

ADVANCE EASTERN EUROPE

Investment Objective

The goal of the fund is to ensure high investment results in the long-term by investing in Eastern European equities in 7 regional markets.



31 August 2021

Fund Manager's Comment

The global equity rally continued in August, with a slightly defensive tilt in terms of leadership – utilities and tech along with financials. MSCI ACWI recorded its seven straight monthly advance (+2.8%), the longest winning streak since January 2018. Regional CEE indices were undisputedly in the lead, outperforming both DM and EM. MSCI EFM Europe + CIS gained 5.0%, while the benchmark excluding Russia soared 6.9%.

MOEX Russia index climbed to new all-time highs, up 3.9% in local currency terms in August. Sector-wise, financials strengthened their leadership position since the beginning of the year amid record quarterly results in 2Q21. Meanwhile, the ruble was almost unchanged against the US dollar (-0.1%) in the absence of geopolitical turmoil, that has been typical for August in the last few years.

Turkish market sentiment improved. Led by the banks, the BIST 100 increased by 5.7% in TRY terms, almost erasing previous losses (-0.3% YTD). Trading activity improved, although from an extremely low base in July, with daily turnover increasing to USD 2.0 bn on average in August. Accelerating inflation pushed the real policy rate to zero, thus constraining the CB's ability to ease. Positively, robust high-frequency macro data and 2Q21 GDP growth reduce the economic urgency for monetary stimulus.

The Greek ASE index gained 3.9%, as cyclical stocks shrugged off delta variant fears amid what appears to be an inflection point of the current wave. Romanian BET added 2.8%, supported by financial and energy stocks which beat 2Q21 earnings estimates.

The fund's monthly return stood at 2.0%, 3pp below the benchmark index. Financials underweight was a key factor for this underperformance. Communication services, financials and energy stocks had the largest positive contribution, while technology and materials were a drag to the fund's performance.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 2.26 M
NAV/share	EUR 1.0218
Launch date	4.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe + CIS ex RU
Currency of account	Euro
Subscription fee	up to 150%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

Fund Identifiers

ISIN	BG9000016063
Bloomberg Code	ADVEAEU.BU
Reuters Lipper	65095316
Valor	3079269
WICN-German	AOMXVY

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	2.03%	5.05%	6.93%
1 year	40.28%	32.45%	30.44%
Year to Date	26.49%	21.39%	17.39%
Since Launch (annualized)	0.14%	-2.27%	-3.36%

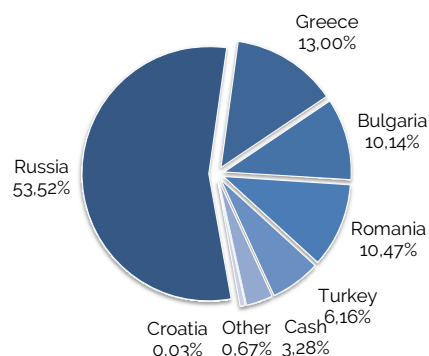
Fund Performance 10Y



Annual Performance

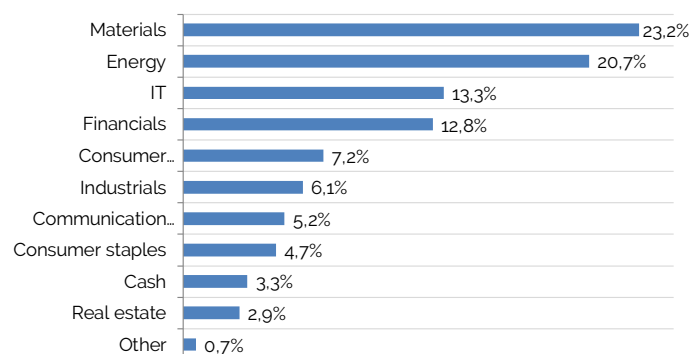
	Fund	Benchmark*	Benchmark**
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%	-22.53%	-29.75%
2010	18.44%	21.65%	16.29%
2009	36.50%	73.42%	51.49%
2008	-61.94%	-66.63%	-56.45%
2007	25.91%	11.54%	20.71%

Market Breakdown



Portfolio Breakdown

Sector Breakdown



TOP 5 HOLDINGS

ALLTERCO AD (Bulgaria), IT

Yandex NV (Russia),
Communication services

SBERBANK, COMMON (Russia),
Financials

JSC "NOVATEK", Common
(Russia), Energy

GMK Norilski Nikel (Russia),
Materials