

# ADVANCE EASTERN EUROPE class A

## 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 August 2023



### Fund Manager's Comment

August brought a healthy and much needed cooldown of sentiment amid increased bond volatility and higher LT bond yields. MSCI World decreased 1.0%, with North America (-0.4%) outperforming Europe (-2.7%). The Chinese wall of worry weighed down on both European stocks and on emerging markets (-4.9%). The regional MSCI EFM Europe + CIS ex RU was exceptionally resilient and remained little changed (-0.2%).

The rally of Greek equities took a breather, with ASE down 1.7%. Banks underperformed (-3.2%), while consumer discretionary and industrials (-1.2%) were more stable. Refining stocks were also in the black (+2.2%), supported by elevated refining margins during the summer months.

Turkish equities maintained positive, albeit slowing, momentum. BIST 100 added 9.7% in LCU terms (+12.4% in EUR). Meanwhile, foreign investors' appetite decreased, with net outflows of USD 378mn in August. In terms of key macro data, CPI continued to re-accelerate last month, up 58.9% YoY, surpassing the consensus forecast. To catch-up with the building inflationary pressures, TCMB surprised the majority of market participants with a bolder hike of 750bp (vs median estimate of 250bp) to 25%. This move temporally supported the lira, which appreciated 0.9% against the USD. Inflation risks remain skewed to the upside and the TCMB could continue with a more aggressive tightening in the coming months in an effort to anchor inflation expectations and stabilize the currency after the phase out of FX-protected deposit program (KKM).

The Romanian BET was almost flat (+0.2%), while trading volumes declined 41% MoM on high base effect and seasonality factors. Among index-heavy sectors, financials were very volatile on fears of an introduction of a windfall tax against the backdrop of high budget deficit. Still, banks managed to stay in the black in August (+1.2%), although the tax change rumors were later confirmed in early September, but the precise parameters are still unknown.

Class A shares of the Fund gained 5.3% last month, markedly outperforming the benchmark thanks to positive selection effect of Bulgarian and Greek positions. Sector-wise, tech stocks contributed the most to the performance, followed by financials and consumer discretionary.

### Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.55 M
NAV/share	EUR 0.7178
Launch date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe&CIS
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

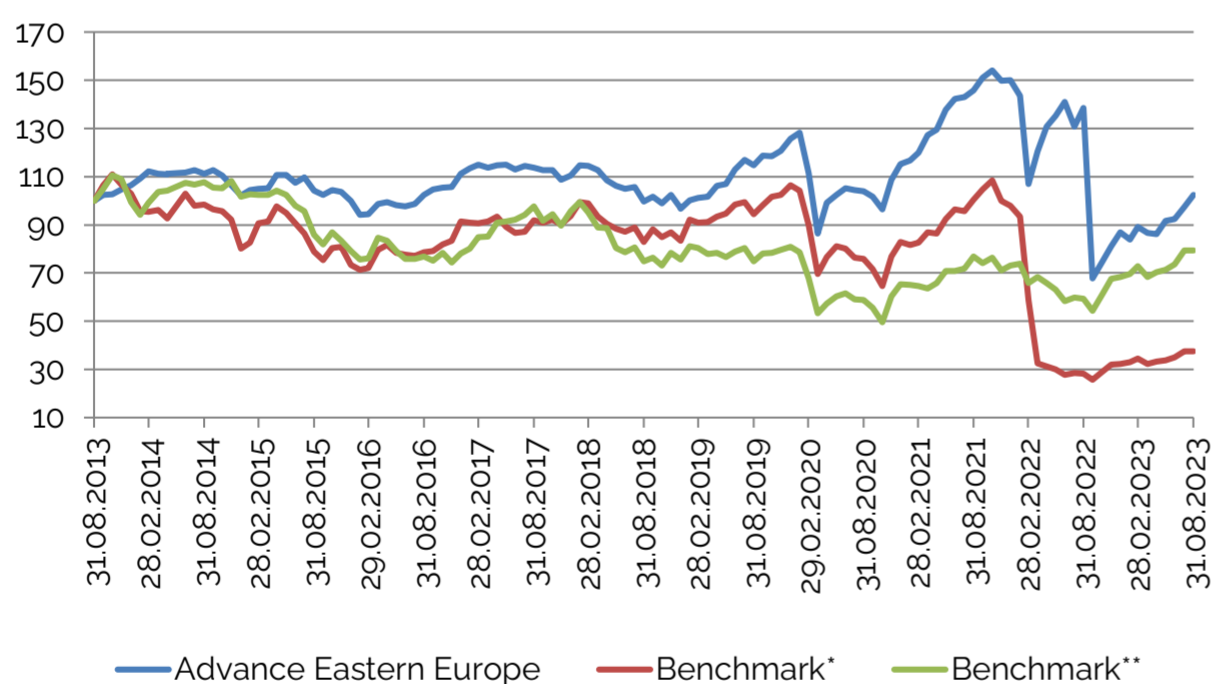
### Fund Identifiers

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

### Fund Results

	Fund	Benchmark*	Benchmark**
1 month	5.31%	-0.15%	-0.15%
1 year	-25.98%	33.56%	33.56%
Year to Date	18.00%	16.11%	16.11%
Since Launch (annualized)	-1.94%	-7.54%	-2.78%

