

# 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

30 September 2022

\*The NAV and NAV/share as of Sep 30 are indicative

### Fund Manager's Comment

Market sell-off intensified in September amid synchronized monetary tightening by most major CBs and record US dollar strengthening that forced the BoJ to intervene on the FX market. MSCI World declined 7.1%, while MSCI EM lost 9.6%, with Asian stocks underperforming. The regional index MSCI EFM Europe + CIS ex RU shed 8.7%.

MOEX Russia collapsed over 20% as authorities declared partial mobilization, with the index finishing below the key 2 000 level at the end of the month. In mid-September Moscow Exchange finally allowed non-residents from "friendly" countries access to the stock market, but there is still no clarity regarding an opening of the market to "unfriendly" foreign investors. Positively, after clarification by the EU, the sanctions on Russia's National Settlement Depository (NSD), should not be an obstacle to trading as long as there is no economic benefit to the NSD. Amid continuing capital control measures, the ruble appreciated 1.4% against the otherwise broadly-stronger US dollar.

Turkish equities, especially banks, were extremely volatile, even though the main BIST 100 index finished almost flat at the end of the month (+0.3% in LCU terms). The macroeconomic imbalances kept worsening, with inflation accelerating further in September (+83.5% YoY), while the TCMB continued with its unorthodox course of action and cut rates by another 100 bp in its last meeting, down to 12%. Still, TRY losses were yet again relatively modest (-1.8% against the USD), as the current account improved owing to the strong tourism season and, more importantly, mystery capital flows (presumably Russian) into Turkey have reached new highs, evident in the discrepancies (Net Errors and Omissions, or NEO) in BoP, that reached USD 24.4 bn for the 7m02022. The Greek ASE fell 7.4%, with broad-based declines across all sectors. The Romanian BET recorded a steeper monthly loss of 11.8%, with financials underperforming energy stocks (down 15.9% and 10.3%, respectively) among the index-heavy sectors.

The fund reported an indicative NAV per share of EUR 0.4747 in the end of September. The significant 51.05% decline was mostly attributable to the devaluation of Russian positions of the fund to zero, due to the lasting inability to access the Russian market. The Management company will keep valuation of Russian assets in the Fund under review as new information becomes available about liquidity and pricing of Russian securities. It will also continue to monitor the impact of sanctions which might prevent us from being able to receive the proceeds from any disposal of these assets or related dividends.

### 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 - <b>indicative</b>	EUR 1.04 M
NAV/share - <b>indicative</b>	EUR 0.4747
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

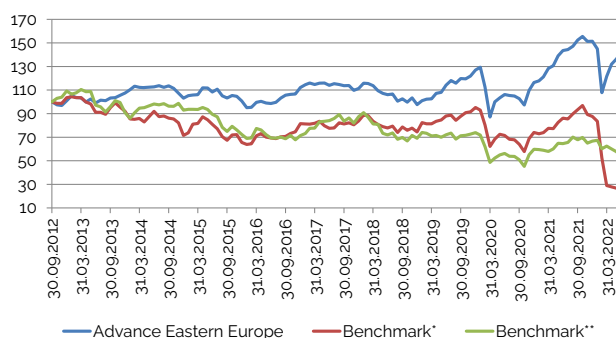
### Fund Identifiers

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

### Fund Results - **indicative**

	Fund	Benchmark'	Benchmark**
1 month	-51.05%	-8.67%	-8.67%
1 year	-55.13%	-75.43%	-26.92%
Year to Date	-54.83%	-73.78%	-25.75%
Since Launch (annualized)	-4.55%	-10.12%	-5.21%

### Fund Performance 10Y - **indicative**

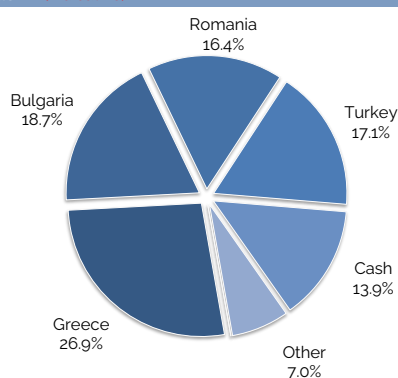


### Annual Performance

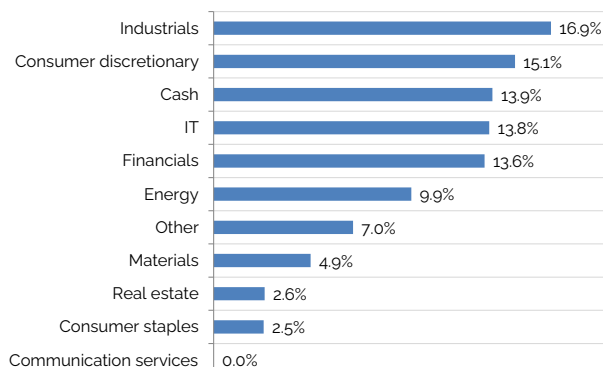
	Fund	Benchmark'	Benchmark**
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%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