

ADVANCE EMERGING EUROPE OPPORTUNITIES



*This is marketing material

Investment Objective

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

30 April 2024

Fund Manager's Comment

In a challenging month for global risk assets, the CEE region emerged as the top-performing region in April, up by 12.9% in EUR YTD, measured by MSCI EFM Europe + CIS ex RU. Local equities notably eclipsed their global counterparts (MSCI ACWI -2.5% in EUR in April), driven by a broad-based rally in Emerging Europe. Turkish equities soared 11.6% in EUR, contributing the most to the regional benchmark index. The positive shift in sentiment towards the market, accelerated by the outcome of the local elections at the end of March and the ongoing reforms, led to improvement in foreign fund inflows. Central European equities also performed strongly, with the fund's unit value advancing 2.3%. In line with the improving macro dynamics, the IMF revised upwards its 2024 GDP projections for Poland and Hungary (to +3.1% and +2.2% YoY, respectively), while the Czech GDP growth forecast was trimmed to +0.7% YoY. Moreover, the Q1 earnings season in the region started off promisingly. Banks, as expected, continued to deliver strongly, with the majority surprising positively on the bottom line. Financials within the portfolio were among the top-performers in April, except for Slovenian NLB Bank (-5.5%), where the rally took a breather. Materials saw the most significant return within the fund, led by the industrial company Grupa Kety (+11%). IT and Real Estate were the only sectors in the red.

Polish equities were mixed, but the main index, WIG20, still managed to advance by 1.7%. However, the Polish zloty declined by 0.6% against the euro, which had a negative impact on the fund's return. The depreciation was influenced by expectations of delays in Fed rate cuts, as well as increasing geopolitical risks in the Middle East.

Hungarian equities experienced the most significant increase among the portfolio positions, with an average gain of 5.8%, as compared to +5% (in EUR) for the BUX index. Blue chips like OTP Bank (+8.3%) and Magyar Telekom (+8.3%) led the rally, while smaller index constituents like ANY Security Printing (+7.6%) also made notable contributions to our return. Market sentiments towards ANY continued to improve, bolstered by positive developments in the export markets.

Our Czech positions were in the green as well, with the main PX index, up by 2.2%. Within the banking industry, which is a cornerstone for the index, core business trends have remained largely unchanged in the latest quarter, as reported by the banks. Deposit costs remain elevated due to the intense competition, while net interest income stayed flat YoY in Q1. Notably, Moneta surprised us with higher-than-anticipated fee income (+20% YoY), whereas the results of Komerční and Erste Bank were impacted by higher-than-expected risk costs.

Notwithstanding the recent solid run, in our assessment, CEE equities still have ample room for further increase. The rise so far was primarily fueled by substantial earnings growth. Consequently, valuations in all of the key markets remain below their 5-year average. Catalysts such as the pending EU funds inflows, friend-shoring trends, improving rule of law in Poland, and potential de-escalation in Ukraine are poised, in our opinion, to catalyze a more substantial re-rating going forward.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, CFA, Konstantin Prodanov
Fund size	EUR 18.87 M
NAV/share	EUR 1.2827
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 0.9%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

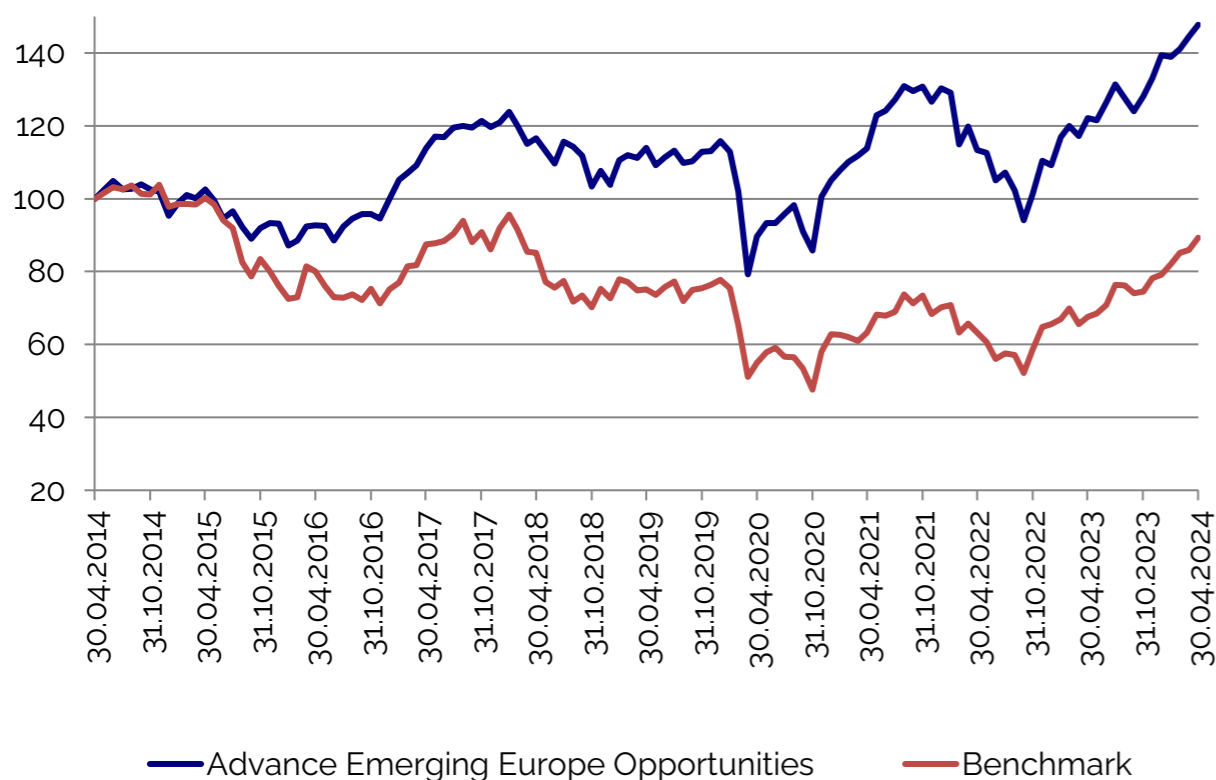
Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

