



COMPASS

INVEST

**MONTHLY
REPORT**

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MARKET COMMENTARY

December Turned Out to Be a Volatile Month for Stock Markets. In the United States, strong labor market data and expectations for a more relaxed regulatory framework under the new administration initially gave a significant boost to the main index, S&P 500. Later in the month, the rally was halted due to the Federal Reserve (FED). Despite reducing the interest rate by 25 basis points, the FED provided comments that the market perceived as negative.

The U.S. Central Bank raised its inflation forecast for 2025 from 2.10% to 2.50% and also halved its projection for rate cuts to just two. This caused the S&P 500 to end the month with a 2.50% decline compared to the previous month. For the year, however, the index increased by 23.31%, marking only the fourth time in history that the S&P 500 achieved two consecutive years of growth exceeding 20.00%.

The Compass Global Trends mutual fund emerged as the leader in returns in Bulgaria for yet another year, demonstrating a 28.00% growth for the year.

European stocks also performed well, recovering their losses from November. The Euro Stoxx 50 index posted a 1.91% increase for the month and rose by 8.28% for the year. Positive dynamics were observed in both German and French stocks.

December proved challenging for bond investors as the upward movement in the yield curve led to declines in both corporate and many government securities. Comments from the U.S. Federal Reserve also significantly impacted the bond market.

The forecast for the long-term neutral interest rate was raised to 3%, the highest increase in six years. This caused 10-year U.S. Treasury yields to rise by 38 basis points, ending the month at 4.57%. This supports the view that the policies of the newly elected administration will likely be more inflationary. Despite the FED's rate cut, the short end of the curve continued its downward trend, finishing the month 9 basis points lower.

In Europe, German 10-year bonds showed a strong increase of 35 basis points due to inflation data that exceeded expectations. The higher-than-expected inflation was driven by elevated electricity costs and high service prices. French 10-year bonds exhibited a similar dynamic, ending the month with a 30 basis point increase. This indicates that investors are now demanding a higher premium on European bonds due to heightened inflation expectations and political instability in the region. Despite the strong performance of major indices this year, the last month demonstrated that the market is highly sensitive and uncertain about how the new administration in America will impact domestic inflation and the overall geopolitical situation. Balanced and well-diversified portfolios can be an effective tool for navigating such periods of uncertainty.

Market overview		
Indices	for the month of December	Year-to-date
Compass Global Trends	0.53%	28.00%
S&P 500	-2.50%	23.31%
Dow	-5.27%	12.88%
NASDAQ	0.48%	28.64%
CSI 300	0.47%	14.68%
FTSE	-1.38%	5.69%
SOFIX	5.45%	16.68%

Indices - Europe	For the month of December	Year-to-date
Compass Funds Select-21	-0.35%	12.64%
DAX	1.44%	18.85%
Euro Stoxx 50	1.91%	8.28%
CAC 40	2.01%	-2.15%
Compass Euro Bonds	-0.14%	9.41%

Interest Rates	As of December 31	Year-to-date (bps)
10-year Treasury Yield (U.S.)	4.57%	70.60
3-Month Treasury Bill Yield (U.S.)	4.32%	-103.10
10-Year Government Bond Yield (Germany)	2.36%	33.30

Market Sentiment	As of December 31
Bull-Bear %	37.8% – 34.1%
Put-Call	0.81
Vix	17.35

Commodities	As of December 31	Year-to-date
Gold	\$2,624	27.22%
Crude Oil (WTI)	\$71.56	0.45%

Main currencies	As of December 31	Year-to-date
EUR/USD	-2.10%	-6.19%
USD/BGN	1.84%	6.28%

Sources: Refinitiv Eikon, CBOE, AAIL

MF "Compass Global Trends"

Past performance is not indicative of future returns.

THE FUND AS OF 31.12.2024

Current information about the fund

NAV total:	2,865,165.23
NAV per share:	1.9529
Yield and standard deviation	
Yield for 2024:	28.00%
Yield for 2023:	39.88%
Yield for 2022:	-32.15%
Yield for 2021:	8.92%
Yield for 2020:	18.92%
Yield for 2019:	16.30%
Yield for 2018:	-4.48%
Yield for 2017:	6.69%
Yield for 2016:	-6.43%
Yield for 2015:	10.44%
Yield since the start of public offering (annualized) as of 31.12.2024:	6.42%
Standard deviation as of 31.12.2024:	14.94%

PRIMARY INFORMATION ABOUT THE FUND

Currency of the fund:	BGN
Initial public offering:	01.04.2014
Accounting year:	01.01-31.12
Purchase fee:	up to 1.50%*
Redemption fee:	none
Management fee:	1.50%**
UIC:	176654904
ISIN:	BG9000001149

PERFORMANCE

MF "Compass Global Trends" ended the month with a price per share of BGN 1.9529, which is an increase of 0.53% for the month and an increase of 28.00% compared to the beginning of the year.

