

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.

INVESTOR.BG

ADVANCE INVEST

BEST Emerging markets fund 2018

advance invest

30 September 2019

Fund Manager's Comment

September was a dynamic month for the focus markets of Advance Invest. In Sofia the summer holiday mood still prevailed. Once again the Bucharest stock market was the engine behind the fund's positive performance.

Romania extended its upward trend, reinforced by political developments related to economic policies on restrictions and taxes in the services and energy sectors. In September the leading BET index rose 3.7% to 9574.37 points. At the end of the month, investors in Bucharest were also pleased to hear that, after a 3-year observation period, the Romanian capital market have been upgraded from Frontier to Secondary Emerging market. The event was described as historic by the Bucharest Stock Exchange, as Romania's reclassification is expected to generate \$140m of inflows to Romanian stocks mostly toward Romgaz (SNG RO), Banca Transilvania (TLV RO) and BRD-Groupe SocGen (BRD RO). Buyers were also activated by the Senate's approval to remove the 5% holding threshold for the regional investment companies (the so-called SIFs). The BET-FI index, which follows the evolution of the five SIFs, appreciated by 5.9% on the news.

The SOFIX index registered a monthly gain of 0.6% to 570.58 points. The market reacts to neither negative nor positive news. The performance of the listed companies was mostly influenced by the rebalancing of the SOFIX ETF. Earlier this week, "M+S Hydraulics" and "Stara Planina Hold" left the index, resulting in selling pressure. The returning companies - "Albena" and "Monbat" - were not significantly affected by the restructuring.

Despite Thomas Cook's bankruptcy, there was no pressure on the stock prices of the "Albena" tourist holding. In September, Advance Invest gained 2.96%, while the regional MSCI EFM Europe + CIS ex RU index rose by 4.24%. The fund's year-to-date return is 4.96%, which is higher than the benchmark. The fund outperforms its benchmark on a long term basis too.

Fund Facts

Fund type	open-end
Fund Manager	Tihomir Kaundzhiev
Fund size	BGN 8.18 M
NAV/share	BGN 129.58
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

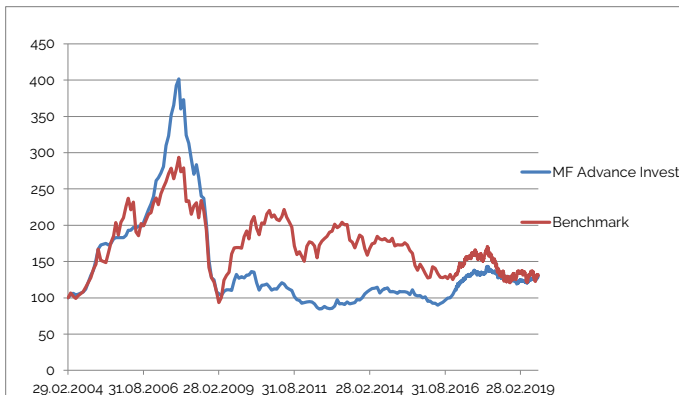
Fund Identifiers

ISIN	BG9000014134
Reuters Lipper	68417296
Kod в Bloomberg	ADVIMFD BU

Fund Results

	Fund	Benchmark
1 month	2.96%	4.24%
1 year	1.86%	2.16%
Year to Date	4.96%	3.10%
Since Launch (annualized)	1.70%	1.65%

Fund performance vs Benchmark

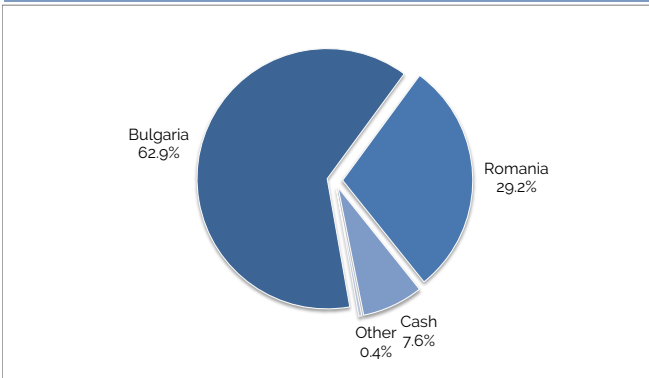


Annual Performance

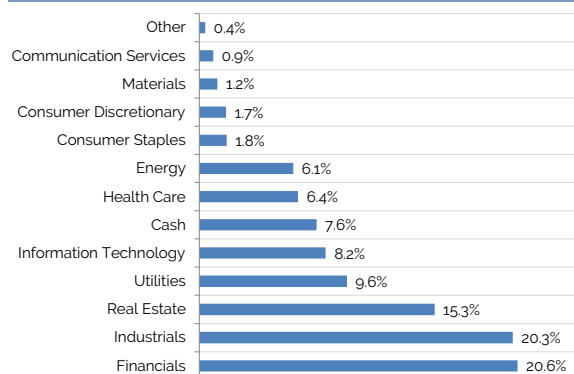
	Fund	Benchmark
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%
2013	18.95%	-16.81%
2012	-5.02%	34.08%
2011	-17.02%	-29.75%
2010	-11.73%	16.29%
2009	2.20%	51.49%
2008	-66.57%	-56.45%
2007	55.37%	20.71%
2006	31.20%	9.97%
2005	32.60%	51.04%
2004	38.00%	-17.05%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest holdings

CEZ AD (Bulgaria), Utilities

CHIMIMPORT AD (Bulgaria), Industrials

SOPHARMA AD (Bulgaria), Health Care

ADVANCE TERAUFUND (Bulgaria), Real Estate

MONBAT AD (Bulgaria), Industrials