

# ADVANCE EMERGING EUROPE OPPORTUNITIES

## Investment Objective

The Fund invests in stocks of companies in the CEE region, and has a long-term holding horizon of the investments.



30 April 2020

### Fund Manager's Comment

Increasing by 9.2% in April, MSCI EM underperformed developed markets amid continued outflows from the emerging markets (\$37bn according to Bloomberg). The higher presence of bank and energy stocks on the European stock exchanges resulted in a relatively more subdued recovery in the region, with MSCI Europe gaining 5.9% (in EUR). The CEE region performed slightly better, with MSCI EFM Europe + CIS ex RU increasing by 7.6% (in EUR).

Selection effect in Poland had a major positive contribution to the portfolio return in April. We benefited from the rise in shares of companies that will be less affected or are even in a position to take advantage of the coronavirus reality, such as LiveChat Software (+41.2%), CD Projekt (+23.7%), Neuca (+19.5%). Shares of fashion retailers, as well as the restaurant operator AmRest (+47.8%), which are not part of the portfolio, were also among the winners in Poland, as the country started to lift certain restrictions. The banking sector was the only one in red (-4.9%) due to the recession uncertainties and the management board reshuffles in some of the banks.

Czech PX index wiped out about half of the losses from March, gaining 10.5% in April, with all stocks finishing the month in black. Shares of the antivirus software company Avast (AVST), which is expected to benefit from the remote work environment, made the highest contribution to the portfolio return (c. 0.7pp). It was followed by the media company CME, whose shares surged by 25.4%, as investors reduced significantly their short positions amid announcement from the company that the deal with PPF is expected to be concluded in Q3'20. The utility stock CEZ ranked also among the winners, as the management proposed higher than expected dividend of CZK 34 per share.

Hungarian BUX gained 6.2% in April. The index was dragged down by the largest constituents from the banking and energy sectors. Gedeon Richter (GDRB), which is more defensive, continued to outperform (+11.6%). We benefited also from the off-benchmark stock Wizz Air (WIZZ), which appreciated by 24.6%. Meanwhile, ANY Security Printing disappointed (-6.0%), as the company suspended the dividend payout.

Meanwhile, the Baltic region outperformed the rest of the markets in the portfolio, with OMX Vilnius recording the highest appreciation of 15%.

In April the fund's unit value increased by 13.02%, outperforming the benchmark by solid 540bps, with stock selection being the main reason for the superior result. The currency effect was positive too with Polish zloty, Czech koruna and Hungarian forint appreciating respectively by 0.18%, 0.91% and 2.20% vs. the euro.

### Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 8.34 M
NAV/share	EUR 0.7776
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 150%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

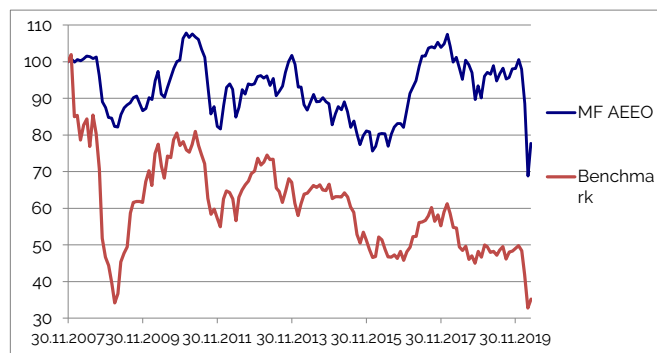
### Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

### Fund Results

	Fund	Benchmark
1 month	13.02%	7.62%
1 year	-21.42%	-26.86%
Year to Date	-22.67%	-29.26%
Since Launch (annualized)	-2.00%	-8.04%

### Fund Performance

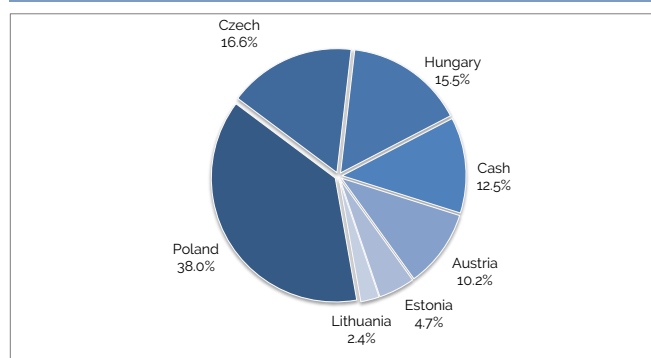


### Annual Performance

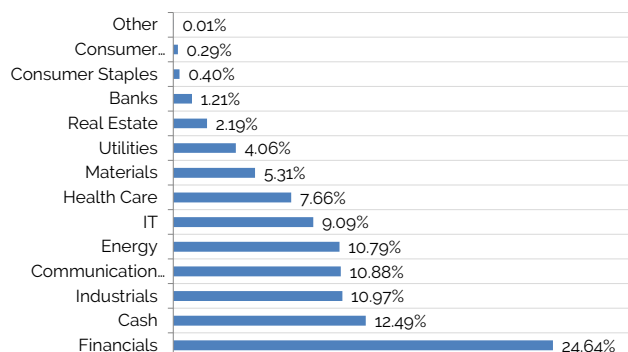
Year	Fund	Benchmark
2019	11.31%	6.91%
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest Holdings

CD PROJEKT SA (Poland), Communication Services	LIVECHAT SOFTWARE SA (Poland), Information Technology	AVAST PLC ORD (Czech), Information technology	RICHTER GEDEON NYRT (Hungary), Health Care	CEZ AS (Czech), Utilities
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