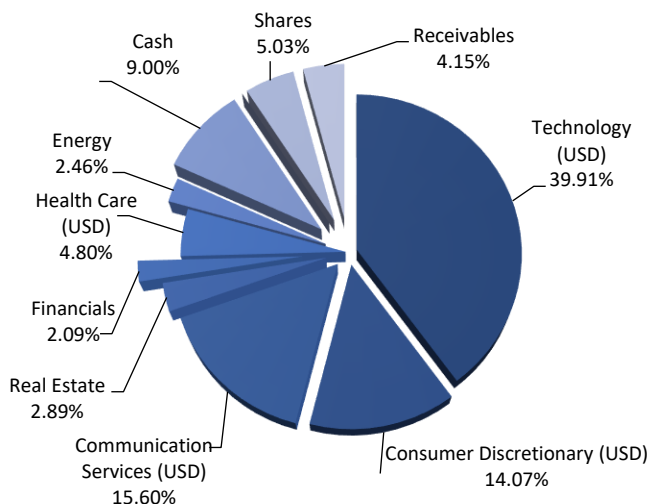
TOP POSITIONS

Among the companies in the portfolio of MF "Compass Global Trends", those with the largest weight are: the company owner of **Google Alphabet Inc. (7.27% of the assets)**, the creator of one of the largest online commerce sites **Amazon Com Inc. (6.33% of the assets)**, the creator of Facebook **Meta Platforms, Inc. (5.57% of the assets)**, the company creator of the iPhone **Apple Computer Inc. (5.04% of the assets)**, and the technological company – **MICROSOFT CORPORATION (4.78% of the assets)**.

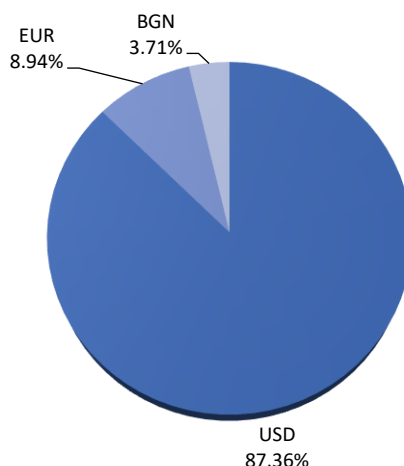
Top 5 positions with the largest weight in the fund

