

# 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.



31 January 2021

### Fund Manager's Comment

CEE equities started the year on a strong note, carrying over their momentum into the first weeks of 2021. However, the increased volatility on global markets spoiled the rally and thereby MSCI EFM Europe + CIS ex RU ended the month in red, down by 0.36% in EUR terms. Falling by 0.35% in EUR, global developed markets (as measured by MSCI World) delivered a similar return, while emerging markets (MSCI EM) continued to outperform, gaining 3.7%. Led by solid contribution from Financials, Healthcare, and Energy, our fund's unit value advanced by 2.62% in January, beating the benchmark by 298bps. The appreciation of the Polish zloty (+0.84%), Czech koruna (+0.71%) and Hungarian forint (+1.48%) vs. the euro also served as a tailwind for the fund's return.

The fund benefited from a positive selection effect in Poland. The highest contribution came from our top position - Livechat Software (+0.5pp), followed by Kruk (+0.4pp), which is our most preferred position among Polish financials. Meanwhile, the local benchmark index - WIG20 fell 1.8%, as some of the largest constituents disappointed. The largest loser among them was Allegro, whose shares plummeted 13.2% amid renewed worries over the potential expansion of Amazon in Poland. January was marked by another successful IPO, as the Polish parcel-locker company InPost raised EUR 2.8bn. This made its IPO the largest one in Europe since 2018. Offering exposure to the high-growth e-commerce market, the company attracted huge investors' interest, which led to a large oversubscription of the IPO.

Czech PX index was down by 1.0%. Among our positions, the stock of Moneta Money Bank saw the highest increase (+7.4%), which came as a result of the announcement of a voluntary bid by PPF for up to 20% of its shares for CZK 80/share. In addition to that, PPF has invited Moneta to negotiations concerning the acquisition of Air Bank and other companies from PPF group. On the other extreme were the shares of Avast, which fell 11.1% (in EUR).

Hungarian index BUX fared relatively better, appreciating by 3.3%. It was mainly boosted by the pharmaceutical company Richter Gedeon, whose shares soared 11.9%. The other two main index constituents - OTP Bank (+1%) and MOL (+1.4%) also finished the month in black. Shares of low-cost air carrier Wizz Air witnessed higher volatility amid lower visibility for the traffic in the forthcoming months and retreated 4.3%. Baltic indices continued to outperform, led by Estonia and Lithuania, whose main indices appreciated by 6.9% and 5.6%

### Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 10.04 M
NAV/share	EUR 0.9355
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	2.62%	-0.36%
1 year	-4.53%	-17.08%
Year to Date	2.62%	-0.36%
Since Launch (annualized)	-0.50%	-6.69%

### Fund Performance

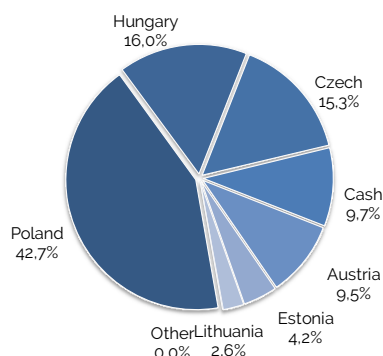


### Annual Performance

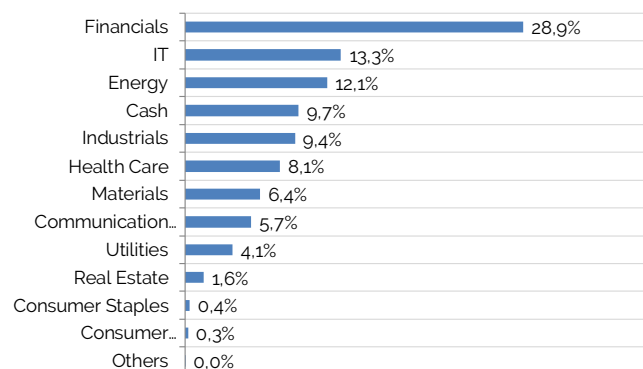
	Fund	Benchmark
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest Holdings

LIVECHAT SOFTWARE SA (Poland), Information Technology	MONETA MONEY BANK (Czech), Financials	RICHTER GEDEON NYRT (Hungary), Health Care	CEZ AS (Czech), Utilities	MOL HUNGARIAN OIL AND GAS PL (Hungary), Energy
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