

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.



28 February 2021

Fund Manager's Comment

Against the backdrop of higher volatility, global equities finished February with modest gains. Expectations for high fiscal stimulus in the USA, FED's vow for sustained low interest rates and further progress with the vaccination campaign were the main supportive factors. In the second half of the month however, stock prices fell amid rising inflation concerns and surging bond yields. Still, global developed markets (MSCI World) closed the month with a gain of 2.54% (in EUR), while emerging markets (MSCI EM) lagged behind, advancing by 0.82% in EUR. CEE equities, as measured by MSCI EFM Europe + CIS ex RU, underperformed, falling 0.95% amid softer performance of Polish large-caps. In contrast, the fund's unit value advanced by 2.19%, beating the benchmark by 314bps. Among the main reasons for the positive excess return was the strong selection effect in Poland and the solid contribution of the IT sector (+73bps). The currency fluctuations had a negative impact on our return, as the Czech koruna and the Hungarian forint depreciated by 0.46% and 1.3% vs. the euro, while the Polish zloty was up by 0.1%.

Polish WIG20 once again disappointed, falling by 2.1% in February as Allegro and CD Projekt, which are among the largest constituents in the index, suffered double-digit losses. At the same time, financials posted solid gains (+7.5% for WIG-Banks), driven by expectations for a quick resolving of the CHF mortgage saga and solid quarterly results, marked by low loan loss provisions. In contrast to WIG20, mid- and small-caps extended their good run, which had a positive impact on the fund's return.

In the Czech Republic, the PX index surged 4.0%, ranking among the leaders in CEE. It was mainly boosted by the financial stocks, which posted solid gains, led by Moneta Money Bank, whose shares soared 8.2% after a strong Q4 beat. Among the main index constituents only Avast finished the month in red, down by 0.3% in EUR.

Hungarian BUX index posted a slight appreciation of 0.6%, as the main stocks recorded only small changes during the month. At the same time, the "off-benchmark" stock of the low cost carrier Wizz Air, which is a part of fund's portfolio, soared 21.6% as the surge in holiday bookings in the UK and the improved summer outlook became positive catalysts for the industry.

Meanwhile, Baltic indices showed mixed performance. The Estonian index OMX Tallinn increased by 1.2%, extending its lead over the other two indices from the Baltic region.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 10.27 M
NAV/share	EUR 0.956
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	2.19%	-0.95%
1 year	7.95%	-4.97%
Year to Date	4.87%	-1.30%
Since Launch (annualized)	-0.34%	-6.72%

Fund Performance

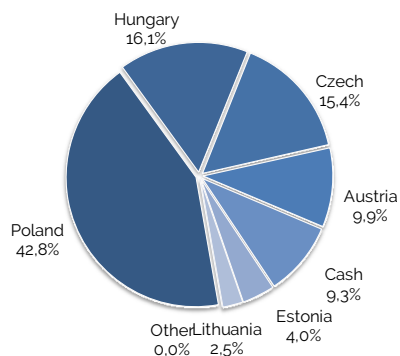


Annual Performance

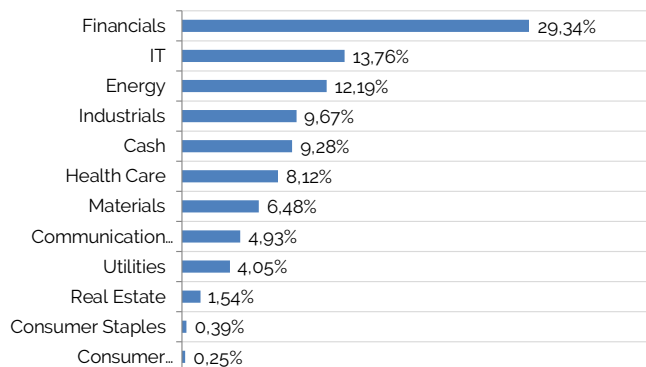
Year	Fund	Benchmark
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

LIVECHAT SOFTWARE SA (Poland), Information Technology	MONETA MONEY BANK (Czech), Financials	RICHTER GEDEON NYRT (Hungary), Health Care	CEZ AS (Czech), Utilities	KGHM POLSKA MIEDZ SA (Poland), Materials
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