

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 8 regional markets.



30 April 2019

Fund Manager's Comment

Positive data on global macroeconomic development resulted in diminishing fears for an imminent recession, which boosted investors' confidence in April. The region of Central and Eastern Europe moved higher too, MSCI EFM Europe + CIS adding 2.6% in euro terms, while the benchmark excluding Russia posted a 0.6% monthly return.

The sentiment towards Russian stocks remained largely positive as MOEX advanced by 2.5% for the month (+8.5% since the beginning of the year). Positive dynamics in the oil market (oil price surged more than 6% for the month and thus its year-to-date return surpasses 35%) is favourable for the sentiment towards Russian stocks. While the correlation has weakened, the Russian rouble is positively affected by the oil price surge as the local currency has gained more than 10% against the euro YTD.

The situation in Turkey remains uncertain. After the main index collapsed in March due to political uncertainty in the country, it recovered 1.7% in April. The Turkish lira, however, remained under pressure, losing another 5.3% against the euro, so its year-to-date losses are now close to 10%.

The top performer among the markets from the portfolio of the fund was Greece with its hefty returns this year after a very poor 2018 performance. The ongoing recovery of the Greek economy is underpinning the positive dynamics in the stock market. Adding another 7.2% in April, the Greek market has appreciated by more than 26% YTD, making it the best performing market in the region as well as globally.

After a very poor performance at the end of last year, the Romanian market returned to positive dynamics this year. The market continued to appreciate in April, the major index adding another 4.9%. Serbia remains in negative territory since the beginning of the year despite the 1.5% appreciation in April. The Bulgarian market continued its poor performance as SOFIX lost further 1.5%.

Fund Facts

| | |
|---------------------|-----------------------------|
| Fund type | open-end |
| Fund Manager | Nadia Nedelcheva, CFA |
| Fund size | EUR 2.80 M |
| NAV/share | EUR 0.7442 |
| 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 |

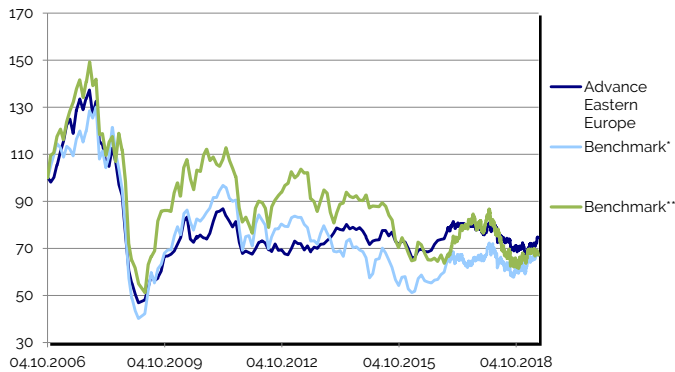
Fund Identifiers

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

Fund Results

| | Fund | Benchmark* | Benchmark** |
|---------------------------|--------|------------|-------------|
| 1 month | 4.60% | 2.60% | 0.57% |
| 1 year | -2.10% | 3.25% | -11.72% |
| Year to Date | 9.72% | 12.13% | 3.41% |
| Since Launch (annualized) | -2.32% | -3.26% | -3.82% |

Fund Performance

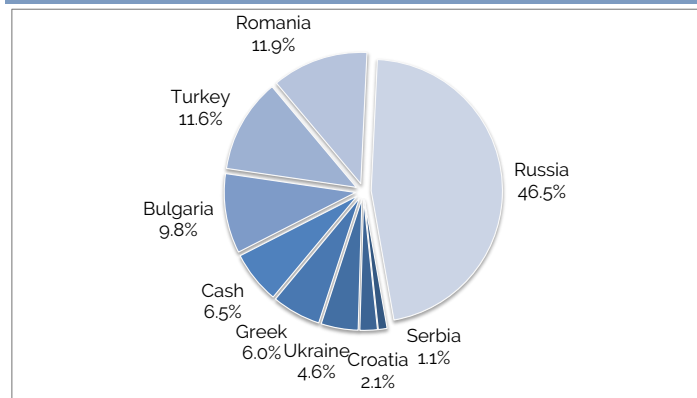


Annual Performance

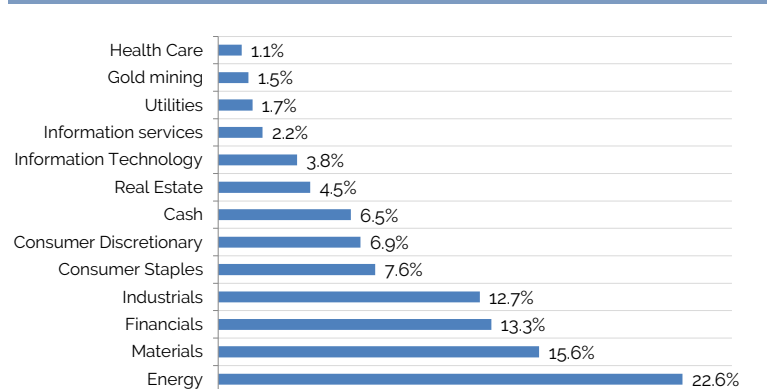
| | Fund | Benchmark* | Benchmark** |
|------|---------|------------|-------------|
| 2018 | -12.25% | -11.12% | -20.91% |
| 2017 | 4.42% | 12.24% | 22.39% |
| 2016 | 11.31% | 24.40% | -1.29% |
| 2015 | -2.29% | -8.32% | -22.13% |
| 2014 | -4.06% | -22.21% | 2.24% |
| 2013 | 6.64% | -11.15% | -16.81% |
| 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

GMK Nortliski Nikel (Russia),
Materials

Lukoil (common) (Russia),
Energy

JSC "NOVATEK", Common (Russia),
Energy

JUMBO SA, (Greece) - Consumer
Discretionary

X5 Retail Group N.V., (Russia) -
Consumer Staples