

ADVANCE EASTERN EUROPE class A

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 September 2023



Fund Manager's Comment

Global stock sell-off deepened in September, as long-term bond yields kept rising on fears of inflation reacceleration. MSCI World declined 2.1%, while a new round of Chinese stimuli somewhat stabilized MSCI EM, which was down 0.4%. The regional MSCI EFM Europe + CIS ex RU lost 2.7% amid marked deterioration in Poland and Greece.

The Greek ASE index shed 7.9% amid this global risk-off sentiment and profit-taking after substantial previous gains. The decline was broad-based, except for telecommunication stocks. Banks again underperformed the most (-13.4%), while industrials, utilities and materials were also a big drag for the index. Meanwhile, consumer and energy names were relatively less affected by the negative sentiment.

Turkish equities maintained positive, albeit slowing, momentum. BIST 100 added 5.3% in LCU terms (+12.4% in EUR). Meanwhile, foreign investors' appetite dwindled further, with net outflows of USD 225mn in September. In terms of key macro data, CPI continued to re-accelerate last month, up 61.6% YoY. To catch-up with the building inflationary pressures, TCMB delivered another large hike (+500bp) to 25%, which was in line with market expectations. Inflation risks remain skewed to the upside and the TCMB will continue with its aggressive tightening in the coming meetings in an effort to anchor inflation expectations and stabilize the currency after the phase out of the FX-protected deposit programme (KKM).

The Romanian BET gained 8.2%, driven by elevated market liquidity after the record dividend paid last month from Fondul Proprietatea. Among index-heavy sectors, O&G stocks were in the lead (+14.1%), followed by utilities (+6.9%) and financials (+5.9%). Banks managed to shake-off the news of bank asset tax being hiked to 2%, despite the ca. 9% estimated negative impact on net income in 2025-2026. Class A shares of the Fund fell 0.9%, a better performance than the benchmark. Sector-wise, energy stocks were the largest positive contributor to the monthly return, followed by utilities and consumer staples, while industrials were the biggest drag.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.53 M
NAV/share	EUR 0.711
Launch date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe&CIS
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

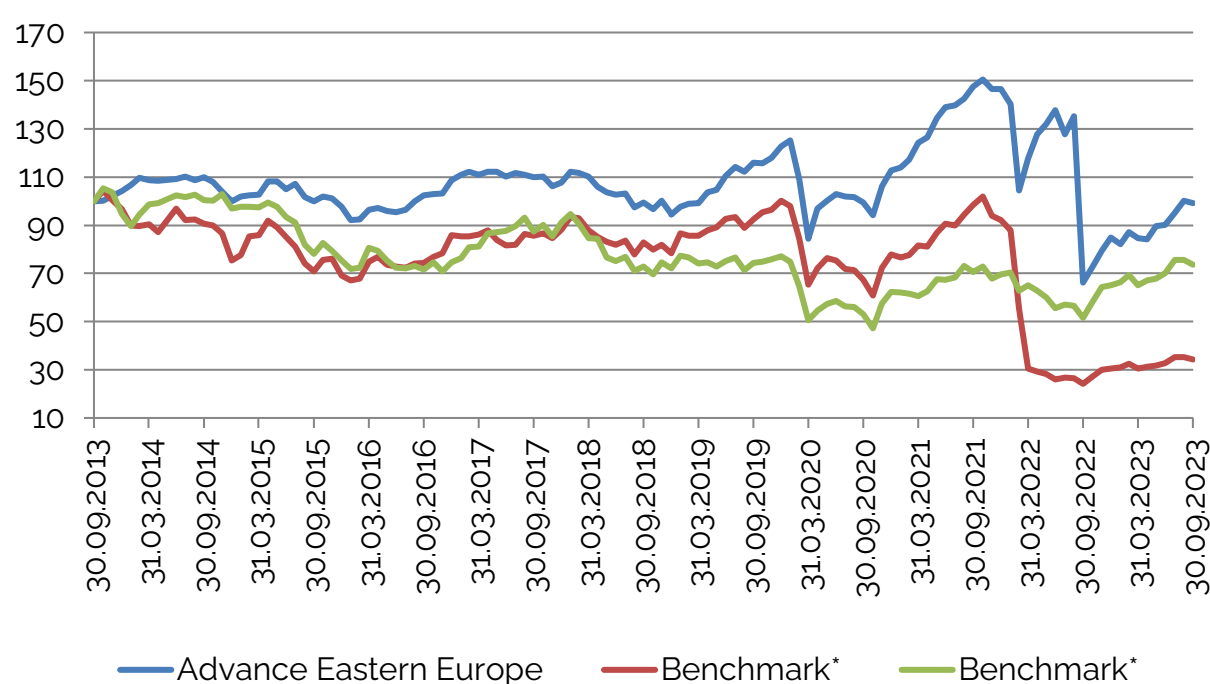
Fund Identifiers

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

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	-0.95%	-2.72%	-2.72%
1 year	49.78%	42.26%	42.26%
Year to Date	16.88%	12.96%	12.96%
Since Launch (annualized)	-1.99%	-7.66%	-2.92%