Fund Results

	Fund	Benchmark
1 month	2.28%	3.92%
1 year	20.96%	32.02%
Year to Date	5.99%	12.86%
Since Launch (annualized)	1.53%	-3.34%

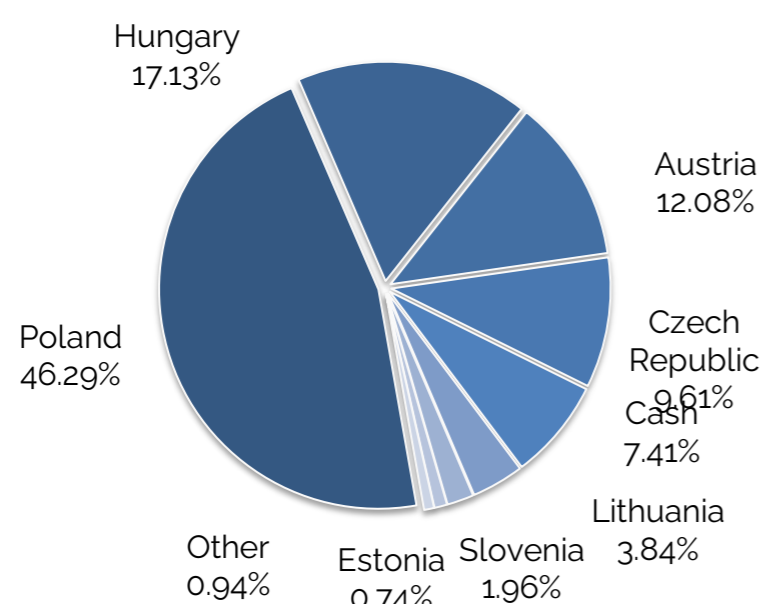
Fund Performance 10Y



Annual Performance

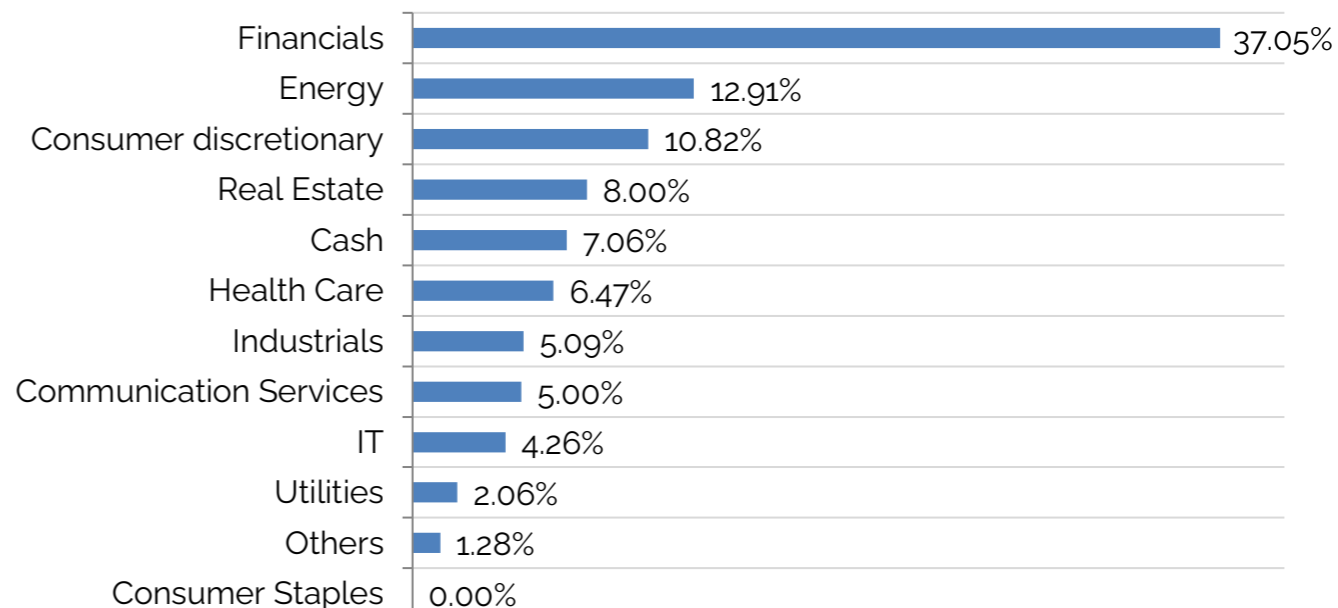
Year	Fund	Benchmark
2023	27.62%	20.55%
2022	-16.20%	-6.49%
2021	24.13%	11.71%
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	2.24%
2013	3.47%	-16.81%
2012	17.55%	34.08%
2011	-23.26%	-29.75%
2010	21.98%	16.29%
2009	2.85%	51.49%
2008	-15.88%	-56.45%

Market Breakdown



Portfolio Breakdown

Sector Breakdown



5 Largest Holdings

ERSTE GROUP BANK AG, Austria, Financials	BANK PEKAO SA / PZU, Poland, Financials	KOMERCNI BANKA, Czech Republic, Financials	ORLEN, Poland, Energy	LPP SA, Poland, Consumer discretionary
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