

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

31 May 2024

Fund Manager's Comment

Global equities shook off macroeconomic fears in May, as the US 1Q24 earnings season brought several key positive surprises, especially from chip manufacturers. The MSCI World Index of developed markets rose by 2.7%, while the emerging markets index fell by 1.2%, as the Chinese stock rally cooled off. The regional MSCI EFM Europe + CIS posted a 1.3% gain, driven by continuing strong momentum in Turkey.

The Greek ASE declined by 1.1%, dragged down by weak performance of the consumer and telecommunications sectors. Bank stocks were up slightly, as 1Q24 financial results of Eurobank and Alpha exceeded forecasts. Eurobank confirmed its intention to pay out 30% of its net profit of FY2023 as a cash dividend, while Alpha plans to split the payout equally between a cash dividend and a buyback, demonstrating the management's belief that the shares are undervalued by the market.

The Turkish BIST 100 index rose by 3.5% in LCU terms, with telecoms and banks outperforming. The Turkish lira remained stable against the US dollar and euro for a second consecutive month, supported by significant net inflow of portfolio investments in government bonds (USD 6.6 billion in May and USD 0.9 billion in April). On the other hand, foreign investors were net sellers of local equities to the tune of USD 394 mn in May.

Macroeconomically, the TCMB left the key rate unchanged as expected. Inflation accelerated to 75.4% YoY in May, which was above the consensus forecast of analysts (74.8%), but expectations are that consumer price momentum will slow down going forward.

The Romanian BET increased by 3.1%. Among the index-heavy sectors, energy (+8.7%) and the financials (+6.1%) performed better, while utility companies lagged (+2.3%). Banks' 1Q24 financial reports demonstrated stable NIMs and continued strong net lending growth for both public names - Banca Transilvania (+13.6% YoY) and BRD (+12.3% YoY).

Class A shares of the fund rose by 3.6%. The monthly return was primarily driven by Bulgarian positions in the portfolio, while Greek positions had a negative contribution. At the sector level, technology companies were the clear leaders with the highest positive contribution, followed by financials and energy stocks. Meanwhile, consumer discretionary names weighed down the portfolio's performance.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.8 M
NAV/share	EUR 0.822
Launch date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe&CIS
Currency of account	Euro
Subscription fee	up to 150%
Management fee	15 % NAV p.a.
Redemption fee	none
Minimum investment	none

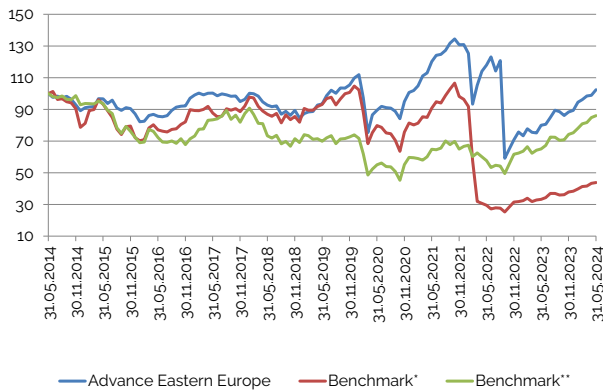
Fund Identifiers

ISIN	BG900016063
Bloomberg Code	ADVEAEU.BU
Reuters Lipper	65095316
Valor	3079269
WICN-German	AOMXVY

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	3.63%	1.35%	1.35%
1 year	27.98%	32.15%	32.15%
Year to Date	14.60%	14.38%	14.38%
Since Launch (annualized)	-1.10%	-6.33%	-1.71%

Fund Performance 10Y



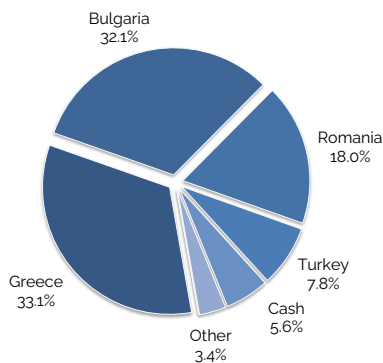
Annual Performance

	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%

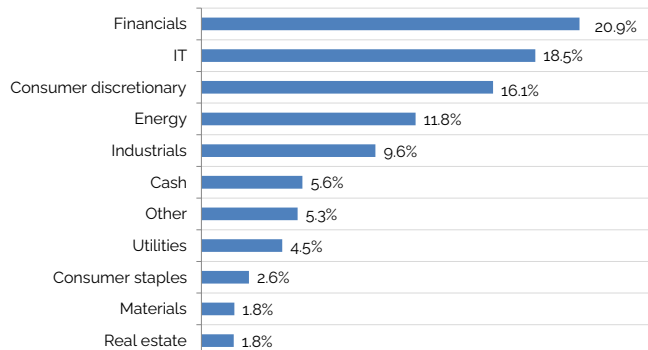
*Annual performance since 03.01.2023 when class A was started

Portfolio Breakdown

Market Breakdown



Sector Breakdown



TOP 5 HOLDINGS

Shelly Group, Bulgaria, IT	Sirma 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
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