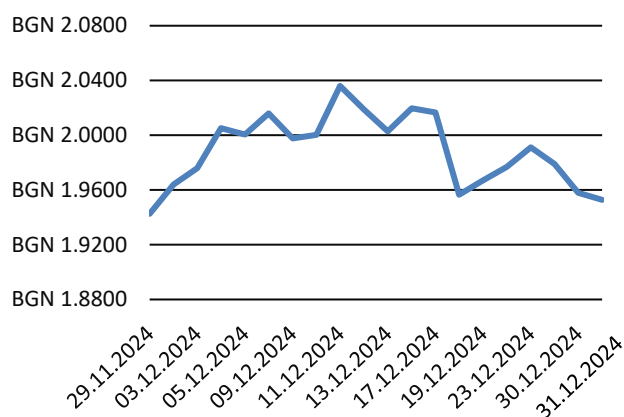
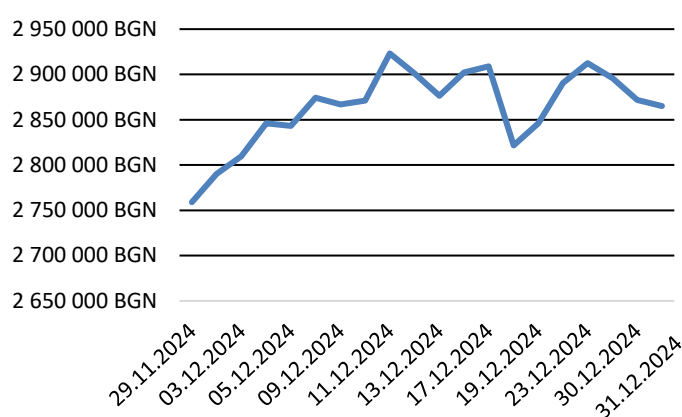
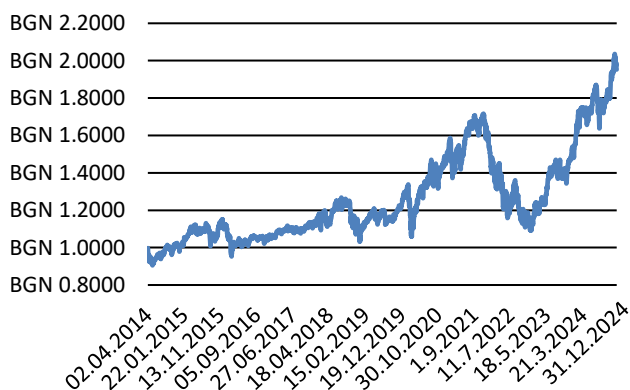
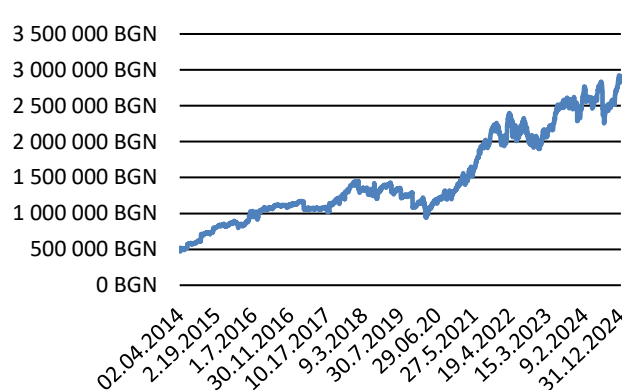
1.	ALPHABET INC ORD REG	7.27%
2.	Amazon Com, Inc.	6.33%
3.	Meta Platforms, Inc.	5.57%
4.	Apple Computer Inc.	5.04%
5.	MICROSOFT CORPORATION	4.78%

STRUCTURE OF THE PORTFOLIO FOR DECEMBER



CURRENCY STRUCTURE OF THE PORTFOLIO FOR DECEMBER



Graph 1: NAV per share for the month of December**Graph 2: NAV for the month of December****Graph 3: NAV per share for the period from April 1 2014 to December 31 2024****Graph 4: NAV for the period from April 1 2014 to December 31 2024****Graph 5: Monthly performance of MF "Compass Global Trends"**

The obtained results from past periods do not predict future returns.

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
January	3.10%	-5.78%	0.40%	5.00%	5.00%	2.14%	-0.39%	-8.52%	8.88%	5.67%
February	2.76%	-3.77%	2.69%	-0.28%	2.42%	-3.60%	-0.67%	-4.49%	0.49%	6.92%
March	2.15%	0.23%	0.62%	-3.14%	2.56%	-6.85%	-1.29%	0.98%	6.39%	0.77%
April	-1.99%	0.21%	0.70%	1.40%	2.69%	6.75%	6.37%	-8.33%	-0.61%	-3.48%
May	1.60%	2.15%	0.10%	5.20%	-6.20%	6.96%	-1.81%	-2.37%	8.40%	2.47%
June	-0.40%	-1.35%	-1.73%	0.67%	3.66%	-0.25%	7.24%	-6.78%	3.63%	6.57%
July	1.62%	2.55%	1.23%	-1.00%	0.14%	4.27%	1.28%	9.60%	3.58%	-3.67%
August	-4.04%	0.27%	0.96%	4.04%	-1.99%	6.90%	3.82%	-3.38%	-2.97%	1.29%
September	-1.10%	0.12%	-0.23%	-0.17%	0.15%	-4.44%	-4.05%	-8.19%	-3.37%	-0.06%
October	5.48%	-1.43%	2.56%	-8.58%	1.56%	-4.36%	3.36%	1.83%	-0.98%	0.67%
November	3.41%	0.60%	-0.74%	-0.97%	4.09%	8.77%	-2.95%	1.28%	8.59%	8.07%
December	-2.18%	-0.06%	-0.25%	-5.80%	1.64%	3.15%	-1.63%	-8.07%	3.47%	0.53%
Annual Yield	10.44%	-6.43%	6.69%	-4.48%	16.30%	18.92%	8.92%	-32.15%	39.88%	28.00%

MF "Compass Euro Bonds"

The obtained results from past periods do not predict future returns.

