

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 October 2023



Fund Manager's Comment

Global stock sell-off deepened further in October under the pressure of an accelerated increase of long-term bond yields and rising geopolitical uncertainty. MSCI World declined 2.8%, while MSCI EM underperformed, down 3.8%. The regional MSCI EFM Europe + CIS ex RU was markedly resilient, posting a monthly gain of 0.5%, led by Polish stocks after a surprise victory of the opposition in the parliamentary elections.

The Greek ASE index was heavily oversold in early October, with the start of the Middle East conflict marking a bottom of the market. The following swift and broad-based recovery, led by banks, managed to limit the monthly loss to 1.3%. Meanwhile, S&P upgraded Greece to investment grade for the first time since the debt crisis over a decade ago. Confirming the stable macroeconomic outlook, the decision is a long-awaited catalyst, that should boost foreign interest for Greek risk assets.

The five-month winning streak of Turkish equities was interrupted by the growing geopolitical risks, as president Erdogan strongly criticized Israel's offensive in Gaza. BIST 100 declined 9.8% in LCU terms, as the continuing normalization of monetary policy had a further restraining effect on risk appetite of local investors. In line with expectations, TCMB delivered another 500bp hike, rising the key rate to 35%, and left the door open for further hikes until year end. The lira depreciated 3.1% against the USD, while CPI inflation plateaued at 61.4% YoY in October.

The Romanian BET declined modestly, down 0.8%. Among key sectors, financials maintained positive momentum (+5.7%), while energy (-3.5%) and utilities (-3.4%) weighed the index down. Meanwhile, the government introduced an emergency ordinance hiking the royalties level for the energy sector, applying to new concessions or upon renewal of existing. Still, the key Neptun Deep project of OMV Petrom and Romgaz should be exempt in any case due to the fiscal stability clause of the offshore law.

Class A shares of the Fund fell 2.8%, as Turkish positions were a major drag for the performance (-2pp). Sector-wise financials and real estate were modestly in the black, while industrials and materials were the worst performers. The stock sell-off in Greece in early October provided a window of opportunity to increase exposure to Greek equities, as we added new positions – two financials and one consumer discretionary.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.49 M
NAV/share	EUR 0.6911
Launch date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe&CIS
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

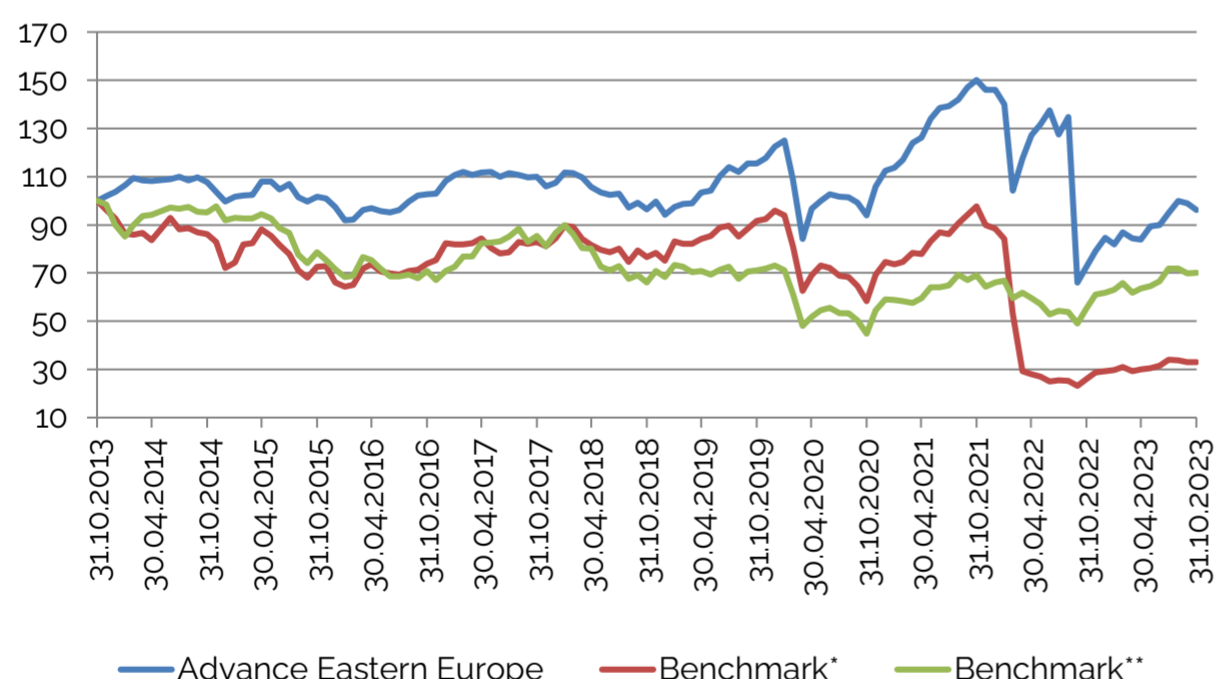
Fund Identifiers

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

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	-2.80%	0.48%	0.48%
1 year	32.22%	26.90%	26.90%
Year to Date	13.61%	13.50%	13.50%
Since Launch (annualized)	-2.14%	-7.60%	-2.88%

