

Investment Objective

The Fund invests in stocks of companies in the CEE region, and has a long-term holding horizon of the investments.



Fund Manager's Comment

Despite the fears of COVID-19 second wave, the rally in the US and emerging market shares continued in July. Prices were pushed by better than expected economic data, but the pace of increase on stock markets eased further as the risks continued to mount. Equity flows to the EM remained positive for a fourth month in a row and amounted to \$1.9bn, according to IIF. On the global data front, focus was on the Q2 GDP prints, which showed record plunge in the economic activity. The region of CEE was hit severely as well, but still according to the preliminary data the declines were relatively lower vs. the average for the EU. The top performer so far is Lithuania, where the YoY GDP drop amounted to just 3.7% (vs. -14.4% for the EU). In Europe, the EUR 750bn Next Generation EU fund was finally approved.

CEE countries will be among the largest net beneficiaries from the programme, expected to receive grants in the range of 4-8% of GDP (2018), with possible top-ups of loans in the range of 6-8% of GDP. The EU summit deal had a positive impact on the CEE currencies, which were among the global top performers in July. Hungarian forint, Czech koruna and Polish zloty appreciated, respectively, by 3.0%, 1.6% and 0.7% vs. the euro. In contrast, CEE equities were among the underperformers during the month, with MSCI EFM Europe + CIS ex RU falling by 4.05%. In spite of this, the fund's unit value appreciated by solid 2.58%, outperforming massively its benchmark. The gains were largely driven by technology sector, which remained a main pillar of growth (+26.6% MoM in EUR).

On the Warsaw stock exchange, small caps continued to outperform as liquidity improved further, fueled by high activity by retail investors. Meanwhile, the blue-chip index WIG20 recorded a small increase of 0.5%. State-owned companies were once again among the laggards, with WIG-Banks and WIG-Oil&Gas declining by 7.5% and 7.7%. WIG-IT was among the winners (+7.7%) driven by our largest position in the fund - LiveChat Software (+39.9%), which posted very strong quarterly results. Shares of KGHM, which is also part of our portfolio soared (+38.7%) as well on the back of rising silver and copper prices.

Our Czech equities outperformed the local benchmark index PX (-3.8% MoM in CZK) by 129bps (in EUR) in July. The gains were led by the antivirus software company Avast (+9.1%). Meanwhile, banks and the utility company CEZ were among the losers.

Baltic indices maintained their leading positions in the region of CEE YTD, with OMX Baltic Benchmark Index rising 2.1%, whereas Hungarian equities, measured by the BUX index, lost 3.1%.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 8.91 M
NAV/share	EUR 0.8314
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	15 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

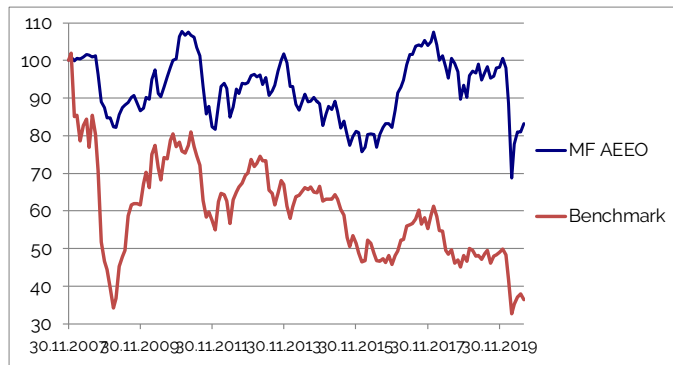
Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

Fund Results

	Fund	Benchmark
1 month	2.58%	-4.05%
1 year	-15.39%	-26.57%
Year to Date	-17.32%	-27.05%
Since Launch (annualized)	-1.44%	-7.66%

Fund Performance

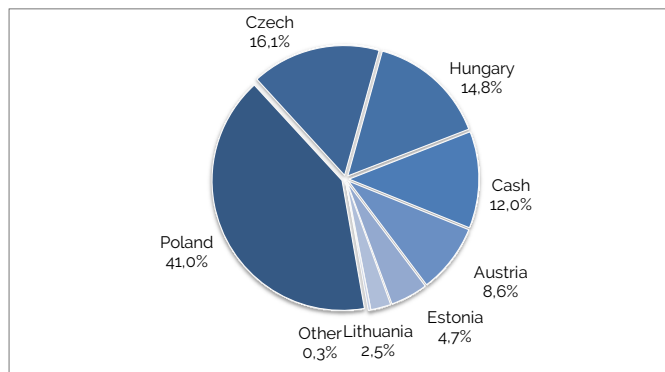


Annual Performance

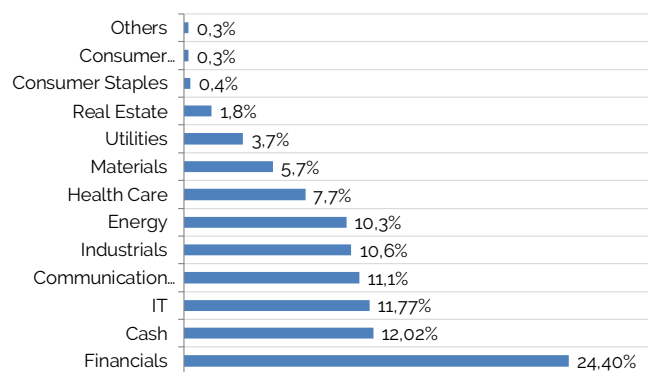
Year	Fund	Benchmark
2019	11.31%	6.91%
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

LIVECHAT SOFTWARE SA (Poland), Information Technology	CD PROJEKT SA (Poland), Communication Services	AVAST PLC ORD (Czech), Information technology	RICHTER GEDEON NYRT (Hungary), Health Care	CEZ AS (Czech), Utilities
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