

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 July 2022

*The NAV and NAV/share as of June 30 are indicative

Fund Manager's Comment

After a disastrous second quarter performance and amid extremely bearish positioning, market sentiment shifted rapidly in the second half of July. Q2's earning season, though still signaling a slowdown of economic activity, hasn't so far lived up to the worst expectations, while market participants surprisingly found comfort in the Fed's debatable tone "softening". MSCI World gained 10.6%, led by technology stocks, while MSCI EM lagged behind, up by 1.8%. The regional MSCI EFM Europe + CIS ex RU increased 2.7%.

MOEX Russia index was almost flat (+0.4% in LCU terms) amid still weak trading volumes. The Moscow exchange announced it will open trading for non-residents from friendly countries on August 8, but will keep restrictions for foreign investors from "non-friendly" countries. At the same time, there is still no clarity on the sanctions imposed on the National Settlement Depository, creating further obstacle for European investors to trade Russian equities, even if the CBR ban were to be lifted. Meanwhile, the ruble snapped a four-month winning streak amid bigger-than-forecasted rate cut by the CBR, as well as robust appetite for Chinese yuans. The volume of CNY/RUB trading quadrupled compared to the average in 1H2022, reaching USD 14.8 bn in July, which led to RUB 13% decline against the USD.

In Turkey, BIST 100 bounced back in sync with global risk assets in the second half of July, recording a monthly gain of 7.8% in lira terms, with banks rallying on strong reported earnings. Despite inflation marching uninterruptedly higher (July CPI +79.6% YoY), TCMB kept the key rate unchanged at 14% for 8th consecutive meeting, with still deeply negative real interest rate fueling the TINA trade. TRY kept weakening on macroeconomic imbalances, depreciating 6.8% against the USD.

The Greek ASE recorded a monthly gain of 5.0%, with consumer staples and discretionary stocks in the lead. Romanian BET was again up 1.3%, as energy stocks maintained robust momentum amid sky-high Q2 profits.

The fund reported an indicative NAV per share of EUR 0.9167 in the end of July. This was 7.3% lower compared to end of June, with key driver being the negative currency effect of RUB. At the same time, better selection of Bulgarian, Greek and Romanian stocks contributed positively. Due to continuing effective inability to trade our Russian positions the fund has temporary suspended creations-redemptions of shares. The management has no clarity when the trading of Russian securities will be resumed on a special segment between non-residents.

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 2.01 M
NAV/share - indicative	EUR 0.9167
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

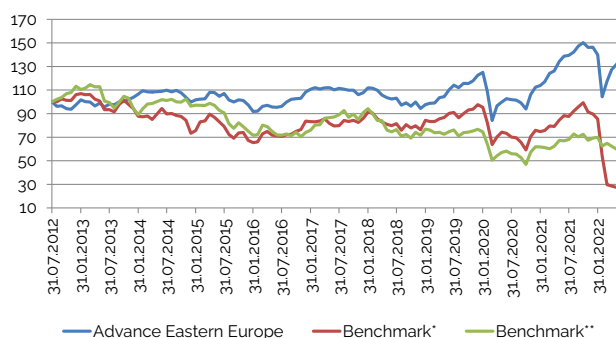
Fund Identifiers

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

Fund Results - **indicative**

	Fund	Benchmark*	Benchmark**
1 month	-7.25%	2.68%	2.68%
1 year	-8.47%	-70.33%	-16.53%
Year to Date	-12.77%	-71.03%	-17.97%
Since Launch (annualized)	-0.55%	-9.65%	-4.67%

Fund Performance 10Y - **indicative**

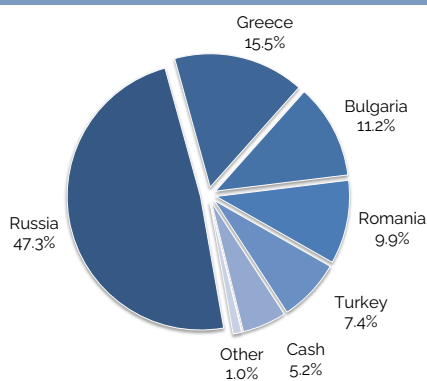


Annual Performance

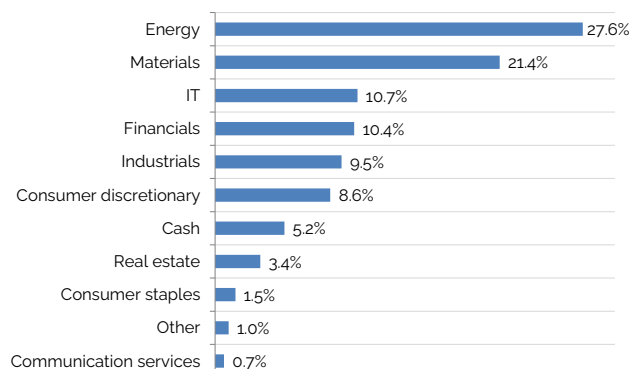
	Fund	Benchmark*	Benchmark**
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%	-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	GAZPROM PJSC / Gazprom, Russia, Energy	GMK Norliski Nikel, Russia, Materials	JSC "NOVATEK", Common, Russia, Energy	Polyus Gold OJSC, Russia, Materials
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