Fund Performance 10Y

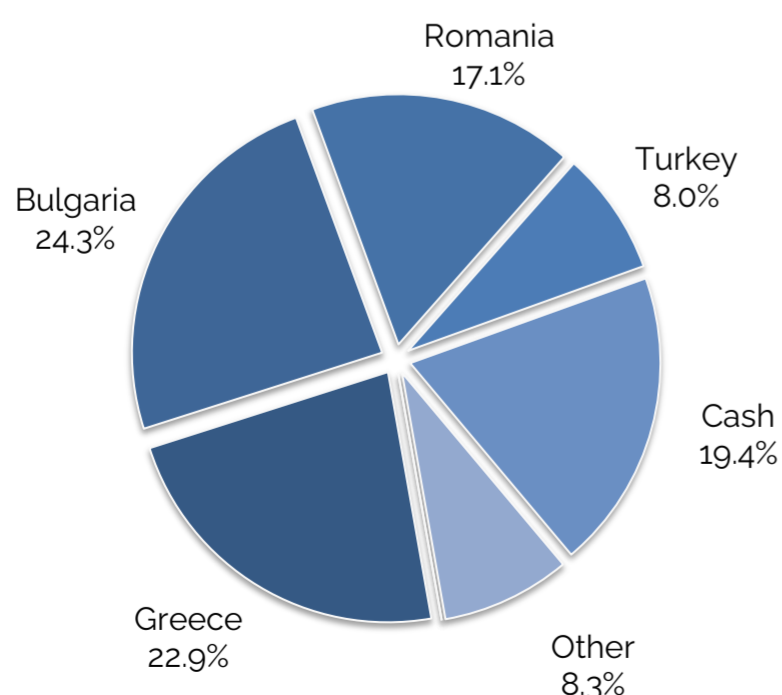


Annual Performance

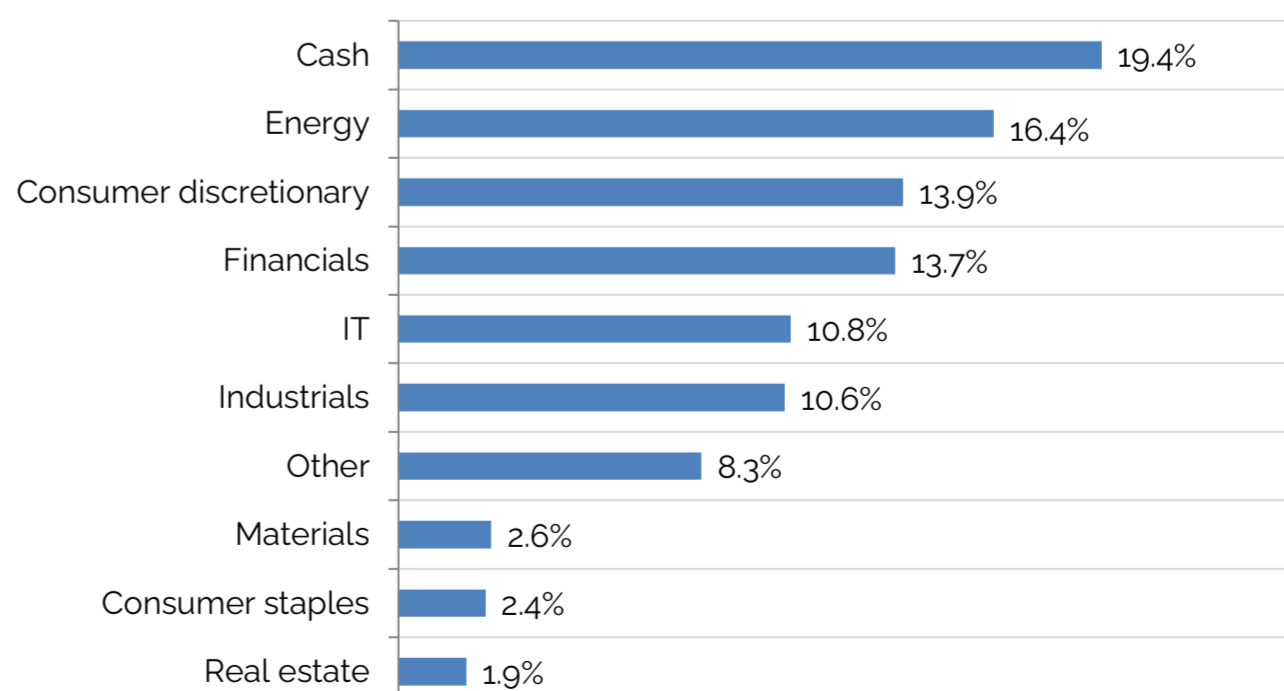
	Fund	Benchmark*	Benchmark**
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%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

Shelly Group, 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

S.P.E.E.H. HIDROELECTRICA S.A., Romania, Energy