

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

Global risk factors continued to pile up in September, which brought more volatility to the equity markets. Mounting concerns about the financial stability of the Chinese real estate sector, global supply disruptions, as well as rising inflation weighed the most on sentiment. As a result, global Developed Markets (MSCI World) and Emerging Markets (MSCI EM) erased 2.5% of their value (in EUR). The region of CEE, as measured by MSCI EFM Europe + CIS ex RU, underperformed slightly, down by 3.3% (in EUR). Against this backdrop, the fund's unit value depreciated by 1.0% (234bps above the benchmark), making up to some extent for the relative underperformance in the prior month. The stronger performance was due to the overweight in the Energy sector, which gained the most (+0.8pp to the fund's return), as well as the tilt toward Central European banks (Erste and Raiffeisen Bank). The lack of exposure to Turkey and Greece also had a positive impact, as both markets ranked among the losers. Local currencies affected negatively the fund's return as the Polish zloty and the Hungarian forint depreciated 1.9% and 2.9% vs. the euro, as the Hungarian CB carried out a smaller than expected rate hike (15bps), while the National Bank of Poland refrained from monetary policy tightening. In contrast, the Czech National Bank surprised the markets, raising the main rate by 75bps, leading to a relative outperformance of the Czech koruna, which gained 0.3% vs. the euro.

With a monthly loss of 2.4%, the Polish WIG20 ranked among the laggards in the region. Sector-wise, shares of the Oil&Gas companies and coal miners advanced the most on soaring energy prices. On the other extreme was the utility sector which depreciated the most. E-commerce stocks disappointed as well amid concerns related to increased competition. We decided to open a new position by adding the discount retailer Pepco Group to our portfolio. Besides the attractive price, our main rationale were its solid business model, competitive advantages and ambitious expansion plans.

Czech equities (PX) gained 3.2%, bolstered by banking stocks and the utility company CEZ, which continued to benefit from soaring electricity prices. Amid smaller index constituents, the gunmaker CZG continued its upward trend, advancing 25.2% on solid earnings.

The Hungarian BUX also closed September in the black, up 1.7%. Similar to global indices, the top performer among the large-caps was the energy company MOL (+6.6%). In the Baltics, the OMX Tallinn slid 3.4%, whereas the OMX Vilnius tumbled 7.0%, driven by Ignitis Grupe, which plummeted 17.9% on risks regarding the upcoming regulatory period (2022-26) for power distribution.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 12.12 M
NAV/share	EUR 1.1251
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	-0.97%	-3.31%
1 year	42.44%	33.34%
Year to Date	23.42%	13.50%
Since Launch (annualized)	0.85%	-5.49%

Fund Performance 10Y

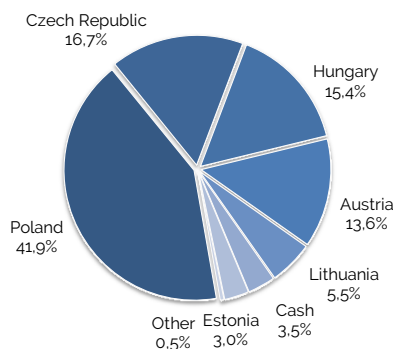


Annual Performance

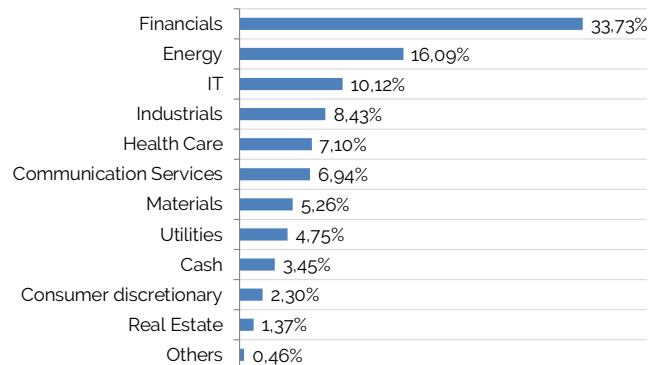
Year	Fund	Benchmark
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	2.24%
2013	3.47%	-16.81%
2012	17.55%	34.08%
2011	-23.26%	-29.75%
2010	21.98%	16.29%
2009	2.85%	51.49%
2008	-15.88%	-56.45%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

CEZ AS (Czech Republic), Utilities	LIVECHAT SOFTWARE SA (Poland), Information Technology	MONETA MONEY BANK (Czech Republic), Financials	KOMERCNI BANKA (Czech Republic), Financials	BANK PEKAO SA, Poland, Financials
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