

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 July 2023



Fund Manager's Comment

Global equities kept rallying in July, but below the surface there was a marked rotation in leadership – from technology to cyclicals. MSCI World increased 2.2%, while MSCI EM (+4.7%) made up some of its YTD underperformance. The regional MSCI EFM Europe + CIS ex RU led the monthly return ranking, up 7.9%, with Eastern European stocks emerging as the second-best performing YTD after the Latin American ones (+16.3% vs +16.5%).

The Greek ASE added 4.4%. The rally remained broad-based, with industrials and financials in the lead. PM Mitsotakis presented to the parliament his cabinet's priorities for the next four years, reaffirming market expectations for sovereign IG upgrade by year-end.

Turkish equities continued to march higher against the backdrop of a weakening lira. BIST 100 soared 25.3% in LCU terms. Unlike June's performance, the relatively slower pace of TRY depreciation brought positive stocks' return in hard currency terms as well (+20.7% in EUR). Foreign investors have started to return, lured by the new economic team and its first actions. The net inflows reached USD 1.8bn in June and July, partially reversing the USD 5.6bn of outflows in the previous 17 months. TCMB continued with its gradual rate-hiking cycle, underdelivering for a second month, increasing the key-rate to 17.5%, compared to the market consensus estimate of 20%. The disinflationary momentum was exhausted, with CPI reaccelerating again, up 47.5% YoY in July, due to the sharp TRY fall and government's tax and price policy hikes. Inflation risks are skewed to the upside and the TCMB will need to deliver more aggressive tightening in the coming months if it wants to anchor inflation expectations and stabilize the lira.

The Romanian BET increased 6.0%, as trading activity was elevated by Hidroelectrica's IPO. Among index-heavy sectors, financials outperformed again (+11.9%), while energy stocks gains were more modest (+4.9%). Utilities emerged as the third largest sector, as their weight doubled to almost 20% after the inclusion of Hidroelectrica.

Class A shares of the Fund gained 5.4% in July. Our Turkish positions recorded the highest monthly return, while the selection effect was positive in Bulgaria and Greece. Sector wise, tech stocks contributed the most to the performance, followed by industrials and financials, but all sectors were in the black.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.47 M
NAV/share	EUR 0.6816
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

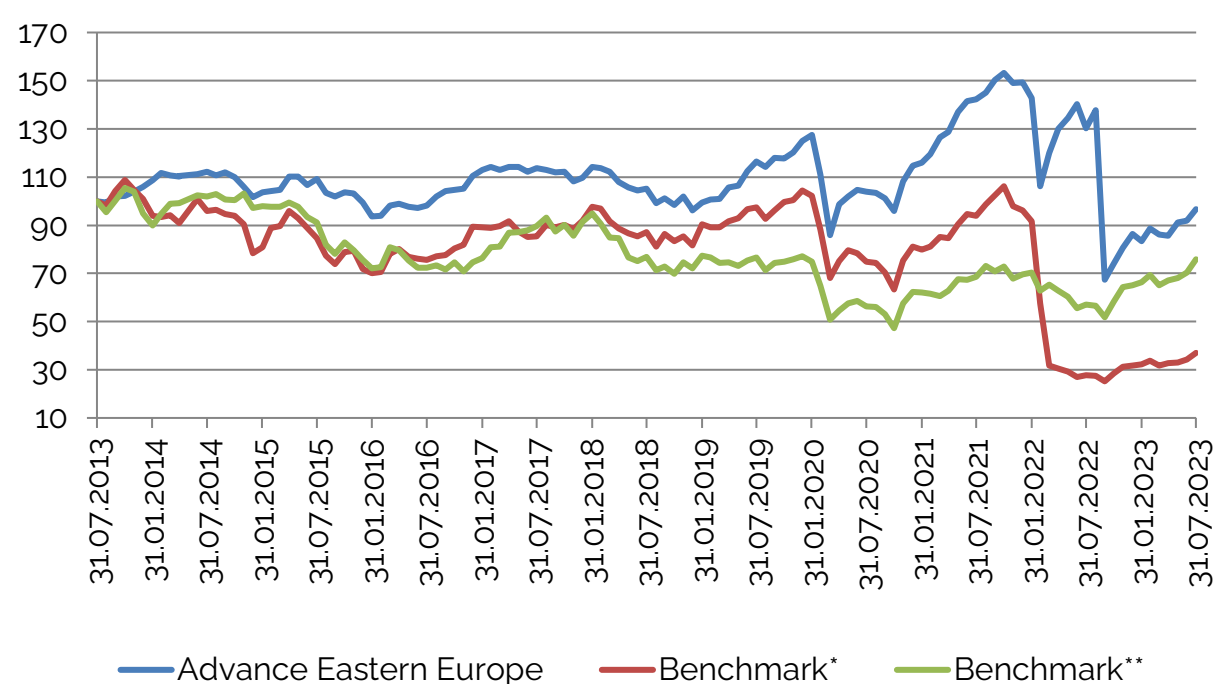
Fund Identifiers

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

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	5.38%	7.85%	7.85%
1 year	-25.65%	32.57%	32.57%
Year to Date	12.05%	16.28%	16.28%
Since Launch (annualized)	-2.25%	-7.57%	-2.78%

