

ADVANCE EMERGING EUROPE OPPORTUNITIES

Investment Objective

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



This is marketing material

30 April 2022

Fund Manager's Comment

Financial market volatility spiked in April amid negative economic surprises, prospects of more aggressive tightening from Fed, high inflation and lockdowns in China. As a result, sentiment towards the CEE region also deteriorated, with MSCI EFM Europe + CIS ex RU falling 3.8% (in EUR). The fund's unit value underperformed slightly, declining by 5.4%, which was solely due to the geographical differences (i.e. the absence of Turkey in the fund), as the selection effect was strongly positive. MSCI ACWI lost 3.1% (in EUR), as US stocks underperformed, matching DM Europe in terms of YTD loss. Higher risk aversion affected also the CEE currencies, which weakened vs. the euro despite the hawkishness of the central banks. Polish zloty and Czech koruna depreciated by 0.6% and 0.8%, respectively, whereas the Hungarian forint tumbled by 2.9% amid uncertainty with regards to the release of EU recovery funds, stemming from potential EC sanctions.

Utilities and Oil & Gas companies aside, the majority of Polish stocks closed April in the red. Banks were once again the biggest laggards, with a monthly loss of 15.4%. The low exposure of the fund towards Polish banks thus had a positive impact on performance. Soaring inflation put pressure on Consumer Staples and Discretionary stocks, which also ranked among the biggest losers. Gaming companies disappointed as well. Cancelled and postponed plans weighed heavily on the shares of CD Projekt, while the results of Ten Square Games remained below expectations, reinforcing the downtrend in the stock. Meanwhile, the Q4'21 results of Inter Cars (distributor of car parts) were in line with the preliminary figures that were exceptionally strong. In addition to that, the CEO announced that sales growth is set to accelerate in the coming months (well above market expectations). As a result, we decided to boost our position.

Our Czech positions outperformed the local benchmark index PX, which erased 2.5% of its value. The solid result was largely driven by the utility company CEZ – our top position, and Moneta Money Bank, whose shares soared by 8.1% and 5.5%, respectively. The active approach in Hungary also impacted positively our performance. The low-cost carrier Wizz Air – an off-benchmark position – became the biggest contributor, with MoM return of 9.8%. At the same time, we benefited from reducing our position in OTP Bank in the prior month, as the stock plunged 11.1%.

In Austria - Financials disappointed due to the macro uncertainty, which was partly compensated by an increase in the share price of OMV (+13.2%), which is benefiting from a strong petrochemicals demand and diesel shortages. Baltic shares had a neutral impact on the fund's result.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, CFA, Konstantin Prodanov
Fund size	EUR 11.31 M
NAV/share	EUR 0.9841
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

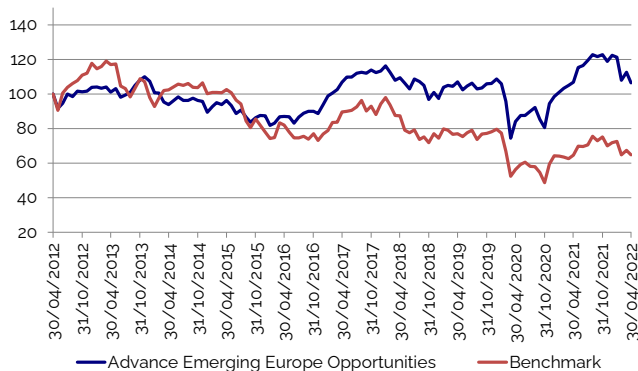
Fund Identifiers

ISIN	BG0000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

Fund Results

	Fund	Benchmark
1 month	-5.41%	-3.80%
1 year	-0.47%	0.08%
Year to Date	-13.03%	-9.88%
Since Launch (annualized)	-0.11%	-6.06%

Fund Performance 10Y

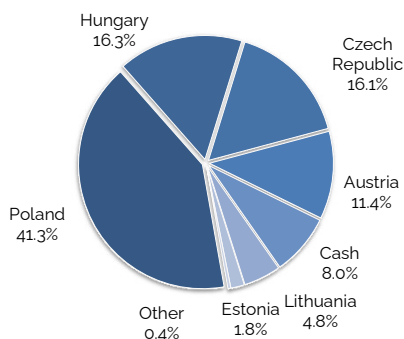


Annual Performance

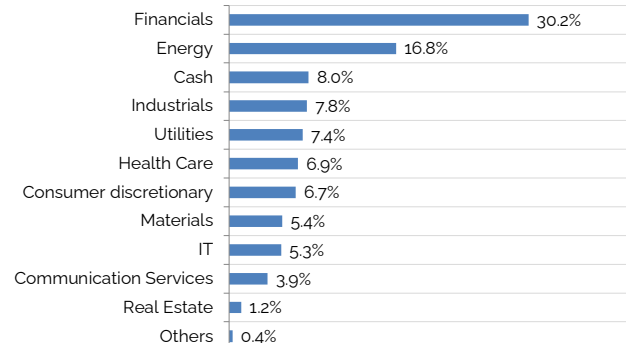
Year	Fund	Benchmark
2021	24.13%	11.71%
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	2.24%
2013	3.47%	-16.81%
2012	17.55%	34.08%
2011	-23.26%	-29.75%
2010	21.98%	16.29%
2009	2.85%	51.49%
2008	-15.88%	-56.45%

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

CEZ AS, Czech Republic, Utilities	MONETA MONEY BANK, Czech Republic, Financials	MOL HUNGARIAN OIL AND GAS PL, Hungary, Energy	ERSTE GROUP BANK AG, Austria, Financials	RICHTER GEDEON NYRT, Hungary, Health Care
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