

# 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.



31 July 2019

### Fund Manager's Comment

Global stock markets continued to rally in July, although some regions shifted into lower gear. Developed markets (MSCI World) gained 2.7% as American stocks outperformed, while European stocks were almost unchanged. At the same time, emerging markets (MSCI EM) underperformed, with monthly return of 0.5%. The CEE region fared better, with MSCI EFM Europe + CIS gaining 0.87% while the benchmark excluding Russia was up 1.91%. Most markets in the fund's portfolio posted positive monthly returns.

The Russia MOEX index fell by 1.0%, amid record high dividend season. Meanwhile, the ruble also came under some pressure, losing 0.7% against the USD, as dividend payments were being converted into other currencies by foreign investors.

The Turkish market kept momentum, despite July being quite eventful. In the beginning of the month, the CB's governor was replaced, while the first delivery of the Russian A-400 missile defense system took place in mid-July. On paper, this is the technical threshold for sanctions against the country by the US Congress. However, it now appears that the original red line has shifted from delivery of the systems to their activation, while president Trump has so far opposed Congress in the sanctions debate. In this relatively calm geopolitical environment the BIST 100 index advanced by 5.8% in July (+11.8% YTD). The Turkish lira also gained 3.6% against the USD, despite the larger-than-expected interest rate cut by the TCMB (-425bp).

The Greek market saw increased volatility amid the flash parliament elections in the beginning of July. Nevertheless, the Athens General Composite index finished the month in the green, advancing by 3.6% and keeping its leadership position as the best performing index YTD globally (+46.7%). The positive trend of the Romanian stock market was also intact. The main BET index gained 4.4%, keeping its second place in the CEE region in terms of YTD performance (+24.7%). Among the smaller Balkan stock markets, the Croatian CROBEX recorded modest monthly gain of 1.5% (+9.3% YTD), while the Bulgarian SOFIX lost 1.2% during the month, finishing as the second worst performing index in the CEE region (-2.3% YTD).

The portfolio's Russian positions were again the highest positive contributor to the fund's monthly performance. Second highest contribution was recorded by Turkish stocks, which recorded the largest gain in absolute term. Sector-wise, the IT companies staged the best performance in July.

### Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 2.74 M
NAV/share	EUR 0.8196
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

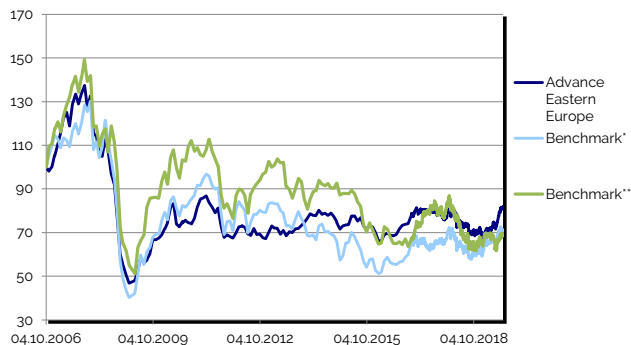
### Fund Identifiers

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

### Fund Results

	Fund	Benchmark*	Benchmark**
1 month	3.48%	0.87%	1.91%
1 year	10.70%	11.72%	-0.30%
Year to Date	20.83%	19.27%	6.22%
Since Launch (annualized)	-1.54%	-2.73%	-3.54%

### Fund Performance

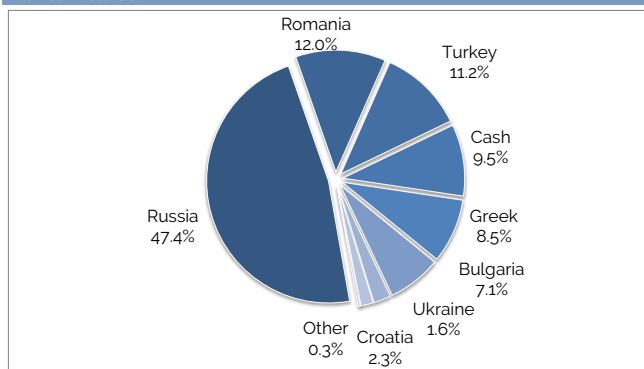


### Annual Performance

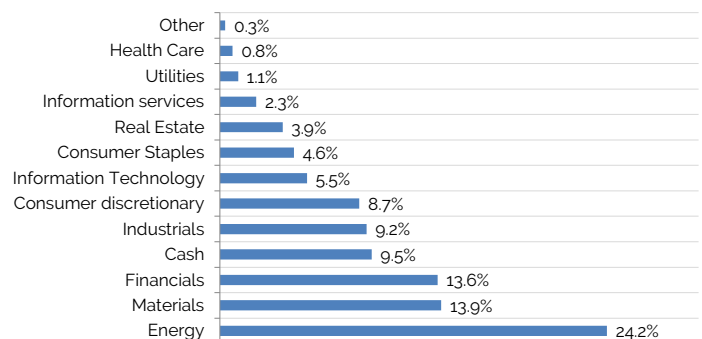
	Fund	Benchmark*	Benchmark**
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%	-22.53%	-29.75%
2010	18.44%	21.65%	16.29%
2009	36.50%	73.42%	51.49%
2008	-61.94%	-66.63%	-56.45%
2007	25.91%	11.54%	20.71%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### TOP 5 HOLDINGS

GMK Norilski Nikel (Russia),  
Materials

JSC 'NOVATEK', Common  
(Russia), Energy

Lukoil (Russia), Energy

JUMBO SA (Greek), Consumer  
Discretionary

SBERBANK (Russia), Financials