

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

29 February 2024



Fund Manager's Comment

Global investor risk appetite remained high in February, despite negative economic surprises on the inflation front in the US. MSCI World soared 4.5%, led by strong rally of the chip makers encouraged by exceptionally strong 4Q23 earnings and guidance of the industry leader – Nvidia. Meanwhile, MSCI EM bounced back, up 5.2%, as the Chinese authorities managed to stabilize the local equity market. The regional MSCI EFM Europe + CIS maintained positive momentum, gaining 3.6%.

The Greek ASE increased 4.2%. The rally was broad-based (ex. Real estate). Financials were key positive contributors, followed by consumer staples and discretionary stocks, whose 4Q earnings and 2024 guidance surpassed expectations. Following a strong gap-up during the first trading session following the greatly oversubscribed IPO, shares of AIA came under selling pressure for the rest of the month, approaching the IPO price.

The rally of Turkish equities continued, with BIST 100 gaining 8.2% in LCU terms (+5.5% in EUR terms), even though the last days of February saw some weakening of momentum, likely due to profit taking. Net portfolio flows followed similar dynamics and turned negative in the second half of the month. In terms of macro backdrop, TCMB kept the key rate unchanged at 45%, but maintained hawkish stance, signaling readiness to tighten further upon any signs of deteriorating inflation outlook. Meanwhile, inflation slightly accelerated to 67.1% YoY in February.

The Romanian BET was up 2.4%. Among the index-heavy sectors, banks markedly outperformed (+6.1%) on stronger operating and financial 4Q23 results. At the same time, energy and utilities were under pressure from potential changes in the energy regulatory framework aimed to offset the high budget deficit. Among listed companies, the negative impact is estimated to be highest for Romgaz at ca. 50% of 2024e EBITDA.

Class A shares of the Fund gained 1.7%. Greek positions contributed the most to the monthly return. Sector-wise, financials had the highest positive contribution, followed by consumer discretionary and energy stocks. At the same time, information technology names pulled back slightly, following strong rally in the previous two months.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.66 M
NAV/share	EUR 0.7718
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

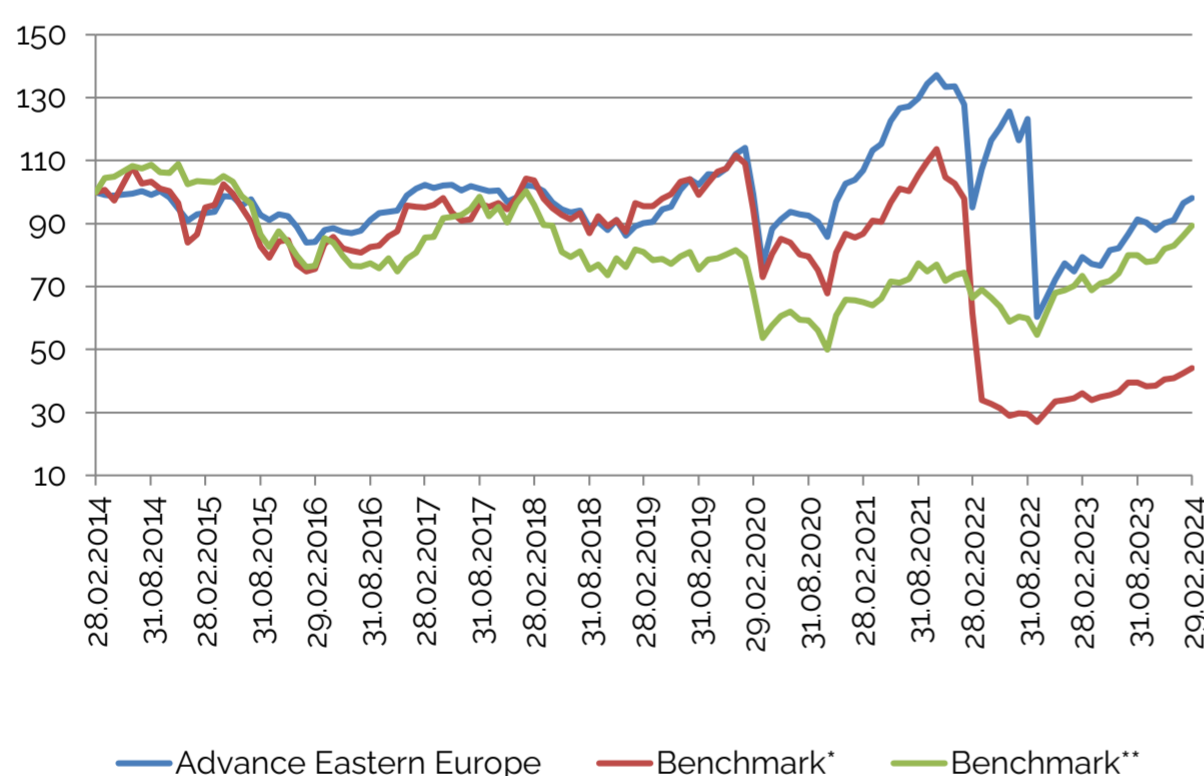
Fund Identifiers

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

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	1.74%	3.63%	3.63%
1 year	23.63%	21.71%	21.71%
Year to Date	7.60%	7.56%	7.56%
Since Launch (annualized)	-1.48%	-6.75%	-2.08%

