

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 June 2022

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

Fund Manager's Comment

There was almost no safe heaven for investors last month, except for USDX, as all major asset classes posted negative returns. Expectations of recession in the US and in Europe kept increasing amid negative ST economic data, while the Fed moved more aggressively than initially communicated with a 75 bps hike in June. MSCI World declined 6.5%, while MSCI EM lost 4.9%, with Chinese stocks the only bright spot in the sea of red. The regional MSCI EFM Europe + CIS ex RU was down 7.7%.

MOEX Russia index was down 6.4% in ruble terms, as Gazprom shares collapsed 40% after the AGM failed to approve the 2021 dividend (RUB 52.53). The market remains closed to non-residents, although the Moscow Exchange is currently testing a new trading system for foreign investors, with proceeds locked in Russia. Meanwhile, the Russian National Settlement Depository was included in the EU's sixth sanctions package, potentially creating yet another obstacle for European investors to trade Russian equities even after an expected start of the new segment. Despite CBR's measures to reign in ruble's strong appreciation, the local currency reached a 7-year high amid harsh capital controls and record high CA surplus.

In Turkey, BIST 100 fell 5.6% in LCU terms. Despite inflation marching uninterruptedly higher (June CPI +79% YoY), TCMB has not budged so far, keeping the key rate unchanged at 14%, resulting in more and more negative real interest rate. To fight currency devaluation, the CB added another unorthodox measure to its avant-garde economics textbook – TRY lending restrictions for corporates with FX holdings (including gold and FX deposits) above a certain threshold levels – which could end up being counterproductive. The lira kept weakening, although backdoor FX interventions by state banks limited the drop against the USD to 1.8% last month. The trade deficit increased to USD 8.2 bn in June (+184% YoY) and USD 51.4 bn in 1H2022 (+143% YoY), as goods export growth to EU slowed down markedly.

The Greek ASE declined 9.0% last month, with banks underperforming. Romanian BET was again down 1.7%, but energy stocks maintained positive momentum among key sectors.

The fund reported an indicative NAV per share of EUR 0.9884 in the end of June. This was 4.3% higher compared to end of May, with key driver being the positive currency effect of RUB. At the same time, better selection of Turkish and Greek 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 segment between non-residents.

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 216 M
NAV/share - indicative	EUR 0.9884
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 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

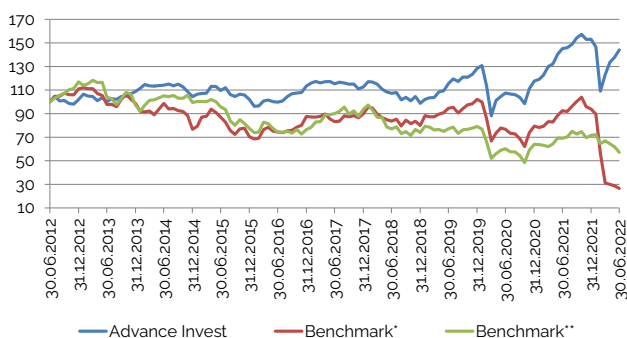
Fund Identifiers

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

Fund Results - **indicative**

	Fund	Benchmark*	Benchmark**
1 month	4.35%	-7.65%	-7.65%
1 year	-0.81%	-71.34%	-17.48%
Year to Date	-5.95%	-71.79%	-20.11%
Since Launch (annualized)	-0.07%	-9.86%	-4.85%

Fund Performance 10Y - **indicative**

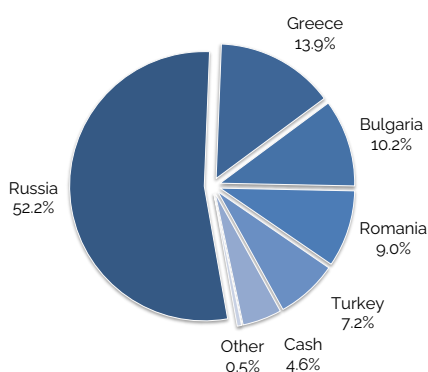


Annual Performance

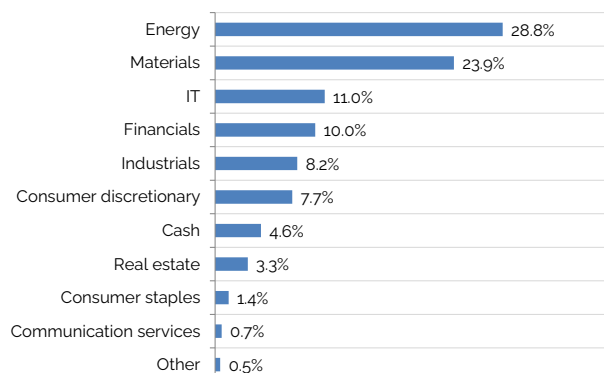
	Fund	Benchmark*	Benchmark**
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%	-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	GMK Norliski Nikel, Russia, Materials	GAZPROM PJSC / Gazprom, Russia, Energy	UNITED COMPANY RUSAL PLC, Russia, Energy	Polyus Gold OJSC, Russia, Materials
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