### Fund Performance 10Y

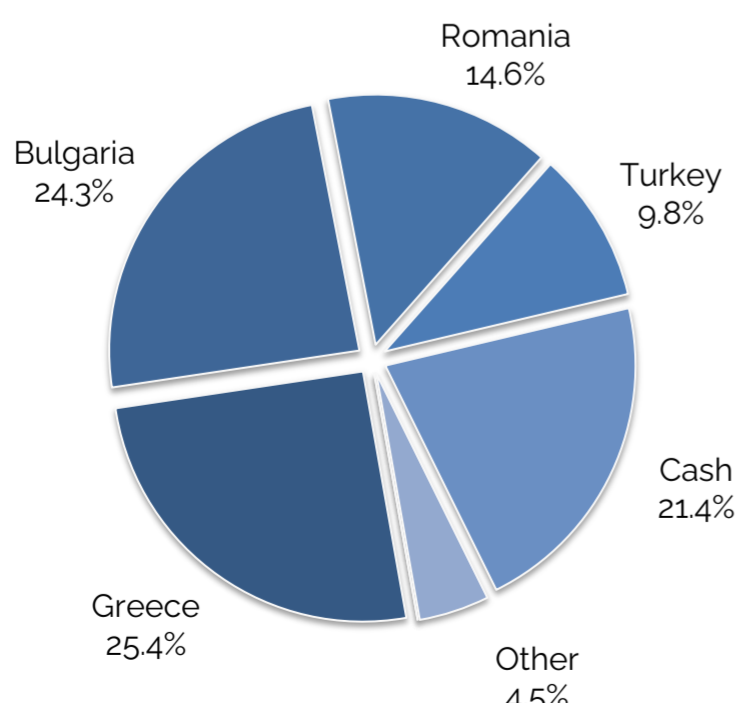


### Annual Performance

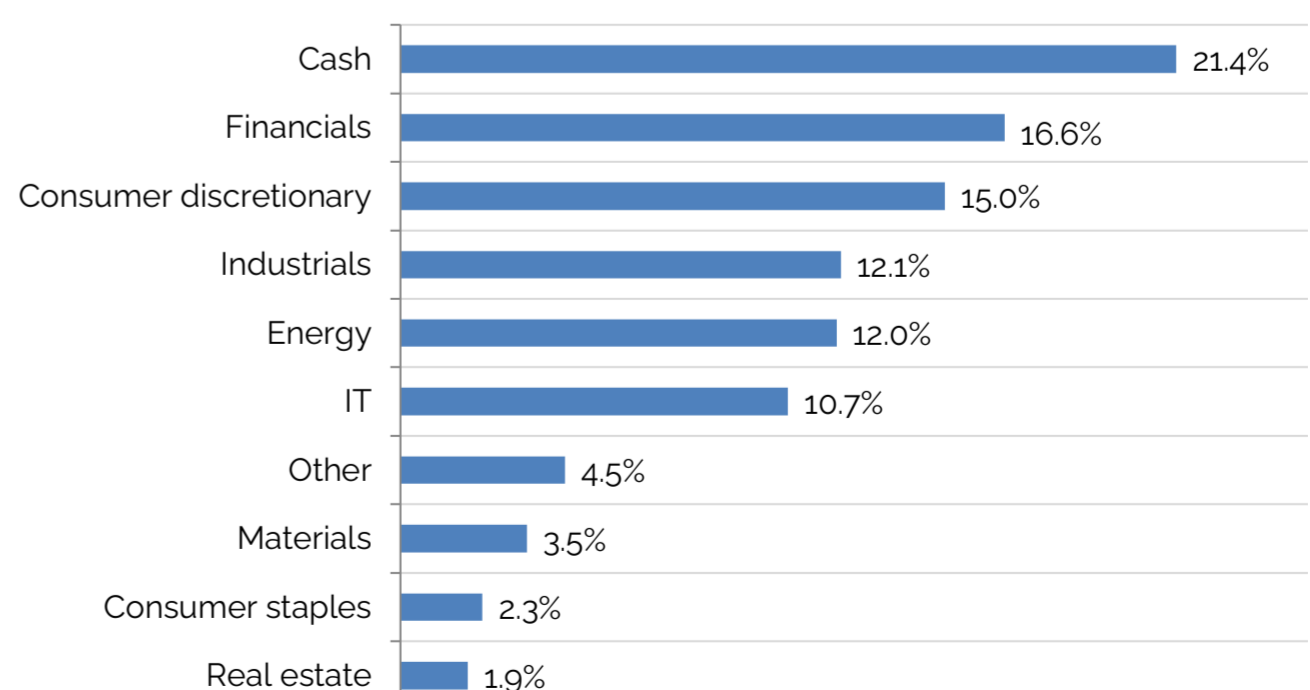
	Fund	Benchmark*	Benchmark**
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
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



#### Sector Breakdown



### TOP 5 HOLDINGS

Shelly Group, Bulgaria, IT

JUMBO SA, Greece, Consumer discretionary

GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A., Greece, Consumer discretionary

Motor Oil Hellas Corinth Refineries S.A., Greece, Energy

AEGEAN AIRLINES STOCK, Greece, Industrials