

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.



*This is marketing material

30 April 2022

*The NAV and NAV/share as of April 30 are indicative

Fund Manager's Comment

Financial markets' volatility spiked in late April amid negative economic surprises and prospects of more aggressive tightening from the Fed. MSCI ACWI lost 3.1%, as US stocks underperformed, matching DM Europe in terms of YTD loss. The regional MSCI EFM Europe + CIS ex RU declined 3.8%.

After trading was resumed for residents only, volumes on MOEX exchange remain fairly modest, at around 20% of average daily pre-invasion levels. MOEX Russia index declined 9.6% in RUB terms in April. Negatively, lawmakers passed a law mandating public companies with secondary listing abroad to start procedure of converting their GDRs into local shares, while those with IPOs overseas are exempt for now. Institutional investors owned ca. USD 50 bn of GDR/ADRs before the war, with substantial part of them restricted to convert into and hold local Russian shares. Thus, once (and if) trading is resumed for non-residents on a special segment, there will be significant share overhang. Meanwhile, RUB continues to strengthen amid capital controls and record high CA surplus - USD 58.2 bn in 1Q22, compared to USD 22.5 bn a year earlier.

Turkish stocks were the best performing in the CEE region for a second consecutive month. BIST 100 advanced 8.8% in LCU terms, as real interest rates collapsed further into negative territory, driving the TINA trade. TCMB kept the key rate unchanged at 14%, despite the fact that inflation continues to rage, up 70% in April. The lira was surprisingly resilient, down only 1.2% against the broadly stronger USD. Still, we expect TRY to keep its depreciation bias amid pressure from widening CA deficit (3M rolling SA running at -5% GDP) and relatively large loan repayments due in June and later in Q4.

The Greek ASE posted a strong monthly gain of 4.9%, with cyclical industrials and consumer stocks in the lead. Romanian BET was almost flat (+0.1%), as only energy stocks maintained positive momentum among the key sectors.

The fund reported an indicative NAV per share of EUR 0.9155 at the end of April. This was 8.4% higher compared to end of March, with key driver being the positive currency effect of RUB (+9.4 pp). The better selection of Turkish, Greek and Bulgarian stocks also contributed positively. Due to continuing effective inability to trade our Russian positions the fund has temporary suspended creations-redemptions of shares. The management has no clarity when the trading of Russian securities will be resumed on a special non-residents only segment.

Fund Facts

| | |
|---|------------------------------------|
| NAV/share (last published as of 25.02.2022) | EUR 0.7486 |
| Fund type | open-end |
| Fund Manager | Georgi Raykov, Konstantin Prodanov |
| Fund size - indicative | EUR 2 M |
| NAV/share - indicative | EUR 0.9155 |
| 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 150% |
| Management fee | 1.5% NAV p.a. |
| Redemption fee | none |
| Minimum investment | none |

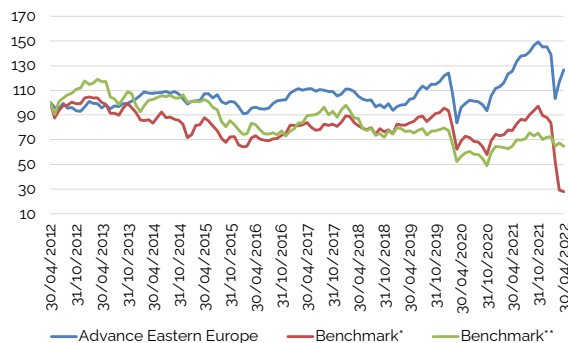
Fund Identifiers

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

Fund Results - indicative

| | Fund | Benchmark* | Benchmark** |
|---------------------------|---------|------------|-------------|
| 1 month | 8.41% | -3.80% | -3.80% |
| 1 year | 0.93% | -63.91% | 0.08% |
| Year to Date | -12.88% | -68.17% | -9.88% |
| Since Launch (annualized) | -0.57% | -9.26% | -4.16% |

Fund Performance 10Y - indicative

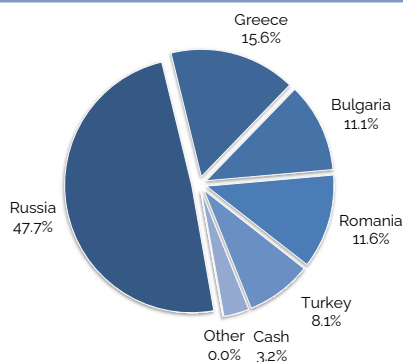


Annual Performance

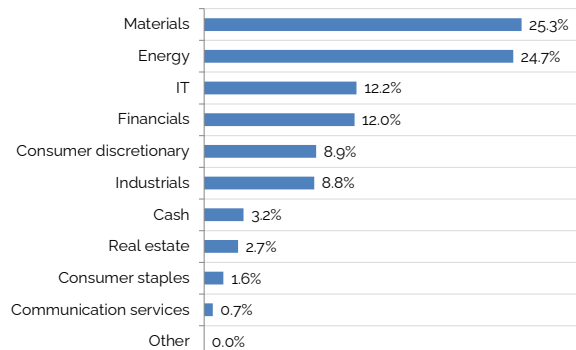
| Year | Fund | Benchmark* | Benchmark** |
|------|---------|------------|-------------|
| 2021 | 30.09% | 18.34% | 11.71% |
| 2020 | -8.31% | -22.29% | -19.20% |
| 2019 | 29.88% | 27.90% | 6.91% |
| 2018 | -12.25% | -11.12% | -20.91% |
| 2017 | 4.42% | 12.24% | 22.39% |
| 2016 | 11.31% | 24.40% | -1.29% |
| 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 (indicative)



Sector Breakdown (indicative)



TOP 5 HOLDINGS

| | | | | |
|------------------------|-------------------------------------|---|---------------------------------------|---|
| Allterco, Bulgaria, IT | Polyus Gold OJSC, Russia, Materials | FONDUL PROPRIETATEA SA, Romania, Financials | GMK Norliski Nikel, Russia, Materials | UNITED COMPANY RUSAL PLC, Russia, Materials |
|------------------------|-------------------------------------|---|---------------------------------------|---|