

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 May 2019

Fund Manager's Comment

May was very negative for global markets due to renewed concerns for global trade wars. Developed markets posted between 5 and 10% decline for the month. The region of Central and Eastern Europe was a mixed bag with MSCI EFM Europe + CIS actually gaining 1.4% in euro terms, becoming the only regional index finishing the month in positive territory. The benchmark excluding Russia lost 2.17% for the month.

The performance of the markets in the fund's portfolio was generally positive against the overall negative sentiment globally. Russia remained strong as MOEX is now up by 13% YTD after gaining another 4.1% in May. Russian stocks and currency remained immune to the solid depreciation in the oil market as Brent price collapsed by 11.4%.

The Greek market was the top performer in May as its main index surged 7.4%. It remains the best performing market globally this year with a year-to-date return exceeding 35%. The positive mood among investors was largely a reaction to the victory of the opposition party in the European elections, which provoked the ruling party to call snap parliamentary elections.

The Turkish market remained volatile as the major index erased all YTD gains after losing 5.1% in May. The local elections in Istanbul will be held again after the ruling party, which lost the elections in the biggest Turkish city, signalled irregularities and demanded new voting. At the same time, pressure on the Turkish currency eased as it gained 2.2% against the euro.

The Romanian market remains strong (+15% YTD) after a slight gain of the major index in May (+0.6%). Meanwhile, data published by Eurostat on first quarter GDP growth in Europe revealed acceleration of the expansion of the Romanian economy after the slowdown last year. In Q1'19 Romania posted one of the highest rates of GDP growth in the EU: +5.1% on an annual basis after slowing down to around 4% in the previous two quarters.

The Bulgarian economy posted above the EU average GDP growth reading too in Q1 (+3.4%). The market however remains in negative territory year-to-date despite the 1.3% appreciation of SOFIX in May. Then Croatian index advanced by 0.7%. In the past month we exited our investment in Serbia and thus we hold no Serbian stocks at the moment.

Fund Facts

Fund type	open-end
Fund Manager	Nadia Nedelcheva, CFA
Fund size	EUR 2.51 M
NAV/share	EUR 0.7499
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

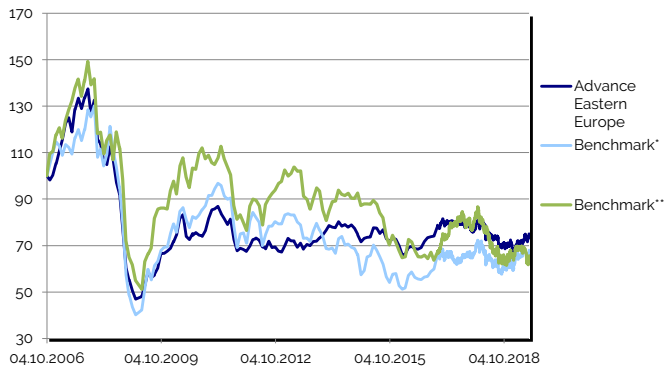
Fund Identifiers

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

Fund Results

	Fund	Benchmark'	Benchmark**
1 month	0.77%	1.39%	-2.17%
1 year	0.82%	7.12%	-4.64%
Year to Date	10.56%	13.69%	1.16%
Since Launch (annualized)	-2.25%	-3.13%	-3.96%

Fund Performance

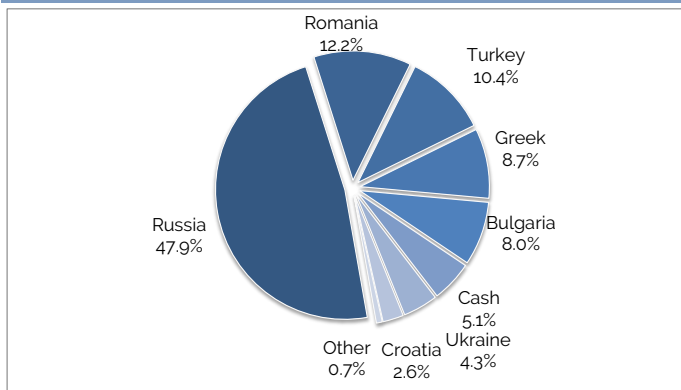


Annual Performance

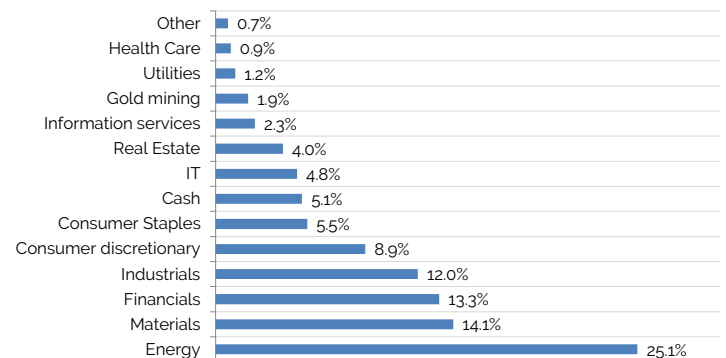
Year	Fund	Benchmark'	Benchmark**
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%	-22.53%	-29.75%
2010	18.44%	21.65%	16.29%
2009	36.50%	73.42%	51.49%
2008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

Portfolio Breakdown

Market Breakdown



Sector Breakdown



TOP 5 HOLDINGS

GMK Norliski Nikel (Russia), Materials	JSC "NOVATEK", Common (Russia), Energy	Lukoil (common) (Russia), Energy	JUMBO SA (Greek), Consumer Discretionary	SBERBANK, COMMON (Russia), Financials
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