

ADVANCE EASTERN EUROPE class A

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 May 2023

Fund Manager's Comment

AI exuberance pushed global equities higher in May. MSCI world added 2.3%, with stock in North America posting a solid gain of 3.7%, led by the tech sector, while Europe underperformed markedly (-3.2%). MSCI EM advanced 1.6% despite continuing negative economic surprised from China. The regional MSCI EFM Europe + CIS ex RU increased 1.3%, as Greece contributed the most.

The Greek ASE soared 12.3%, following a positive surprise from the first round of parliamentary elections. The rally was broad-based, with banks markedly in the lead, followed by industrials and utilities. The ruling centrist Nea Demokratia party won by a significant margin, giving confidence to the prime minister Mitsotakis to pursue snap elections in early July, aiming for an absolute majority, as they will be held under the previous majority bonus system, granting 50 extra seats to the leading party.

The Turkish market was also laser-focused on election results last month. The incumbent President won the first round with a surprising lead, cementing a victory at the second round two weeks later. On the one hand, the appointment of former market darling Mehmet Simsek as new Treasury and Finance Minister raises the prospects of a long overdue rebalancing of the economy and return to orthodox economic policy. On the other hand, foreign investors would likely be sceptic at first, considering that previous attempts for reforms were overturned by Erdogan. Still, domestic retail investors were very active in the market, as BIST 100 gained 5.8% led by export-oriented stocks. The Turkish lira depreciated markedly, down 6.3% against the USD, despite TCMB's record high FX interventions that brought down net reserves to a 21-year low.

The Romanian BET was almost flat (-0.3%). Among index-heavy components, financials continued to underperform (-1.8%), while energy stocks advanced for a second consecutive month despite macro headwinds (+7.3%). OMV Petrom (SNP) rallied on an announcement of much lower than market consensus solidarity tax contribution for FY2022 (RON 1.5bn vs RON 4.7bn est. for the worst-case scenario).

Class A shares of the Fund gained 6.6% in May, overtaking the benchmark index in YTD terms. Our Bulgarian and Greek positions had the highest positive contribution to the monthly return. Sector-wise, tech stocks were markedly ahead, followed by cyclicals such as industrials, energy, materials and consumer discretionary.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.39 M
NAV/share	EUR 1385942.74
Launch date	04/10/2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe&CIS
Currency of account	Euro
Subscription fee	up to 150%
Management fee	15 % NAV p.a.
Redemption fee	none
Minimum investment	none

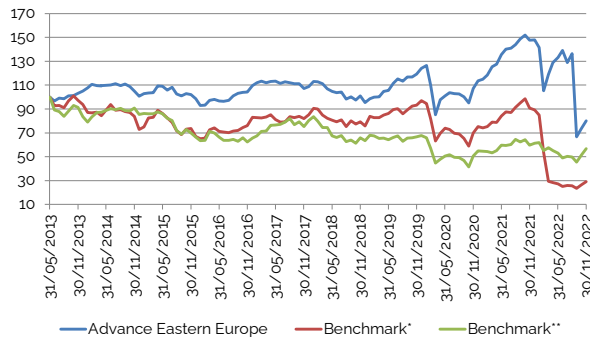
Fund Identifiers

ISIN	BG900016063
Bloomberg Code	ADVEAEU.BU
Reuters Lipper	65095316
Valor	3079269
WICN-German	AOMXVY

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	6.57%	1.25%	1.25%
1 year	-32.19%	12.79%	12.79%
Year to Date	5.59%	4.34%	4.34%
Since Launch (annualized)	-2.62%	-8.24%	-3.44%

Fund Performance 10Y

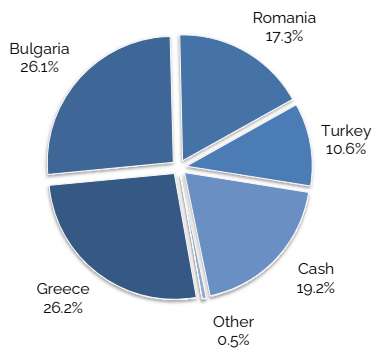


Annual Performance

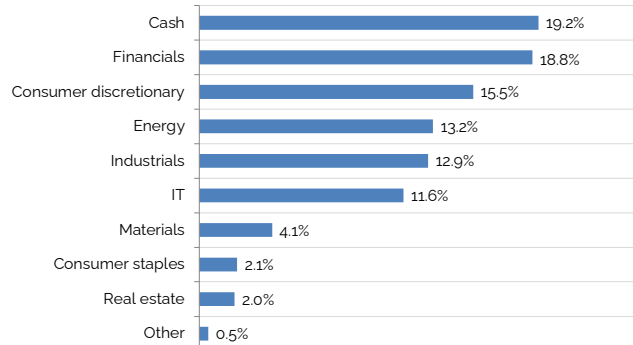
	Fund	Benchmark*	Benchmark**
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%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



Sector Breakdown



TOP 5 HOLDINGS

Alterco AD, Bulgaria, IT	JUMBO SA, Greece, Consumer discretionary	GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A., Greece, Consumer discretionary	Motor Oil Hellas Corinth Refineries S.A., Greece, Energy	FONDUL PROPRIETATEA SA, Romania, Financials
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