THE FUND AS OF 31.12.2024

Current information about the fund

NAV total:	1,498,424.44
NAV per share:	0.9241

Key characteristics about the investments in the fund

Modified Duration	3.10
Maturity (years)	3.40
Weighted average rating	BBB
Weighted average yield to maturity (YTM)	4.16%
Weighted average coupon	3.71%

PRIMARY INFORMATION ABOUT THE FUND

Currency of the fund:	EUR
Initial public offering:	16.07.2018
Accounting year:	01.01-31.12
Purchase fee:	0% until 31.01.2025
	0.50% until 01.02.2025
Redemption fee:	none
Management (of the average annual net worth of the fund's assets):	0.50%
UIC:	177280046
ISIN:	BG9000001180

PERFORMANCE

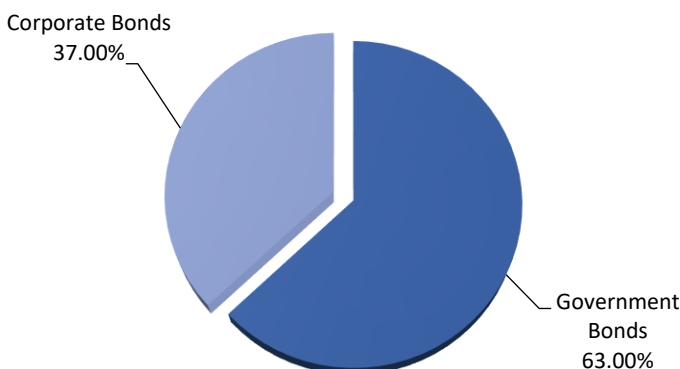
MF "Compass Euro Bonds" ended the month with a net asset value per share of EUR 0.9241.

INFORMATION ABOUT THE FUND

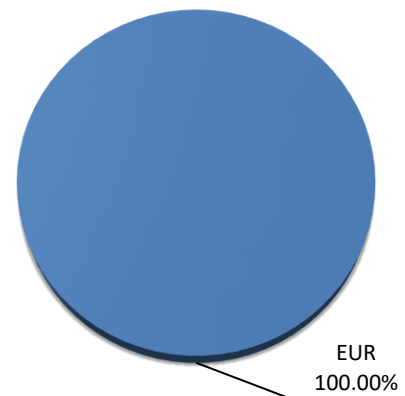
MF "Compass Euro Bonds" is a fund investing in debt financial instruments, implementing a **"buy-and-hold"** strategy that guarantees stable returns while limiting the possible risks of interest rate changes. All securities in the portfolio will mature by **September 2028** and the expected yield on an annual basis is **4.16%**.

The follow a **cyclical investment strategy** and once all securities in the portfolio mature, a **new portfolio** of bonds will be selected to mature in another 4 years (**by 2032**). All investors in the fund have the option to withdraw their investments or retain them to be reinvested in a subsequent basket of bonds.

