increase in stock quotes.

The Bucharest main market index (BET) kept its upward direction and registered a gain of 0.7% to 9956 points. The Romanian capital market recorded an extremely strong annual performance after the January turmoil that had the market plunging to its lowest level in 3 years. The Bucharest Stock Exchange ranked 3-rd within the global capital markets ranking for 2019, with only Greece and Russia ranked ahead of it with better returns. Within the year, the blue-chip index (BET) registered an annual growth of 34.8%, at the same period the total return index (BET-TR) registered an annual growth of 46.7%. The shares traded on the Bucharest market were subject to investor interest given the rapid economic growth, significant dividend payments and improvement in the companies' profits. Also, the optimism was based on the promotion of the Romanian Stock Exchange to secondary emerging market status by FTSE Russell.

In December, SOFIX rose sharply to the level of 568 points. i.e. +3.9% for the month. The blue-chip index registered an annual decline of 4.4% and ranked at the bottom of all regional indices. The BGBX40 price index also fell by 3.5%. The broad index BGTR30 and the index of the companies investing in real estate trusts (BGREIT) scored gains of 4.1% and 7.4%, respectively.

In December, Advance Invest Mutual Fund added 2.85%, while its benchmark MSCI EFM Europe + CIS ex RU benchmark registered a weaker increase of 1.8%. The fund's YTD return is +7.62%, while the benchmark's is 6.91%. The fund continues to solidly outperform over longer historical periods.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 8.32 M
NAV/share	BGN 1.3297
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

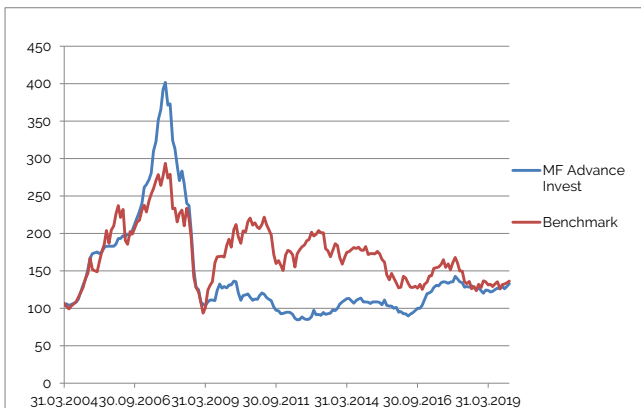
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

Fund Results

	Fund	Benchmark
1 month	2.85%	1.77%
1 year	7.62%	6.91%
Year to Date	7.62%	6.91%
Since Launch (annualized)	1.84%	1.86%

Fund performance vs Benchmark

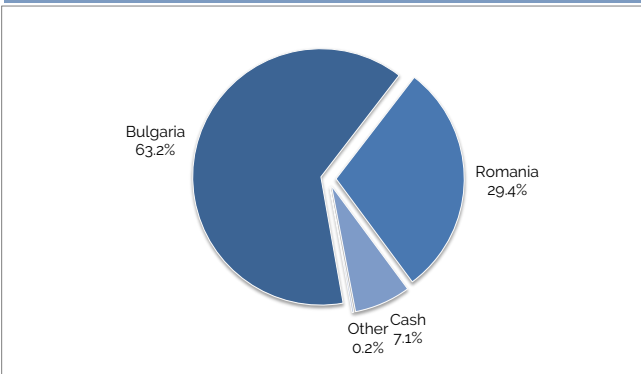


Annual Performance

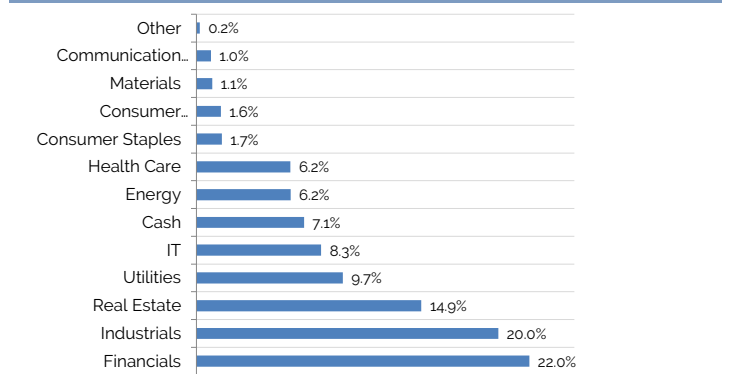
Year	Fund	Benchmark
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest holdings

CEZ AD (Bulgaria), Utilities	CHIMIMPORT AD (Bulgaria), Industrials	ACTIVE PROPERTIES (Bulgaria), Real Estate	SOPHARMA AD (Bulgaria), Health Care	ALTERKO AD (Bulgaria), Information Technology
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