

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.



*This is marketing material

31 December 2022

*The NAV and NAV/share as of Dec 31 are indicative

Fund Manager's Comment

The seasonal Santa rally did not materialize this December. The key driver behind the negative market sentiment was the sobering of market participants who reassessed their outlook for key rates and monetary policy of major CBs. MSCI world fell 7.7%, with US equities underperforming European stocks, while MSCI EM declined 5.1%. The regional index MSCI EFM Europe + CIS ex RU was a positive outlier, up 1.1%.

MOEX Russia was down 0.9% in LCU terms last month, wrapping up 2022 with a 43.1% loss. The ruble was sharply weaker, depreciating 19.8% against the EUR and 17.5% against the USD. The most important factor for the negative dynamics was the decline of crude oil exports on the back of declining volumes and widening of Urals-Brent spread, as the EU embargo and the G7 price cap kicked in. Meanwhile, the ban on trading of 73 strategic companies by "non-friendly" non-residents was extended by a year (until the end of 2023). As most blue chips are on that restricted list, it now seems highly unlikely that the Moscow Exchange will reopen trading for western foreign investors soon.

Turkey's BIST 100 gained 10.7% in December, with FY2022 return at 196.6% in TRY terms (+122.9% in EUR terms). In a deeply negative real yield environment, local stocks remain the sole investment alternative for domestic investors, who have become an even more prominent force in the market. The number of active retail brokerage accounts rose to 3.8mn at the end of 2022, from 2.3mn at the end of 2021, with ca. 1mn opened in the last two months of the year. On the economic front, inflation decelerated sharply on high base effect, down to 64% in December.

The Greek ASE added 1.9%, with cyclicals such as industrials, energy and consumer discretionary stocks outperforming. The Romanian BET declined 0.6%, as index-heavy O&G stocks were hit by the industry windfall tax, introduced in the final days of the year.

The fund reported an indicative NAV per share of EUR 0.6083 in the end of December, up 7.0%. The largest positive contribution came again from our Turkish positions (almost 2/3 of the monthly return), followed by Greek stocks. Sector-wise, materials continued to lead by a high margin, with industrials and consumer discretionary names also solidly in the black.

Fund Facts

NAV/share (last published as of 25.02.2022)	EUR 0.7486
Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size - indicative	EUR 133 M
NAV/share - indicative	EUR 0.6083
Launch date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe + CIS ex RU
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

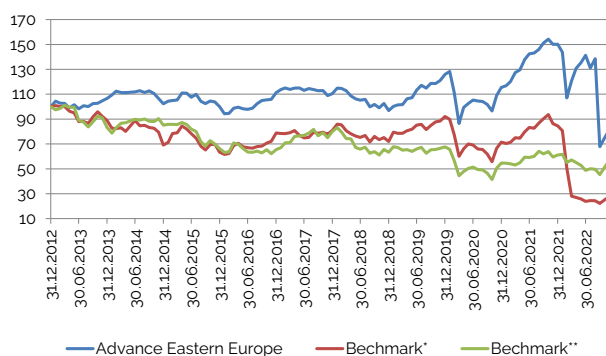
Fund Identifiers

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

Fund Results - indicative

	Fund	Benchmark*	Benchmark**
1 month	6.98%	1.14%	1.14%
1 year	-42.12%	-66.97%	-6.49%
Year to Date	-42.12%	-66.97%	-6.49%
Since Launch (annualized)	-3.01%	-8.68%	-3.78%

Fund Performance 10Y - indicative

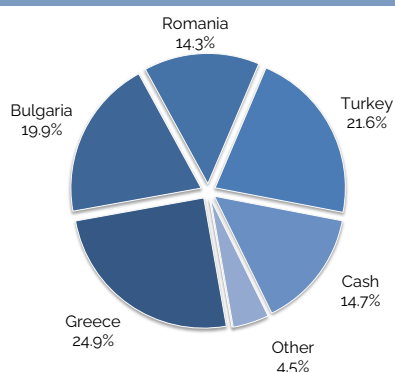


Annual Performance

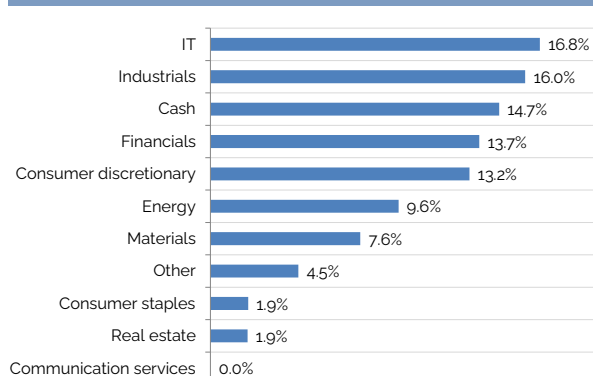
	Fund	Benchmark*	Benchmark**
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
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%

Portfolio Breakdown

Market Breakdown (indicative)



Sector Breakdown (indicative)



TOP 5 HOLDINGS

Allterco, Bulgaria, IT	TURKIYE SISE VE CAM FABRIKALARI AS, Turkey, Industrials	Koza Altin Isletmeleri AS, Turkey, Materials	GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A., Greece, Consumer discretionary	JUMBO SA, Greece, Consumer discretionary
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