



Fund Manager's Comment

Market mood remained upbeat in June, as the majority of global equity indices gained further. A more hawkish than expected Fed did not derail the market rally, but led to a temporary spike in volatility. The sudden hawkish shift and the indication for potentially earlier-than-expected rate hikes reassured investors that Fed will not tolerate high inflationary pressures, and thus it will not have to resort to abrupt interest rate hikes in order to catch up. Thereby, growth stocks returned to favor, while value and cyclicals underperformed. Being tilted towards IT and Communication stocks, our fund benefited from these dynamics, as the unit value appreciated by 1.05%, outperforming the benchmark index for the CEE region (MSCI EFM Europe + CIS ex RU), which fell by 0.35% (in EUR), following a strong gain in the prior month. IT (+1.4pp) and Communication Services (+0.3pp) were the largest positive contributors to the fund's return, while Financials (-0.4pp) and Healthcare (-0.2pp) were at the other end of the spectrum. Fed's communication gave impetus also to the US dollar Index, which was up 2.7% in June. This had a negative impact on the CEE currencies, and the Polish zloty, Czech koruna and Hungarian forint all depreciated, by 1.0%, 0.3% and 1.2% respectively, relative to the euro.

The WIG20 (-0.7% MoM) rally took a breather, with Financials, Energy and Oil&Gas underperforming, as profit taking intensified after the solid appreciation in the prior month. There were positive news for the banking sector, as the PFSA (KNF) revised its dividend restrictions and allowed banks to pay dividends from 2020 profits under certain conditions. The approval was most bullish for Bank Pekao (-3.1% MoM), which will have the option to the pay out up to its full net profit. The appreciation in the shares of Livechat Software (+16.6% MoM), which is our largest position, had solid contribution to the fund's return (+1.1pp). The company posted solid, yet uninspiring Q1'21 (calendar) results. Our top position in the video game industry – Ten Square Games (+14.7 MoM) also gained strongly, as its main game was finally approved by the Chinese gaming regulator. This catalyst was one of the reasons to open a position in the stock in April.

Czech equity prices did not show any material change and thus the main PX index closed June down by 0.8%. The decision of the Czech National Bank to increase the main rate by 25bps did not provide much support for the financials as this was widely anticipated by the market.

In Hungary, the BUX recorded stronger performance, appreciating by 1.9%, as all of the four main constituents finished the month in black. Meanwhile, Wizz Air (-3.1%) underperformed, as rising fuel prices and increasing pressure on fares due to excess capacity continued to weigh.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 11.58 M
NAV/share	EUR 1,0779
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	15 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

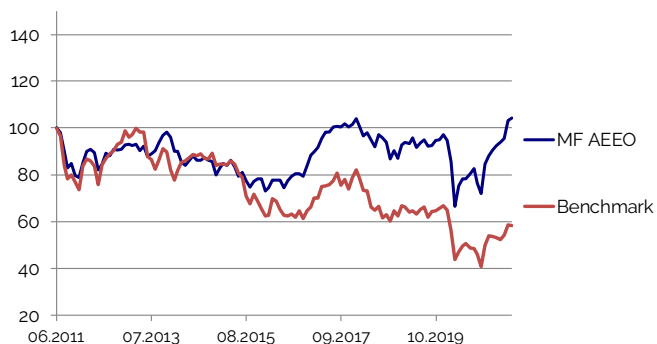
Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

Fund Results

	Fund	Benchmark
1 month	1.05%	-0.35%
1 year	32.99%	14.94%
Year to Date	18.24%	8.15%
Since Launch (annualized)	0.55%	-5.93%

Fund Performance 10Y

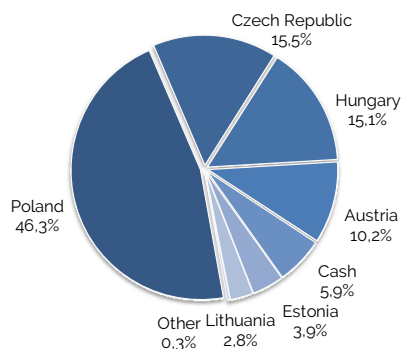


Annual Performance

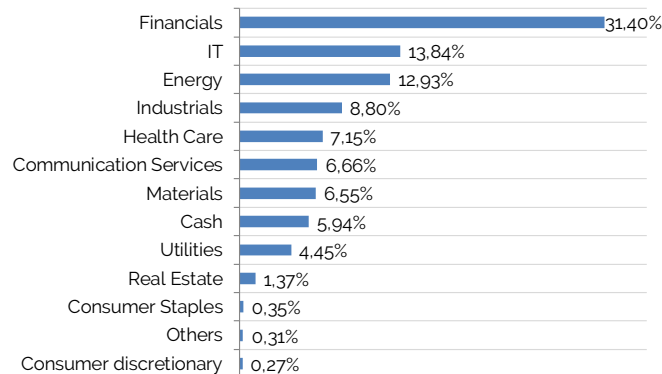
	Fund	Benchmark
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

LIVECHAT SOFTWARE SA (Poland), Information Technology	CEZ AS (Czech Republic), Utilities	MONETA MONEY BANK (Czech Republic), Financials	BANK PEKAO SA, Poland, Financials	KRUK S.A. (Poland), Financials
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