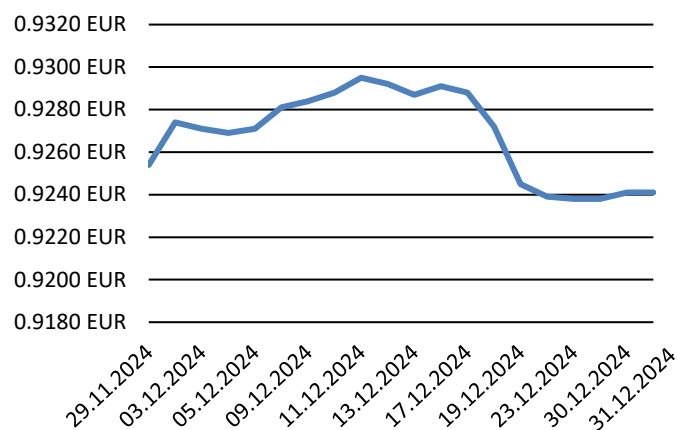
STRUCTURE OF THE PORTFOLIO FOR DECEMBER



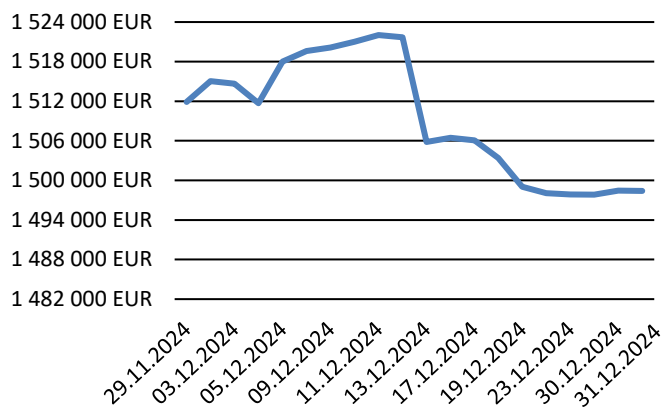
CURRENCY STRUCTURE OF THE PORTFOLIO FOR DECEMBER



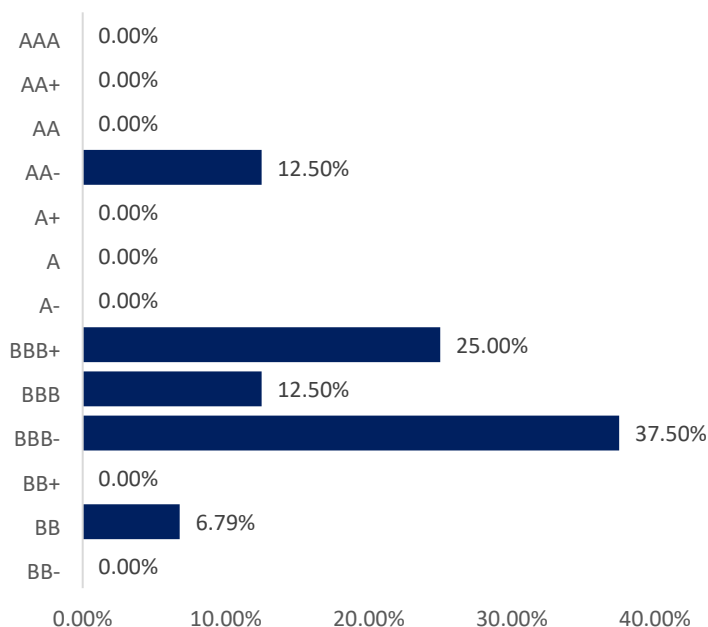
Graph 1: NAV per share in EUR for the month of December



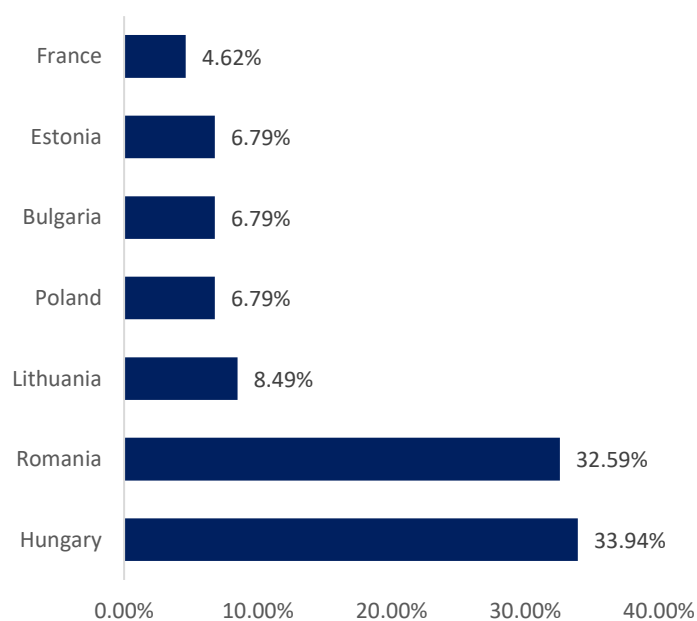
Graph 2: NAV in EUR for the month of December