Fund Performance 10Y



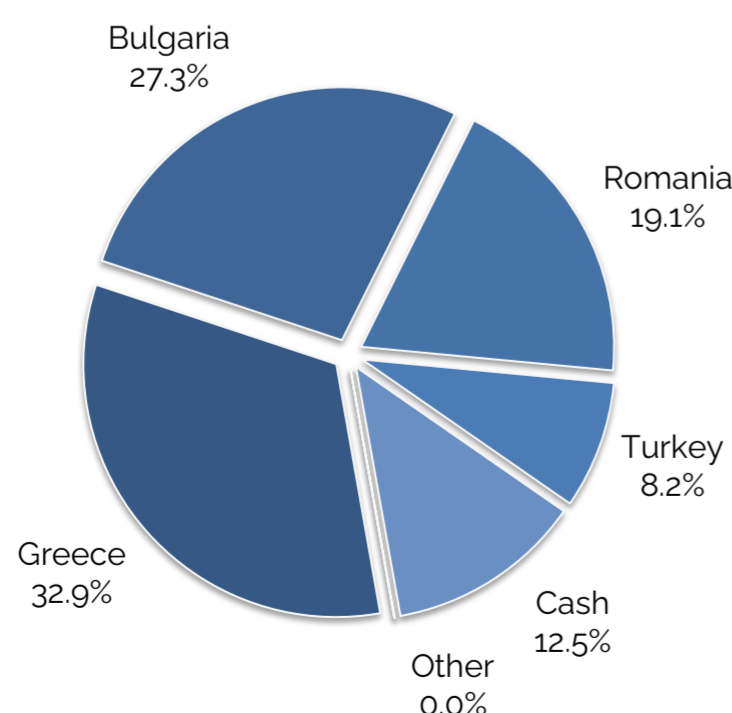
Annual Performance

	Fund	Benchmark*	Benchmark**
2023*	20.64%		
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%

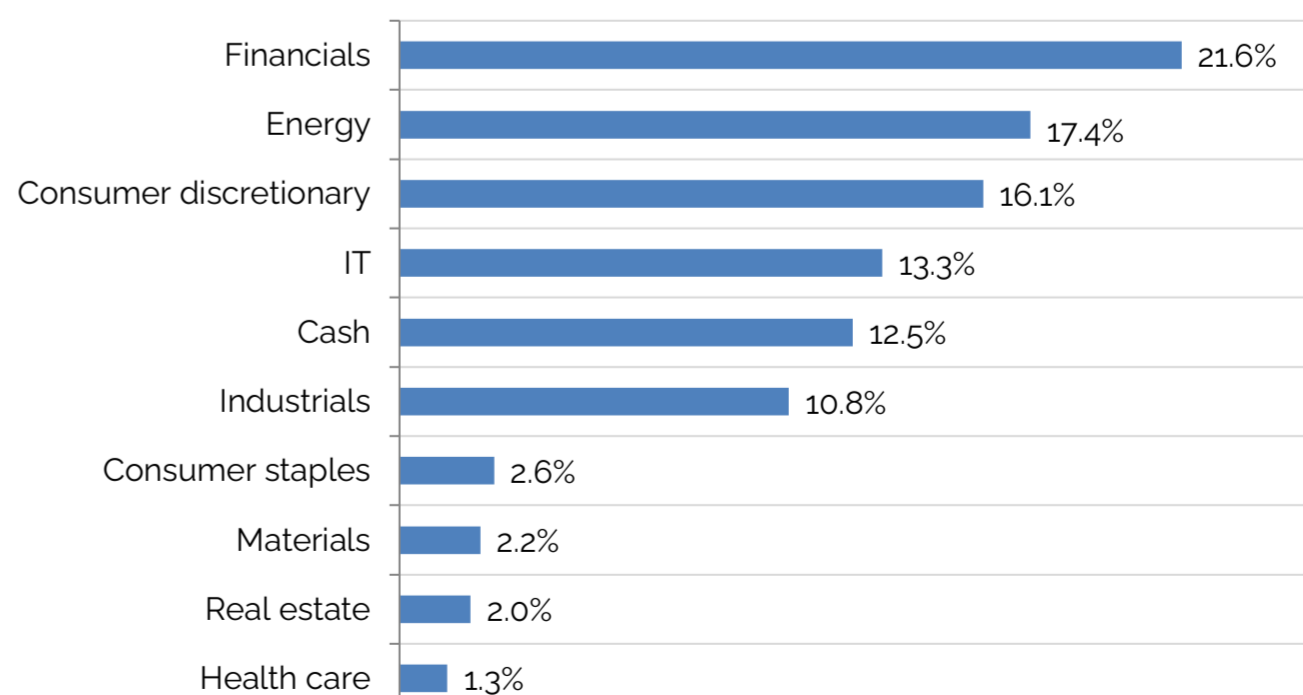
*Annual performance since 03.01.2023 when class A was started

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	AEGEAN AIRLINES STOCK, Greece, Industrials
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