

ADVANCE EASTERN EUROPE

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 2022

*The NAV and NAV/share as of Oct 31 are indicative

Fund Manager's Comment

Market sentiment improved in October amid growing consensus among investors that inflation and hawkishness have peaked. Optimism aside, inflation data have yet to support this argument, while the extent to which price pressures subside next year is still unclear. MSCI World gained 6.2%, while MSCI EM lost 4.0% on Chinese tech stocks rout. The regional index MSCI EFM Europe + CIS ex RU outperformed markedly, up 12.7%.

MOEX Russia partially pared losses after the collapse in September, increasing 10.7% in October in LCU terms. The ruble weakened 2.9% against the US dollar, as gas exports dropped 12% MoM. The CBR signaled it could bring back in full capital controls, which have been partially eased during the summer, "if acute risks to financial stability materialize again". The market remains closed for non-residents from "unfriendly" jurisdictions, while "friendly" foreign investors, which were granted access in mid-September, failed to boost equity turnover last month (-31% MoM).

Turkish stocks remained the sole investment alternative for domestic investors in a deeply negative real yield environment. The main index BIST 100 recorded its largest monthly increase in 20 years, up 25.9% in LCU terms. The TCMB continued with its unorthodox course of action, surprising negatively with a larger cut of 150 bps in October. Thus, the key rate dropped to 10.5%, increasing the gap to the still creeping up inflation (+85.5% in October). TRY losses were yet again relatively muted (-0.5% against the USD), as the CB continues to prop up the currency with shadow interventions. The Greek ASE increased 10.3%, with banks and industrials in the lead and consumer names underperforming. After the significant September decline, the Romanian BET was only modestly up 1.5% in October. Index-heavy financials and energy stocks stabilized, but risk-on appetite was lukewarm, as total equity turnover fell 42% MoM.

The fund reported an indicative NAV per share of EUR 0.5227 in the end of October. Our Turkish positions were key positive contributor to the monthly return of 10.1%, followed by Greek stocks. Sector-wise, industrials outperformed markedly, while IT, financials and energy names were also well bid.

Fund Facts

NAV/share (last published as of 25.02.2022)	EUR 0.7486
Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size - indicative	EUR 1.14 M
NAV/share - indicative	EUR 0.5227
Launch date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe + CIS ex RU
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

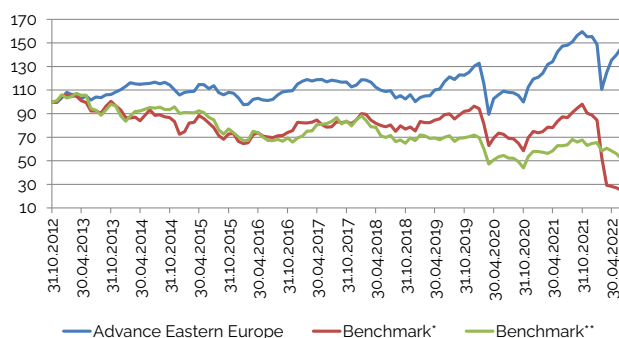
Fund Identifiers

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

Fund Results - **indicative**

	Fund	Benchmark*	Benchmark**
1 month	10.11%	12.65%	12.65%
1 year	-51.57%	-73.30%	-20.07%
Year to Date	-50.26%	-70.46%	-16.36%
Since Launch (annualized)	-3.95%	-9.40%	-4.48%

Fund Performance 10Y - **indicative**

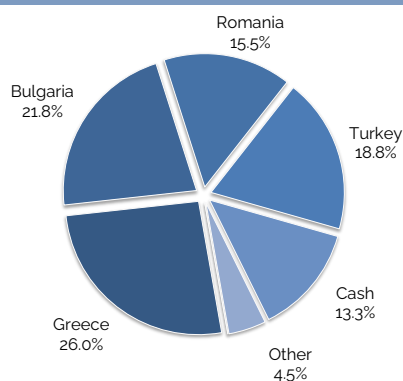


Annual Performance

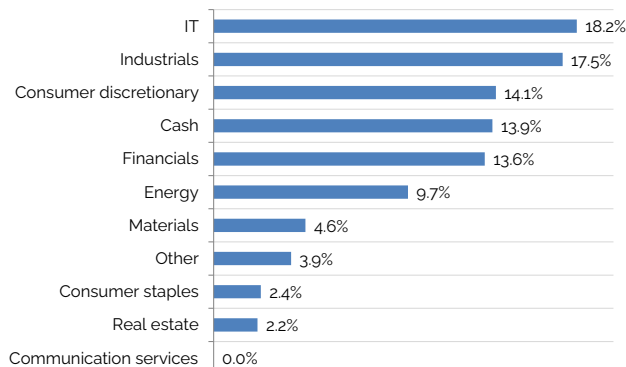
	Fund	Benchmark*	Benchmark**
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%	-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 (indicative)



Sector Breakdown (indicative)



TOP 5 HOLDINGS

Allterco, Bulgaria, IT	TURKIYE SISE VE CAM FABRIKALARI AS, Turkey, Industrials	GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A., Greece, Consumer discretionary	JUMBO SA, Greece, Consumer discretionary	AEGEAN AIRLINES STOCK, Greece, Industrials
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