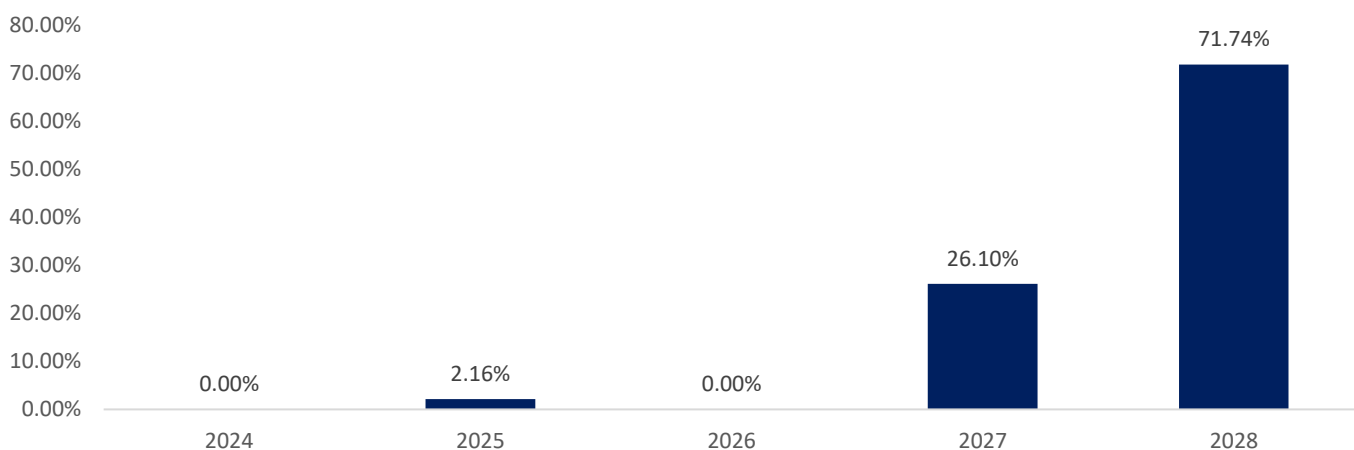
Graph 3: Allocation by credit rating



Graph 4: Allocation by country



Graph 5: Maturity structure



MF “Compass Funds Select-21”

The obtained results from past periods do not predict future returns.

THE FUND AS OF 31.12.2024

Current information about the fund

NAV total:	990,842.46
NAV per share:	1.1259
Yield and standard deviation	
Yield for 2024:	12.64%
Yield for 2023:	11.41%
Yield for 2022:	-12.84%
Yield for 2021:	1.52%
Yield for 2020:	4.72%
Yield for 2019:	14.51%
Yield since the start of public offering (annualized) as of 31.12.2024:	1.85%
Standard deviation as of 31.12.2024:	6.04%

PRIMARY INFORMATION ABOUT THE FUND

Currency of the fund:	BGN
Initial public offering:	17.07.2018
Accounting year:	01.01-31.12
Purchase fee:	up to 1.00%*
Redemption fee:	none
Management fee (from the average net asset value of the fund):	0.50% **
UIC:	177280174
ISIN:	BG9000002188

PERFORMANCE

MF “Compass Funds Select-21” ended the month with price of a single share of BGN 1.1259, which accounts for growth of 0.66% for the month and growth of 6.77% compared to the beginning of the year.

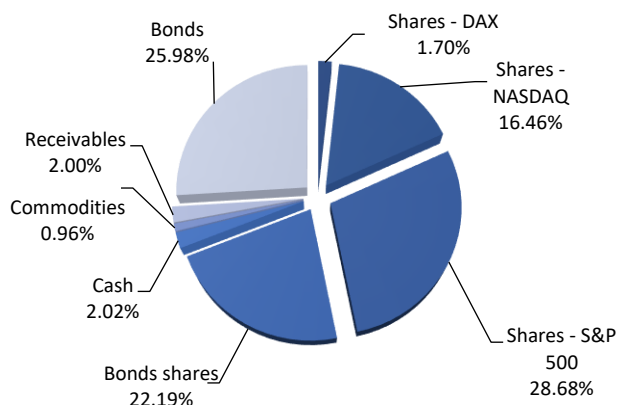
TOP POSITIONS

The investments in the portfolio of MF “Compass Funds Select-21” at the end of the past month are allocated as such: exchange traded funds replicating the wide US index S&P 500 – **28.68% of the assets**, exchange traded funds replicating the technological index NASDAQ – **16.46% of the assets**, funds replicating the German index DAX **1.70% of the assets**, funds investing in US government bonds **22.19% of the assets**.