Fund Performance 10Y

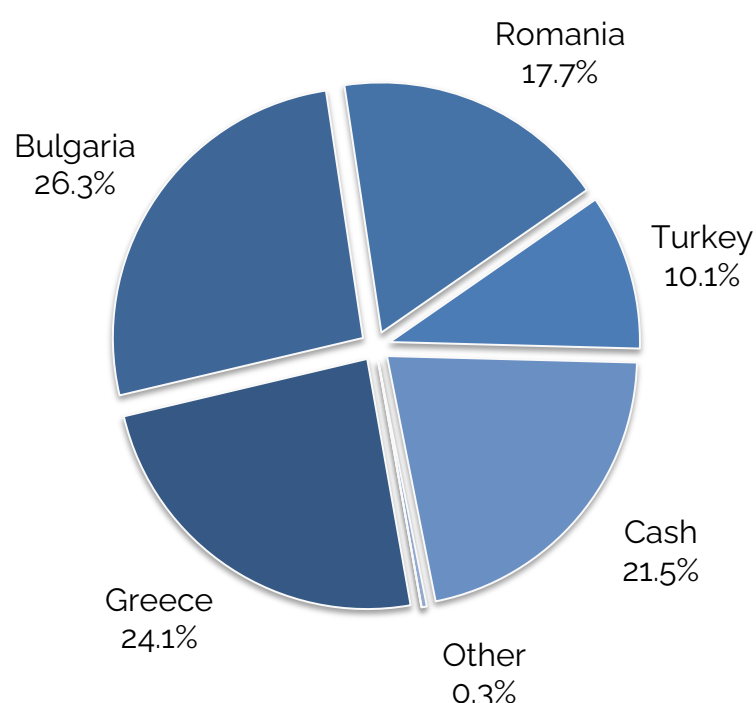


Annual Performance

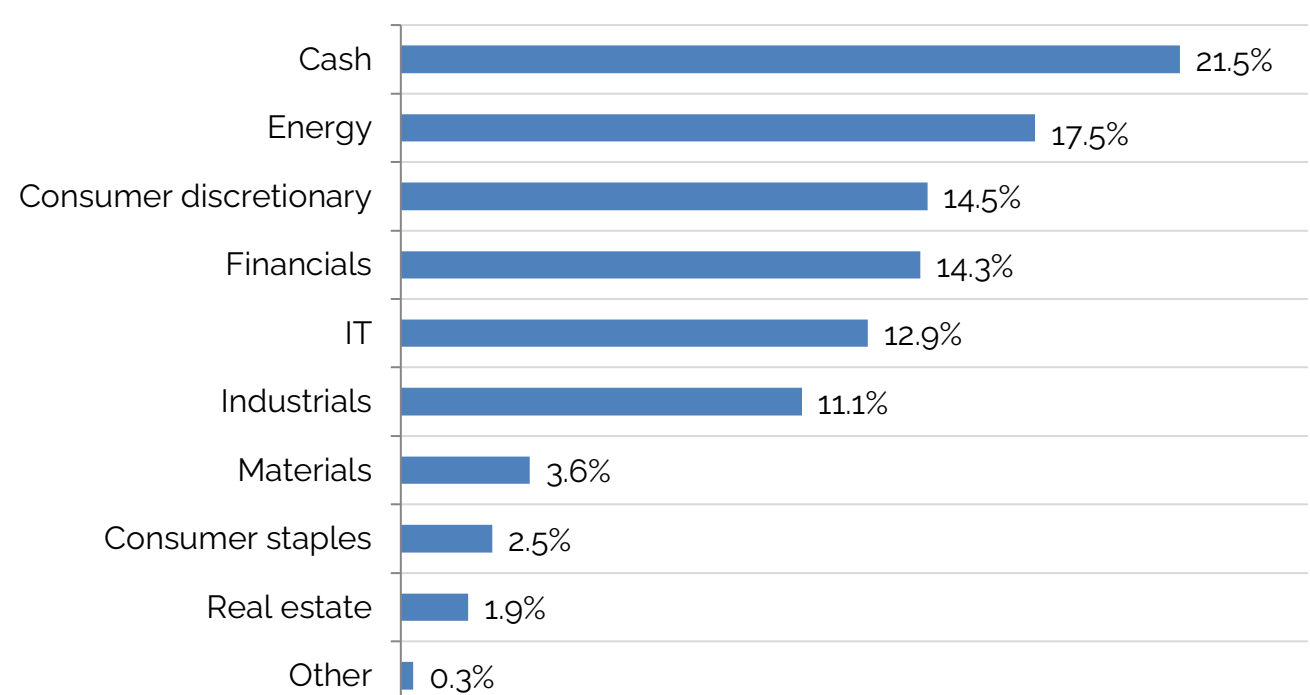
	Fund	Benchmark*	Benchmark**
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.90%	6.91%
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
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



Sector Breakdown



TOP 5 HOLDINGS

Shelly Group, Bulgaria, IT

JUMBO SA, Greece, Consumer discretionary

GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A., Greece, Consumer discretionary

Motor Oil Hellas Corinth Refineries S.A., Greece, Energy

Sirma Group Holding JSC, IT, Bulgaria