

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

28 February 2023

Fund Manager's Comment

January's risk-on sentiment swiftly reversed in February on mounting worries about structurally higher inflation. Market expectations of key rates in the US and the Eurozone repriced higher, while the renewed rate shock weighed risk assets down. MSCI World declined 0.2%, as Europe (+1.6%) outperformed North America (-0.3%). Chinese tech stocks were a drag for GEM, with MSCI EM down 4.3%. Against this backdrop, the regional index MSCI EFM Europe + CIS ex RU stood out with positive return, up 4.5%, led by a strong rally in Greece and a recovery of Turkish equities.

The Turkish market was already under severe stress from the unsustainable retail activity in the beginning of February, as the two catastrophic earthquakes in the southeast added further pressure to the financial stability in the country. The Borsa Istanbul was forced to suspend trading for five days and to cancel all trades executed in the morning of February 8 before the suspension later that day. Upon restart of trading, the market regulator introduced supportive measures for equities, including ban of short-selling, share buybacks tax incentives, increased share of equities in private pension system, client supportive rules at brokerage level, etc. Thus, the BIST 100 index recovered and posted a monthly gain of 5.2% with construction, infrastructure and home-appliance related stocks leading the rally.

The Greek ASE was the best performing index in the region, up 10.4% for a second consecutive month, with all sectors in the black. Banks continued their strong run (+23.6%), supported by both domestic macro and by favorable sentiment in the European financial sector space. Other cyclicals were also well bid, with consumer discretionary and energy stocks up 11.4% and 10.6%, respectively.

The Romanian bet increased 1.4%, driven by index-heavy O&G names (+3.0%) and Fondul Proprietatea (+3.4%). At the same time, banks declined 1.4%, as investors were disappointed by the BoDs' recommendations of no dividends from the 2022 profits.

Class A shares of the Fund gained 6.2% in February, outperforming the benchmark. Greek positions contributed a little over half of the monthly return, followed by Turkish and Bulgarian stocks. Selection effect was markedly positive in most markets, except for Romania (marginally negative). Sector-wise, industrials were in the lead for a second consecutive month, followed by consumer discretionary and IT names, while materials had a slightly negative contribution to the performance.

Fund Facts

NAV/share (last published as of 25.02.2022)	EUR 0.6243
Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.35 M
NAV/share	EUR 0.6243
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

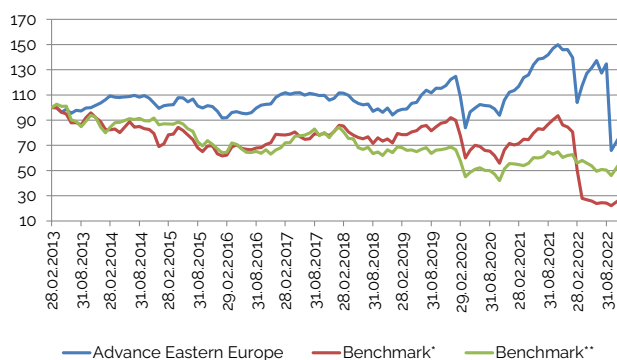
Fund Identifiers

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

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	6.16%	4.50%	4.50%
1 year	-16.60%	-41.31%	10.43%
Year to Date	6.53%	6.53%	6.53%
Since Launch (annualized)	-2.83%	-8.25%	-3.37%

Fund Performance 10Y

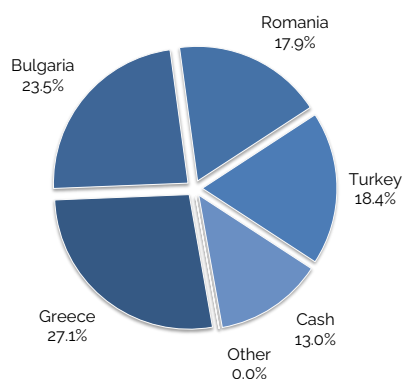


Annual Performance

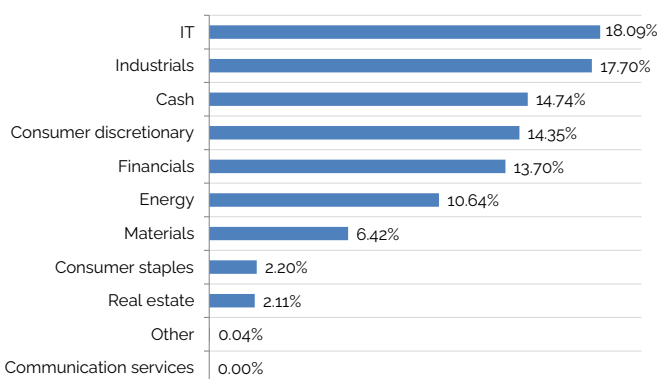
	Fund	Benchmark*	Benchmark**
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%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

Allterco, Bulgaria, IT	TURKIYE SISE VE CAM FABRIKALARI AS, Turkey, Industrials	JUMBO SA, Greece, Consumer discretionary	GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A., Greece, Consumer discretionary	Motor Oil Hellas Corinth Refineries S.A., Greece, Energy
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