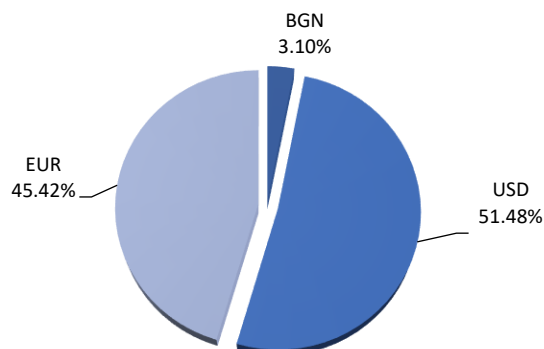
Top 5 most with the largest weight in the fund

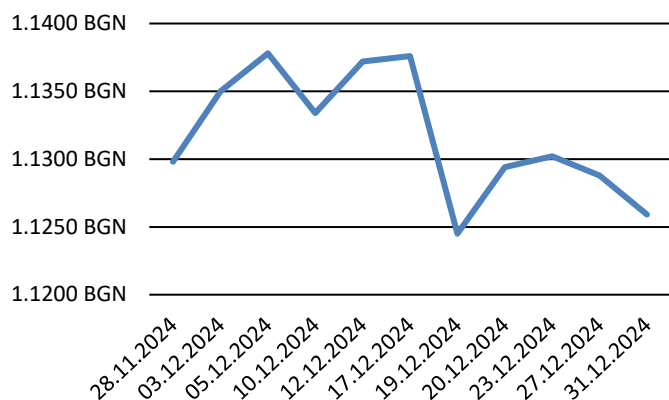
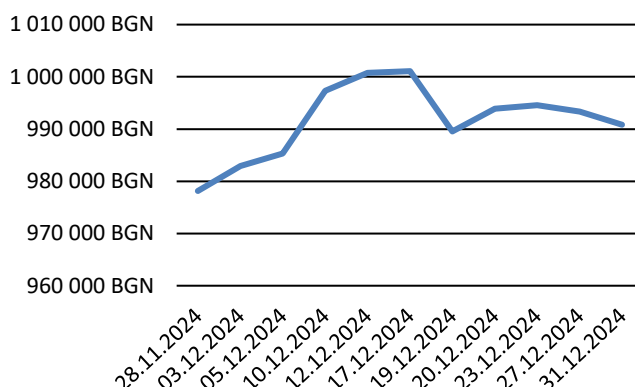
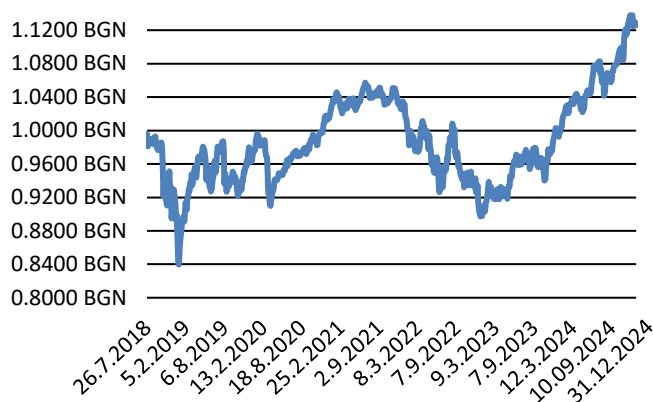
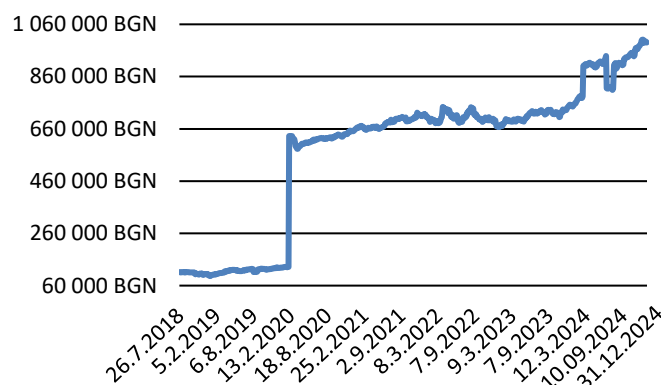
1.	ISHARES CORE S&P 500 UCITS ETF ACC	8.95%
2.	Invesco QQQ Trust Series 1	8.83%
3.	IShares Core S&p ETF	8.38%
4.	SPDR S&P 500	8.35%
5.	ISHARES NASDAQ 100 USD ACC	7.63%

STRUCTURE OF THE PORTFOLIO FOR DECEMBER



CURRENCY STRUCTURE OF THE PORTFOLIO FOR DECEMBER



Graph 1: NAV per share for the month of December**Graph 2: NAV for the month of December****Graph 3: NAV per share for the period from July 26 2018 to December 31 2024****Graph 4: NAV for the period from July 26 2018 to December 31 2024****Graph 5: Monthly performance of MF "Compass Funds Select-21"**

The obtained results from past periods do not predict future returns.