Fund Performance 10Y

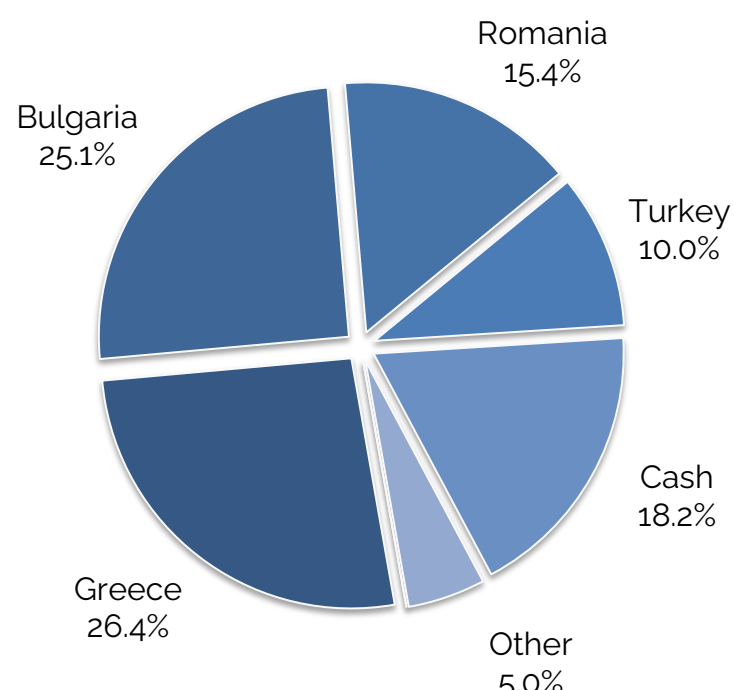


Annual Performance

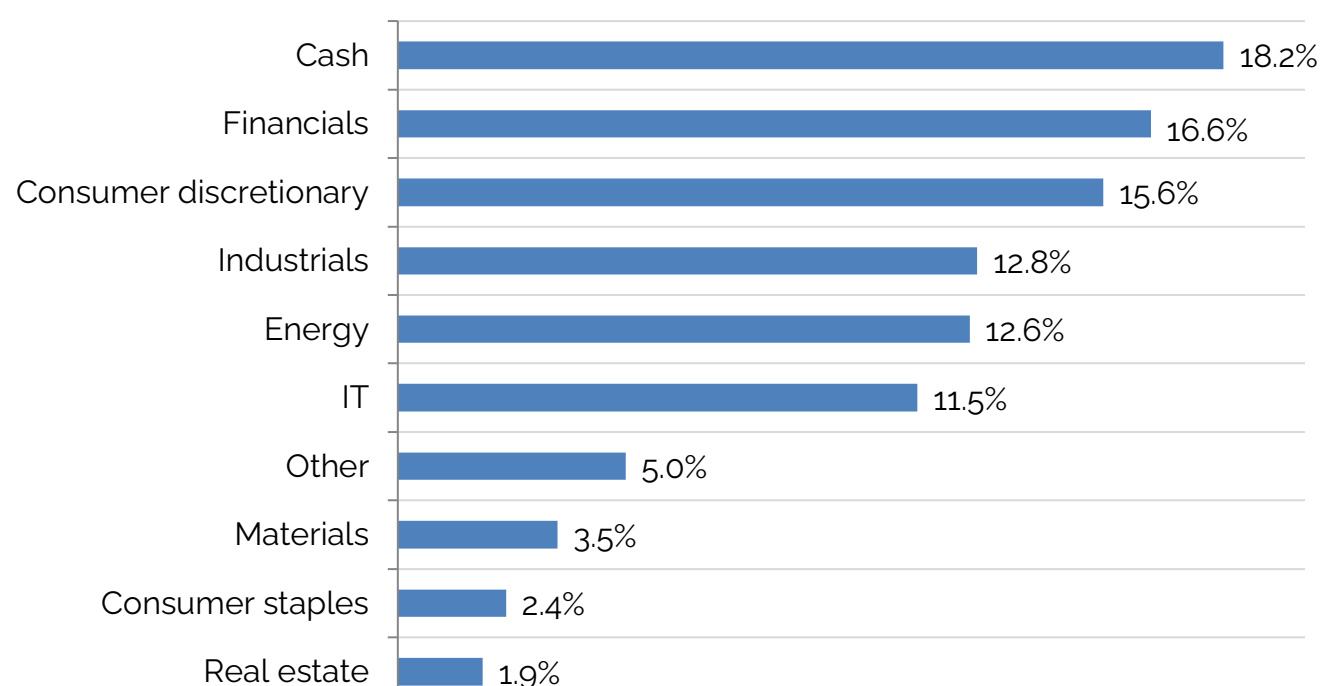
	Fund	Benchmark*	Benchmark**
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%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