

# 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 July 2019

### Fund Manager's Comment

Pending the monetary policy decisions from the Fed and ECB, investors remained cautiously optimistic in July. Softer economic data in Europe and Asia did not derail sentiments, as investors became optimistic on the prospects of interest rate cuts and hopes for progress in the trade talks between USA and China. Weaker performance of Asian stock markets led to relative underperformance of emerging markets. Compared to global emerging markets, CEE recorded better performance, with MSCI EFM Europe + CIS ex RU Index rising by 1.91%. It was bolstered by Turkey and Greece, which extended their solid runs.

Poland, which pulls the highest weight both in MSCI EFM Europe + CIS ex RU, as well as in our portfolio, was an underperformer in July. The main index - WIG20 - fell 2.2% and thereby erased YTD gains. It was negatively affected by the banking and utility stocks. Among local banks, those with higher CHF mortgage exposure plunged the most due to concerns of huge costs for the sector. At the same time, Oil & Gas companies enjoyed solid gains and were among the best-performing stocks in WIG20. With no exposure to FX-exposed banks and utilities, our positions outperformed the local benchmark index. Shares of the wood-based panels manufacturer Pfeleiderer (PFLP) surged by solid 41.9% in July on a bid from its biggest shareholder. Thereby, the latter became the highest positive contributor to the fund's performance. Polish zloty, as well as the Czech koruna and Hungarian forint came under some pressure in July, depreciating by c. 1.0% against the euro.

Czech PX Index fared better vs. WIG20 and appreciated by 1.4%. Shares of Avast PLC (AVST) and Central European Media Enterprises (CETV) surged more than 10%, boosting the fund's performance. CETV posted very solid Q2 results in July, marked by a large improvement in profitability and a significant debt reduction, raising hopes for higher dividend payments or share repurchases.

Hungarian equities were mixed. The largest index constituent - OTP Bank - gained 8.8%. This was offset to some extent by decline in Oil & Gas company MOL (-4.8% in July). As in the previous month, the fund benefited from its investment in Wizz Air, as its stock advanced by 3.7%. Lithuania was the best-performing market within the portfolio, with OMX VILSE surging 4.3%. Meanwhile, Estonian OMX TALSE extended its positive run adding 1.0%. The fund maintained its superior performance vs. the benchmark both YTD and over the longer term.

### Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 4.28 M
NAV/share	EUR 0.9826
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 150%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

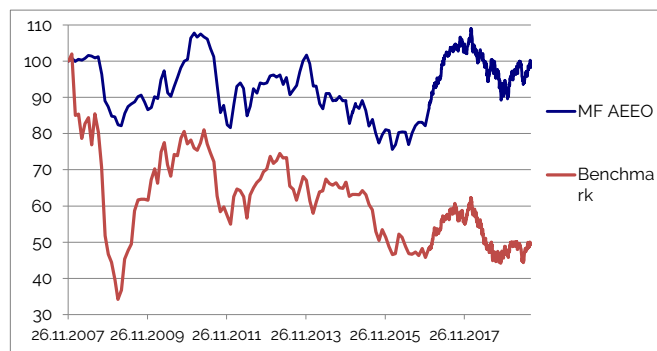
### Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

### Fund Results

	Fund	Benchmark
1 month	1.58%	1.91%
1 year	-2.19%	-0.30%
Year to Date	9.02%	6.22%
Since Launch (annualized)	-0.15%	-5.84%

### Fund Performance

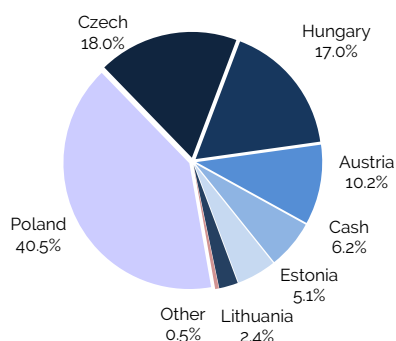


### Annual Performance

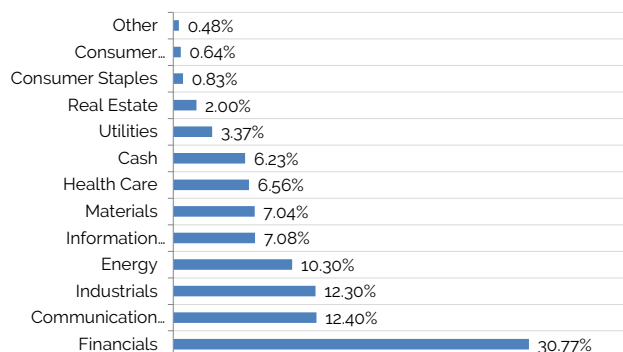
Year	Fund	Benchmark
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest Holdings

CD PROJEKT SA (Poland), Communication Services	AVAST PLC ORD (Czech), Information Technology	OTP BANK (Hungary), Financials	WIZZ AIR HOLDINGS PLC, (United Kingdom), Industrial	KOMERCNI BANKA (Czech), Financials
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