

## 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

Fueled by a very successful earnings season and rising optimism over the economic recovery, CEE equities outperformed massively in May. GDP data for Q1'21 was surprisingly strong, especially in Poland, where domestic demand returned to positive growth, triggering upward revisions to the 2021E GDP growth forecasts. Against this backdrop the benchmark index -- surged 7.9% in EUR terms, outpacing global markets (MSCI ACWI), which retreated by 0.2% (in EUR) on inflation fears. The fund's unit value also benefited from the upbeat market sentiment, delivering on-par return with the benchmark index (+7.9%). The appreciation was driven largely by Financials, which added 5.0pp to the fund's monthly return, amid rising expectations for interest rates hikes and remarkable Q1 results, marked by lower than expected provision charges. Macro environment for the refiners continued to improve, leading to high contribution also of the Energy sector (+1.7pp), while the IT companies in our portfolio continued to drift sideways, making a negative contribution of -0.2pp. The inflation spike in the region led to a hawkish shift in Central Banks' rhetoric, which impacted positively not only the Financials, but also the local currencies. The Hungarian forint appreciated the most vs. the euro (+3.7%), as the Central Bank announced that the first rate hike might happen as early as June. PLN (+1.8%) and CZK (+1.7%) also gained vs. the euro.

Polish large-caps from WIG20 were among the top-performers in the region. The index was boosted by the banks, refiners and consumer discretionary and staples stocks, advancing by 9.6%. Apart from the solid Q1'21 delivery, the rally was spurred by the announcement of a new economic program ("Polish Deal") by the government, aimed at supporting the consumption of low-income earners.

In Czechia, the PX index was also driven by the Financials, led by Komerční Bank and Erste Bank, which gained 17.8% and 14.6% respectively. Shares of the utility company CEZ continued their positive momentum, rising by 4.4%. The company announced a new ESG strategy, with targets for 2025E and 2030E. In addition to that, the Board of Directors approved a dividend proposal of CZK 52 per share (c. 8.4% yield).

Market dynamics in Hungary were similar. The BUX Index was up 7.4%. The top-performer was OTP Bank, which gained 15.9%, as the CEO guided for adj. ROE of 18-20%, which is way ahead of the market expectations. Meanwhile, in the Baltics, the OMX Tallinn rally took breather, as the index remained barely unchanged, while the main Lithuanian index advanced 6.2%.

### Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 11.44 M
NAV/share	EUR 1,0667
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	7.89%	7.89%
1 year	31.69%	17.84%
Year to Date	17.01%	8.53%
Since Launch (annualized)	0.48%	-5.94%

### Fund Performance

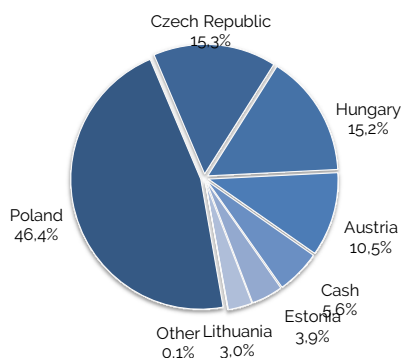


### Annual Performance

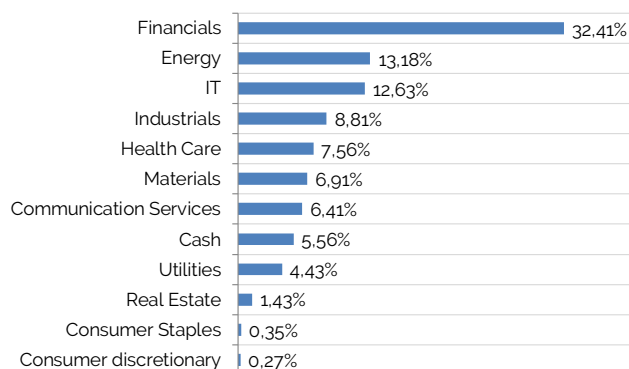
	Fund	Benchmark
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest Holdings

LIVECHAT SOFTWARE SA (Poland), Information Technology	CEZ AS (Czech Republic), Utilities	BANK PEKAO SA (Poland), Financials	MONETA MONEY BANK (Czech Republic), Financials	KRUK S.A. (Poland), Financials
---	------------------------------------	------------------------------------	--	--------------------------------