

# 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 May 2021

### Fund Manager's Comment

With high-frequency economic data accelerating, the global cyclical rotation trade had another leg up. Cyclical-heavy regional CEE indices topped the monthly return ranking. MSCI EFM Europe + CIS increased 6.8%, while gains for the benchmark excluding Russia were even higher, at 7.9%.

MOEX Russia index was up 5.0% last month, while the ruble appreciated 2.4% against the US dollar amid improving geopolitical narrative. Financials, materials and energy stocks outperformed the overall market. In May, the US administration waived sanctions on Nord Stream 2 AG, the project company behind Gazprom's pipeline project. Although the motive of this decision is to mend ties with Germany and Europe, this could also be a constructive step toward de-escalation of relations between Washington and the Kremlin. Thus, short term risks of capital outflows from Russia and pressure on the ruble seem to have abated for the time being.

The Turkish BIST 100 recorded a relatively modest monthly gain of 1.6%. Investors continue to err on the side of caution, as evidenced by the halved daily turnover, to USD 2.3 bn on average since the CB's reshuffling. Meanwhile, the Turkish lira continued to depreciate, and was again the worst performing EM currency, down 2.3% against the USD in May.

The rally of the Greek market was temporary interrupted by increased bank stocks volatility, as Alpha Bank's announcement for capital increase spurred brief concerns about the financial stability of the sector. ASE index was down 1.7%. At the same time, the Romanian BET index lost further steam, with a modest gain of 0.8% in May.

The fund's monthly return of 6.3% was robust, although slightly below the benchmark (-0.5pp) due to the lack of exposure in Poland. Nevertheless, the selection effect was markedly positive across almost all of the markets in the fund's mandate (except Romania). Sector wise, materials had the highest contribution to the fund's monthly performance, followed by energy, technology and financial stocks, while industrials led in terms of total return.

### Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 2,13 M
NAV/share	EUR 0,9644
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

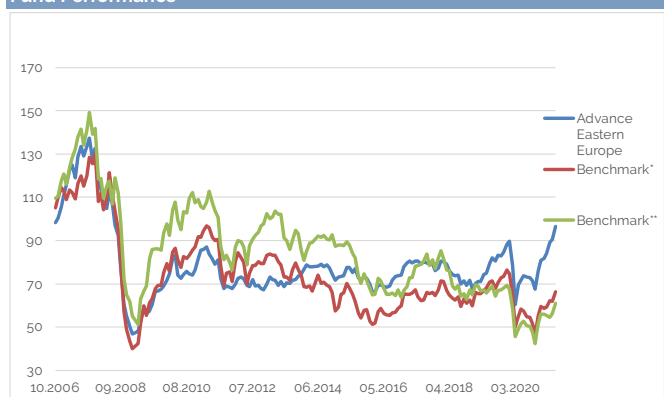
### Fund Identifiers

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

### Fund Results

	Fund	Benchmark*	Benchmark**
1 month	6,32%	6,81%	7,89%
1 year	34,35%	13,77%	17,84%
Year to Date	19,39%	11,48%	8,53%
Since Launch (annualized)	-0,25%	-2,88%	-3,93%

### Fund Performance

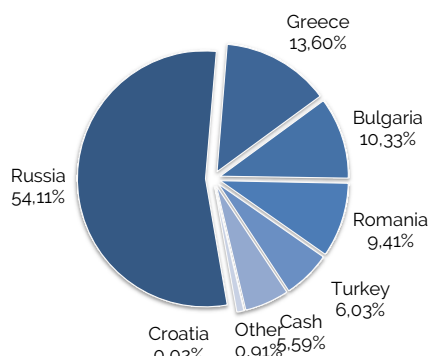


### Annual Performance

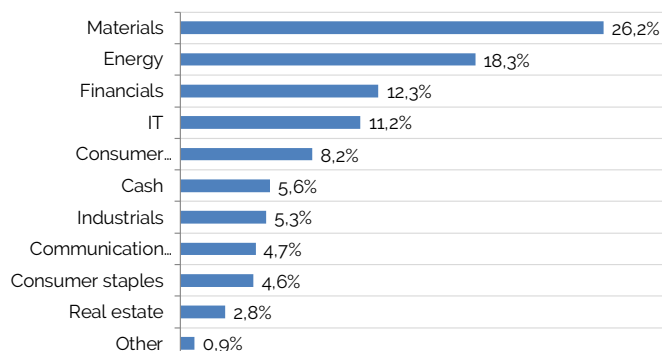
Year	Fund	Benchmark*	Benchmark**
2020	-8,31%	-22,29%	-19,20%
2019	29,88%	27,90%	6,91%
2018	-12,25%	-11,12%	-20,91%
2017	4,42%	12,24%	22,39%
2016	11,31%	24,40%	-1,29%
2015	-2,29%	-8,32%	-22,13%
2014	-4,06%	-22,21%	2,24%
2013	6,64%	-11,15%	-16,81%
2012	4,07%	4,86%	34,08%
2011	-17,02%	-22,53%	-29,75%
2010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