

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.



31 October 2019

Fund Manager's Comment

Despite no signs of significant improvement in the leading economic indicators, global equity markets continued to advance in October, with US stock market making new highs. Positive performance of global equities was rather attributable to lower interest rates, better than expected earnings in the US and renewed hopes for progress in US-China negotiations. Against this backdrop, MSCI Emerging markets advanced by 1.7% in EUR terms, outpacing developed markets (MSCI World), which posted a monthly gain of just 0.1%. All of the equity markets that are part of the fund's portfolio closed October at higher levels. Poor performance of the Turkish ISE30 (-10.1% in EUR), though, affected negatively the overall performance of the CEE region, which recorded a monthly gain of 0.55% (in EUR), as measured by MSCI EFM Europe + CIS ex RU.

Hungarian equity index – BUX – was the best performing index within CEE (excl. Russia), appreciating by 3.6% MoM. Shares of the healthcare company Richter Gedeon increased the most (+9.9%), followed by OTP bank, which continued to perform strongly and appreciated by 6.0%. The Fund's performance benefited also from its exposure to Wizz Air (WIZZ) and ANY Security Printing (ANYB), whose shares rose respectively by 5.5% and 4.2%. Hungarian forint rebounded from the record-low levels, gaining 1.9% vs. EUR as a result of the improving global risk appetite.

Polish equities had a mixed performance, with WIG20 advancing by 1.0% MoM. The October parliamentary elections were won by the ruling Law and Justice party (PiS), which maintained a single party absolute majority. The latter was in line with market expectations and thus neutral for local equities. The zloti strengthened considerably (EURPLN declined by 2.5%) amid positive news on Brexit and trade deal optimism.

Czech PX index posted a modest gain of 0.9%. Shares of Avast PLC (AVST) continued their solid run, supported by strong Q3 results and reduced debt levels. Meanwhile, CME (CETV) was among the worst performers with -5.2% MoM return. Its shares plunged following the announcement that CME will be acquired by PPF Group N.V., with all holders of ordinary shares to receive USD 4.58 per share - 1.5% below the last closing price.

In the Baltics, Lithuanian and Estonian indices increased respectively by 1.6% and 1.5%, while the Latvian OMX Riga fell by 0.3%.

The fund's size increased substantially by EUR 6.39m, reaching EUR 10.61m due to inflows from institutional investors. The fund further strengthened its superior performance vs. the benchmark year-to-date and over the long term.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 10.61 M
NAV/share	EUR 0.9803
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

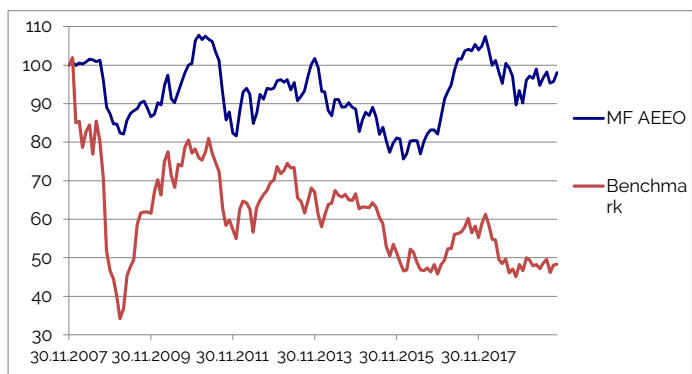
Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

Fund Results

	Fund	Benchmark
1 month	2.41%	0.55%
1 year	9.34%	7.31%
Year to Date	8.77%	3.67%
Since Launch (annualized)	-0.17%	-5.91%

Fund Performance

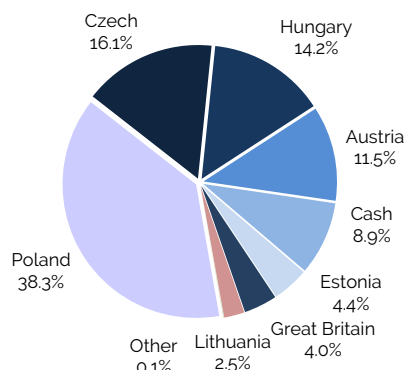


Annual Performance

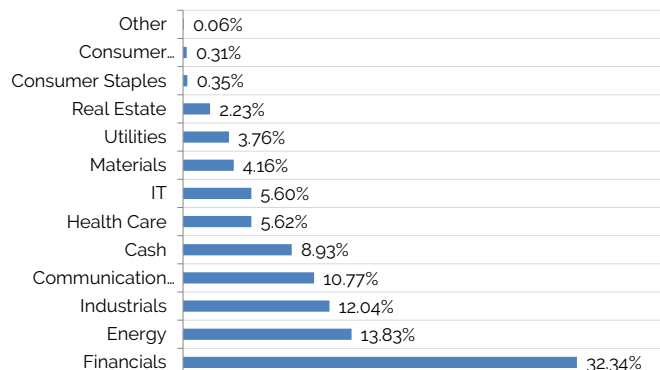
	Fund	Benchmark
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

CD PROJEKT SA (Poland),
Communication Services

OTP BANK (Hungary),
Financials

MOL HUNGARIAN OIL AND GAS
PL (Hungary), Energy

WIZZ AIR HOLDINGS PLC (Great
Britain), Industrials

CEZ AS (Czech),
Utilities