

# ADVANCE EMERGING EUROPE OPPORTUNITIES

## Investment Objective

The Fund invests in stocks of companies in the CEE region, and has long-term investment horizon.



\*This is marketing material

31 March 2023

### Fund Manager's Comment

Markets were on a wild ride in March. The collapse of Silicon Valley Bank and the forced merged between UBS and troubled Credit Suisse led to increased volatility in the first half of the month as investors braced for potential contagion. In the second half the focus shifted toward the peak in global interest rates, with investors scaling back their expectations of further rises due to the mounting recession concerns. This provided strong tailwinds for the risky assets which finished the month on a strong note. Accordingly, tech companies became the biggest winners, boosting MSCI World to +0.4% in EUR, closely mirrored by MSCI EM which rose 0.3% in EUR. The CEE region, as measured by MSCI EFM Europe + CIS ex RU underperformed, down 6.2% in EUR, on index-heavy financial stocks. The fund's positions were more resilient, declining only 2.4%. This was largely due to a strongly positive selection effect in the fund's main markets of Poland, Hungary and the Czech Republic. The higher-than-average cash level also had a positive impact. At the same time, local currencies showed mixed performance, with the Polish zloty and the Czech koruna appreciating 0.5% and 0.1% vs. the euro, while the forint fell 0.4% as it was more heavily affected by the turbulence in global markets. Sector-wise, Financials (-2.4pp) and Energy (-1.2pp) became the largest drags, while Materials (+0.6pp), Consumer Discretionary (+0.4pp) and Industrials (+0.4pp) contributed the most.

The Polish WIG20 lost 4.8%. Due to increased odds of an economic slowdown and rising funding costs, financials ranked among the losers, with WIG-Banks falling 4.9%. WIG-Oil&Gas, led by the largest index-constituent PKN Orlen (-12.5%), underperformed as well amid worries about potential windfall taxes and high CAPEX requirements. In our view, the company's fundamentals remain robust, confirmed by the model refinery margin in March, which rose by 22% MoM to USD 18/bbl. Among the rest within the portfolio, Inter Cars (+17.5%) and the industrial Ciech (+8.3%) continued to enjoy stronger performance vs. the market, buoyed by solid results. Meanwhile, gaming companies like Ten Square Games (-27.5%) and CD Projekt (-14.4%) disappointed massively.

Our overweight in the utility CEZ (-1.8%) helped us beat Czech's PX index (-5.4%). Meanwhile, Hungarian BUX lagged behind, down by 7.1%, dragged by OTP Bank (-9.8%). The latter impacted negatively our result as well. On the other hand, we benefited from our exposure to Wizz Air (+11.3%), ANY (+7.1%) and Magyar Telekom (+3.3%).

At the same time, Austrian equities became the worst performer within the portfolio, down 12% on average, while Baltic equities had a slightly negative contribution as well.

### Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, CFA, Konstantin Prodanov
Fund size	EUR 11.71 M
NAV/share	EUR 1.0176
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

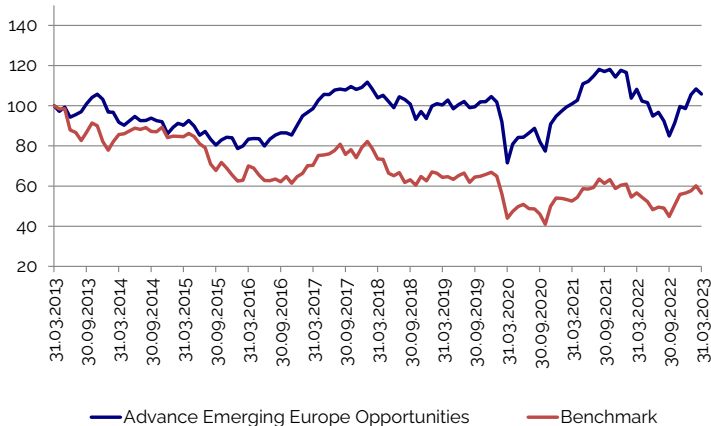
### Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

### Fund Results

	Fund	Benchmark
1 month	-2.37%	-6.18%
1 year	-2.19%	-0.23%
Year to Date	7.31%	-0.05%
Since Launch (annualized)	0.11%	-5.48%

### Fund Performance 10Y

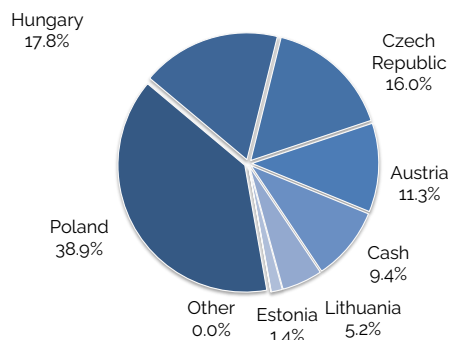


### Annual Performance

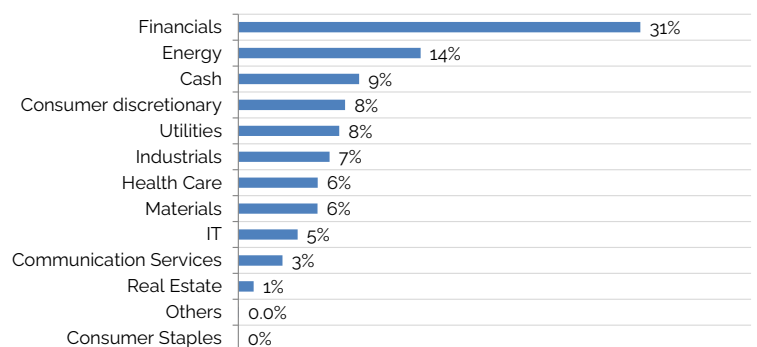
Year	Fund (%)	Benchmark (%)
2022	-16.20%	-6.49%
2021	24.13%	11.71%
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	2.24%
2013	3.47%	-16.81%
2012	17.55%	34.08%
2011	-23.26%	-29.75%
2010	21.98%	16.29%
2009	2.85%	51.49%
2008	-15.88%	-56.45%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest Holdings

CEZ AS, Czech Republic, Utilities

KOMERCNI BANKA, Czech Republic, Financials

POLSKI KONCERN NAFTOWY ORLEN, Energy, Poland

ERSTE GROUP BANK AG, Austria, Financials

RICHTER GEDEON NYRT, Hungary, Health Care