



Fund Manager's Comment

Risk appetite returned to global financial markets in September, encouraged by a new wave of monetary stimulus by world major central banks. Developed markets (MSCI World) posted a monthly gain of 3.0%, with European stocks outperforming their US peers this time (3.7% vs 2.7%). Meanwhile, emerging markets also enjoyed relatively positive sentiment, as MSCI EM added 2.7% in September. The CEE region outpaced global EM, with MSCI EFM Europe + CIS climbing 4.0%, while the benchmark excluding Russia was up by 4.2%. All markets in the fund's portfolio finished in the green, while the Turkish and the Romanian indices posted more significant monthly gains.

Russian equities were supported by force majeure oil market developments, with energy stocks unsurprisingly gaining the most. MOEX Russia index climbed back close to its all-time high, registered earlier this summer, but subsequently finished the month almost without a change, with a modest gain of 0.3% (+16.5% YTD). At the same time, the ruble was among the top performing EM currencies, appreciating 2.9% against the USD, boosted both by carry trade and oil market dynamics.

It was risk-on sentiment for Turkey too, with both the local equity index and the currency further supported by subsiding geopolitical risk. Turkish assets rallied in the last week of September amid positive news flow on Turkey-US relationship. There were media reports that US Ambassador to Turkey had offered Turkish authorities an invitation back to F35 jet program, as well as a deal on the sale of Patriot missile systems. Thus, Turkish equities broke through a key resistance level amid significant trading volumes. BIST 100 recorded a monthly gain of 8.6%, while TRY appreciated 3.1% against the USD.

The Greek ASE General index finished the month without a change, but maintained its leadership position in terms of YTD performance worldwide (+41.6%). Meanwhile, the Romanian equity market gained 3.7% in September amid announcement of positive changes to the offshore energy law. Thus, the local index is catching up with its Greek peer, with the second best YTD performance in the region (+29.7%).

Among the smaller Balkan stock markets, the Croatian CROBEX recorded monthly gain of 4.8% (+12.3% YTD), while the Bulgarian SOFIX continued to lag behind, at negative 4.0% YTD.

Advance Eastern Europe ranked number 1 among all locally registered funds with a gain of +22.51%. Due to the lack of exposure toward the financial sector in Turkey, in September the fund slightly underperformed the benchmark. Year-to-date and on a long-term basis the fund solidly outperforms its regional benchmark

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 2.77 M
NAV/share	EUR 0.831
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

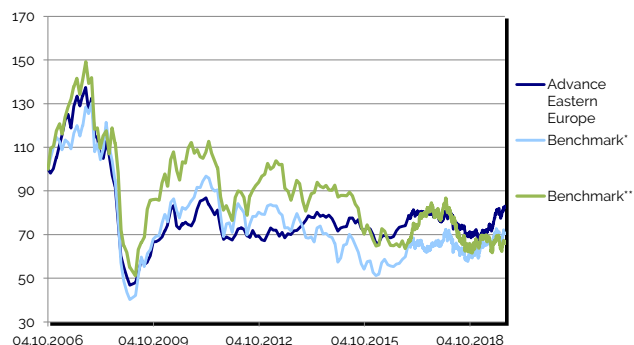
Fund Identifiers

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

Fund Results

	Fund	Benchmark*	Benchmark**
1 month	3.31%	3.97%	4.24%
1 year	16.66%	11.54%	2.16%
Year to Date	22.51%	17.88%	3.10%
Since Launch (annualized)	-1.41%	-2.78%	-3.72%

Fund Performance

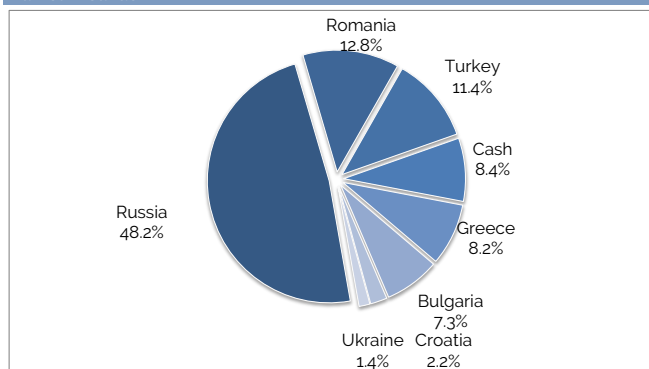


Annual Performance

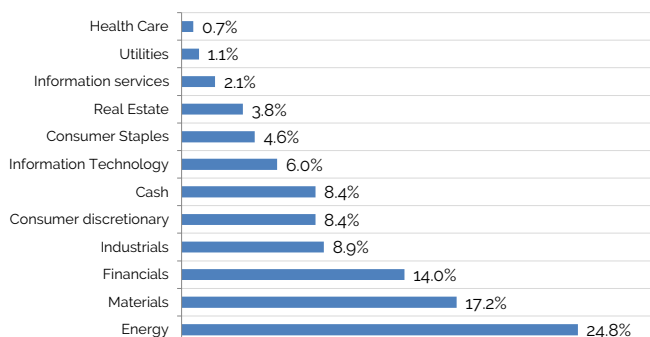
	Fund	Benchmark*	Benchmark**
2018	-12.25%	-11.12%	-20.91%
2017	4.42%	12.24%	22.39%
2016	11.31%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%
2014	-4.06%	-22.21%	2.24%
2013	6.64%	-11.15%	-16.81%
2012	4.07%	4.86%	34.08%
2011	-17.02%	-22.53%	-29.75%
2010	18.44%	21.65%	16.29%
2009	36.50%	73.42%	51.49%
2008	-61.94%	-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 (common) (Russia), Energy	JUMBO SA (Greece), Consumer Discretionary	SBERBANK, COMMON (Russia), Financials
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