

ADVANCE EMERGING EUROPE OPPORTUNITIES

Investment Objective

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



30 April 2021

Fund Manager's Comment

April was another favorable month for global equity indices, as economies remained on recovery path, while the buoyant economic data managed to meet the high expectations. Meanwhile, the pace of vaccination accelerated significantly in Europe, following a sluggish start of the campaign, while the spread of the disease continued to slow down. This led to the announcement of new plans for gradual reopening of the economies in the CEE region and a marked improvement in the sentiment indicators. Against this backdrop, CEE equities, as measured by MSCI EFM Europe + CIS ex RU, made up for their softer performance in March, rising 3.6% in EUR. In contrast, global EM as a whole (MSCI EM) once again underperformed MSCI World (+2.1% in EUR), closing the month flat (-0.1% in EUR). The fund's unit value maintained a positive growth trajectory, ending April up 1.9%, but lagged behind the benchmark index by 170bps, partly due to a negative selection effect in Poland. In spite of this, the fund maintained its superior performance vs. the benchmark both YTD and over the longer term. Sector-wise, Financials (+0.6pp), Utilities (+0.4pp) and Industrials (+0.4pp) made the highest contribution to the portfolio return, while Health Care (-0.2pp) and Communication Services (-0.1pp) were the biggest drags. The currency effect was positive, as PLN (+1.6%), CZK (+1.0%) and HUF (+0.5%) appreciated vs. the euro.

The benchmark index received a major boost from Polish and Greek equities, which were the star performers in April. The main Polish index WIG20 advanced 5.2% amid high appreciation of the local bank stocks (WIG-banks +8.1%) and utilities (WIG-energy +32.2%). The rally of the former was powered by solid Q1 results and benign FX-loan ruling of the European Court of Justice, whereas utilities surged as a result of the government's carve out plan for the coal assets. Despite the positive news, we continue to avoid both sectors in Poland due to the high uncertainty and political risks, as most of the details remain unknown. Instead, we decided to take advantage of the price correction in the video games industry by adding Ten Square Games to our portfolio.

Czech equities gained 0.9%, led by the utility company CEZ, which was up 9%. At the same time Hungarian BUX disappointed, falling 2.6% amid poor performance from the Oil&Gas company MOL (-7.4%), which suffered due to corporate governance issues. Shares of the healthcare company Richter Gedeon also weighed on the index performance, falling 5.9%.

Baltic equity indices recorded solid gains during the month and Estonian OMX Tallinn extended further its lead, rising 7.7%.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 10,61 M
NAV/share	EUR 0,9887
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 150%
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	1,88%	3,58%
1 year	27,15%	14,91%
Year to Date	8,46%	0,60%
Since Launch (annualized)	-0,08%	-6,50%

Fund Performance

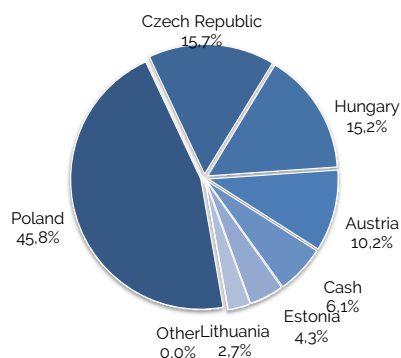


Annual Performance

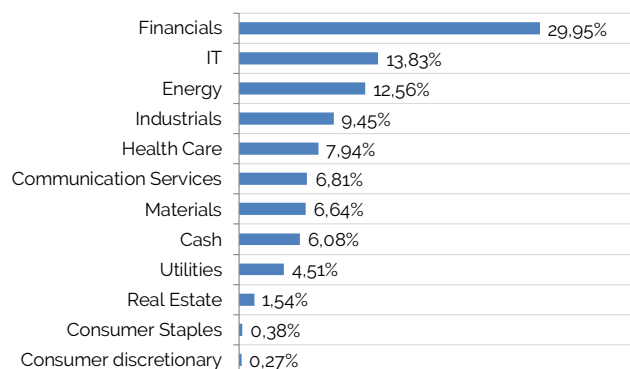
	Fund	Benchmark
2020	-9,35%	-19,20%
2019	11,31%	6,91%
2018	-14,09%	-20,91%
2017	20,96%	22,39%
2016	7,26%	-1,29%
2015	-2,27%	-22,13%
2014	-16,68%	-22,13%
2013	3,47%	2,24%
2012	17,55%	-16,81%
2011	-23,26%	34,08%
2010	21,98%	-29,75%
2009	2,85%	16,29%
2008	-15,88%	51,49%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

LIVECHAT SOFTWARE SA
(Poland), Information
Technology

CEZ AS (Czech Republic),
Utilities

MONETA MONEY BANK (Czech
Republic), Financials

RICHTER GEDEON NYRT
(Hungary), Health Care

POLSKIE GORNICTWO
NAFTOWE I GAZOWNICTWO
SPOLKA AKC (Poland), Energy