

# 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.



31 March 2021

### Fund Manager's Comment

Global equities shrugged off the initial yield spike driven volatility posting solid gains in March, with cyclicals in the lead. For a second month, DM outperformed, with MSCI World up 6.5%, while Chinese stocks dragged down GEM, as MSCI EM increased 1.5%. Regional CEE indices were once again in opposite directions, as MSCI EFM Europe + CIS added 5.0%, while the benchmark excluding Russia was down 1.6% on Turkish turmoil.

MOEX Russia index gained 5.8% in local currency terms (). Sector wise, real estate stocks remained in the lead for a second month in a roll on the back of solid FY20 financial results, followed by energy and financials. Meanwhile, geopolitics weighted down the Russian ruble again, as the US indicated a new set of sanctions on Russia is coming. RUB lost 1.4% against the USD, which was one of the weaker returns in the commodity currency space.

The Turkish market had yet another jaw-dropping moment. Just two days after the TCMB delivered a 200 bp hike, a positive market surprise, the sudden sacking of the hawkish governor spurred a new currency collapse and a daily sell-off for BIST 100 of 9.8% in lira terms, the sharpest drop since June 2013. The index wrapped up the month with a loss of 5.4% in LCU (-14.9% in USD). At the same time, TRY was the worst performing EM currency, down 10.0% against the USD. Considering the total loss of credibility of orthodox economic policy, we expect further depreciation of the lira amid already melted foreign reserves.

For a second consecutive month, the Greek ASE index was one of the top performers in the region, up 9.2% on strong gains for financials and other cyclicals. At the same time, the Romanian BET came on top in March, rallying 9.7% with value stocks like energy and financials in the lead.

The fund outperformed the benchmark index by 0.97pp.. Turkish stocks were the only ones to end up in the red. On the opposite side, the highest positive contribution to the portfolio's monthly return was concentrated in cyclical names like energy, consumer discretionary and materials. Contrary to the negative global trend in growth tech stocks, our top IT position kept positive momentum.

### Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.97 M
NAV/share	EUR 0.8917
Launch date	4.10.2006
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

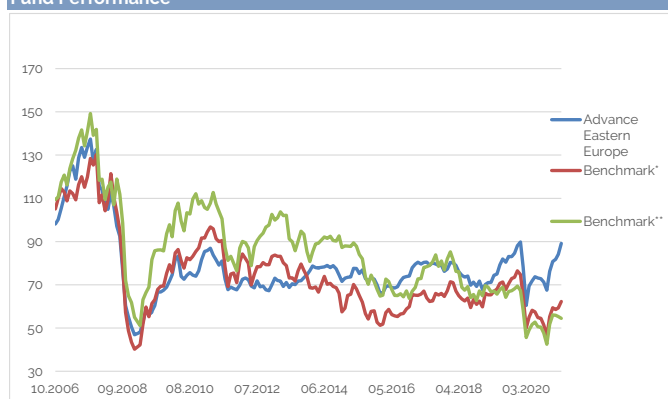
### Fund Identifiers

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

### Fund Results

	Fund	Benchmark*	Benchmark**
1 month	6,00%	5,04%	-1,60%
1 year	47,46%	24,86%	19,38%
Year to Date	10,39%	4,84%	-2,88%
Since Launch (annualized)	-0,79%	-3,32%	-4,70%

### Fund Performance

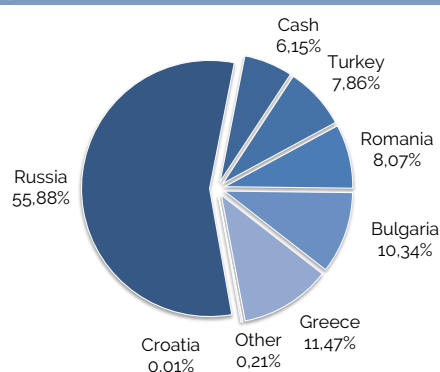


### Annual Performance

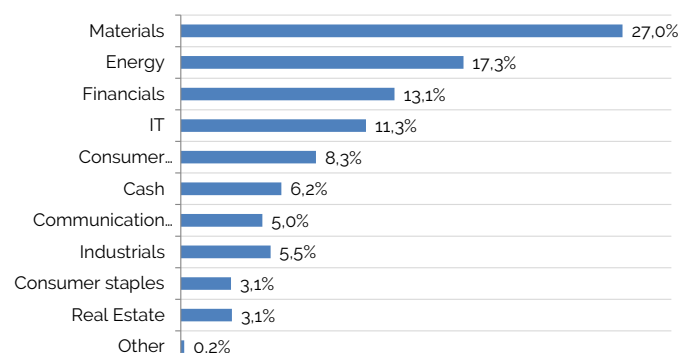
Year	Fund	Benchmark*	Benchmark**
2020	-8,31%	-22,29%	-19,20%
2019	29,88%	27,90%	6,91%
2018	-12,25%	-11,12%	-20,91%
2017	4,42%	12,24%	22,39%
2016	11,31%	24,40%	-1,29%
2015	-2,29%	-8,32%	-22,13%
2014	-4,06%	-22,21%	2,24%
2013	6,64%	-11,15%	-16,81%
2012	4,07%	4,86%	34,08%
2011	-17,02%	-22,53%	-29,75%
2010	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 AD (Bulgaria), IT

Polyus Gold OJSC (Russia),  
Materials

GMK Norliski Nikel (Russia),  
Materials

SBERBANK, COMMON (Russia),  
Financials

Yandex NV (Russia), Information  
services