	2018	2019	2020	2021	2022	2023	2024
January		7.52%	1.38%	2.01%	-4.20%	2.60%	1.94%
February		3.33%	-1.19%	-0.76%	-1.03%	0.10%	1.33%
March		1.83%	-4.70%	0.07%	2.76%	0.39%	1.07%
April		2.97%	2.67%	0.95%	-0.87%	-0.12%	-1.73%
May		-4.94%	0.28%	-0.30%	-3.04%	3.33%	1.74%
June		2.70%	1.58%	2.24%	-3.33%	0.6%	3.12%
July		3.31%	0.34%	-1.49%	5.41%	0.87%	-1.46%
August	0.98%	-4.90%	0.91%	0.71%	-0.91%	0.68%	0.66%
September	-0.63%	0.44%	0.70%	-1.68%	-3.24%	-1.48%	1.02%
October	-7.54%	-0.37%	-0.34%	0.75%	-0.69%	-1.97%	0.49%
November	2.10%	4.31%	1.54%	-0.63%	-0.36%	3.57%	4.27%
December	-9.56%	-0.51%	1.65%	-0.29%	-3.73%	2.45%	-0.35%
Annual Yield	-15.09%	14.51 %	4.72%	1.52%	-12.84%	11.41%	12.64%

Disclaimer:

This information is marketing material and does not present investment consultation, advice, investment research, or investment recommendation. The information is valid as of the issue date of the marketing material and may alter in the future. The value of the units in the collective investment schemes changes over time and it could be higher or lower from the value at the time of the investment. No profits are guaranteed and risk exists for the investors to not receive the full amount of their investments. Investments are not guaranteed by a guarantee fund which is created by the country or another form of guarantee. Information on the performance of the financial instruments in the past is not a reliable indicator for future performance. Therefore, it is recommended for investors to acquaint themselves with the Prospectus and the Document with key information for investors before making a final investment decision. You can find these documents in Bulgarian on the website of Compass Invest - www.compass-invest.eu, and you can request and get a free paper copy at the office of the management company at: Sofia, 36 Alabin Str, floor 4, during every business day from 9 am to 5 pm. Future results are subject to taxation, which depends on the personal situation of each investor and may change in the future. A summary of the rights of the investors is available at the following hyperlink in Bulgarian: [here](#). The mutual funds, which are managed by Compass Invest, are actively managed without following an index. We would like to inform you that Management Company Compass Invest can make a decision to terminate the offering of funds on the territory of the Republic of Bulgaria. The investment in units of mutual funds, in addition to benefits, carries certain risks like: liquid, operational, interest, currency, and political risk, as well as macroeconomical risk, currency risk, concentration risk, etc. The full information about risks can be found in the Prospectus of the respective fund.

Information about the expenses:

**This is the maximum amount, that can be withheld from the provided sum before it's investing, respectively before the revenue is paid. The listed fees are included in the announced prices for the purchase and redemption of shares. The investor can get information about the current fees from their financial advisor.*

*** These fees are used for covering the management expenses of the fund, including the expenses for the offering of shares and marketing. These expenses reduce the potential growth of the investment as they can have an effect on the profitability. Current expenses include the remuneration of the management company, the depositary bank, fees from Central Depositary JSC, Financial Supervision Commission, etc.*

Risks:

Despite benefits, the investment in shares of mutual funds brings certain risks like:

- 1) Market risk with the following components: a) interest risk related to a decrease of the value of the investment due to a change of the interest rates levels b) currency risk related to a decrease of the value of the investment, denominated in a currency which is different from BGN and EUR c) price risk related to a decrease of the value of the investment in the case of unfavorable changes of the market's prices;
- 2) Credit risk – related to a decrease of the value of the position in the case of unexpected events with a credit nature which are related to the issuers of financial instruments, the counter side of exchange and OTC transactions, as well as countries, in which they operate;
- 3) Operational risk – from errors or flaws in the system of the organization
- 4) Liquidity risk – in case of forced sales of assets under unfavorable market conditions;
- 5) Concentration risk – in case of incorrect diversification of exposures to groups of related clients, from the same economic branch, geographic area, etc.
- 6) Position risk which is related to the change of price of a certain instrument in result of factors related to the issuer or in case of a derivative instrument – related to the issuer of the base instrument;