

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.



30 June 2019

Fund Manager's Comment

After the poor performance in May, global equity markets managed to recover to a large extent in June. The gains were triggered by speeches by Federal Reserve Chairman Jerome Powell and ECB President Mario Draghi, which calmed investors and raised hopes for a cut in interest rates. Expectations for progress in the negotiations between the US and China after the G20 summit in Osaka also had a positive effect on the markets. Against this background, Central European markets recorded softer growth rates vs. other regions, with MSCI EFM Europe + CIS ex RU Index rising by 3.03%.

Rising by 3.9%, Poland's main index WIG20 returned to positive territory in June with a YTD return of 2.2%. The appreciation was driven largely by the financial sector, which is with highest weight in the index. The telecom sector, which has long been out of investors' radar, recorded the highest growth in June, skyrocketing by 21.3%. The main reason for the latter was the news that mobile-phone operators are starting to lift their tariffs. This was interpreted by investors as a sign of ending price wars between telecoms. The low valuation metrics of the state-owned utility companies have also woken up the interest of market participants. Due to the high political risks around them, however, they remain out of our focus for now.

Shares of Polish video game producer - CD Projekt (CDR) - hit a new all-time high in early June with the announcement of the release date for Cyberpunk 2077, which is currently one of the most anticipated video games in the world. The stock remains with highest weight in the fund as we believe the company has very good potential, while its valuation still remains attractive.

At the same time, the Czech PX Index and the Hungarian BUX Index declined by 0.2% and 1.5%, respectively. Investments in shares with lower weight in the main index or fall outside of it (such as Wizz Air and Central European Media Enterprises (CETV)) have led to a better performance of our positions as compared to the local benchmarks. The Baltic markets were mixed - Estonia rose 1.2% and Lithuania lost 1.7% of its market value.

The fund maintained its superior performance vs. the benchmark both YTD and over the longer term.

Fund Facts

Fund type	open-end
Fund Manager	Nadia Nedelcheva, CFA
Fund size	EUR 3.85 M
NAV/share	EUR 0.9673
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

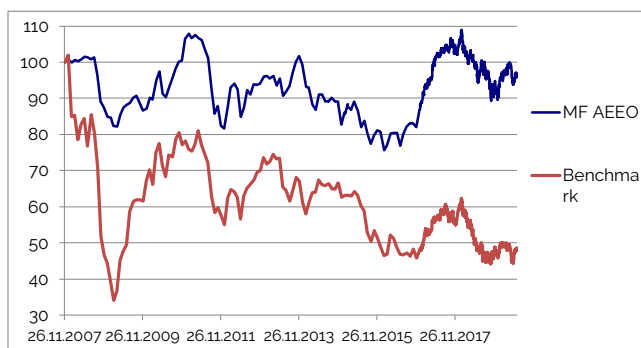
Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

Fund Results

	Fund	Benchmark
1 month	2.09%	3.03%
1 year	1.59%	0.20%
Year to Date	7.32%	4.23%
Since Launch (annualized)	-0.29%	-6.03%

Fund Performance

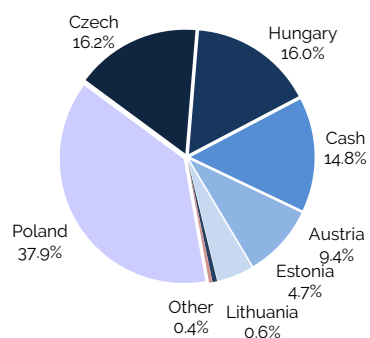


Annual Performance

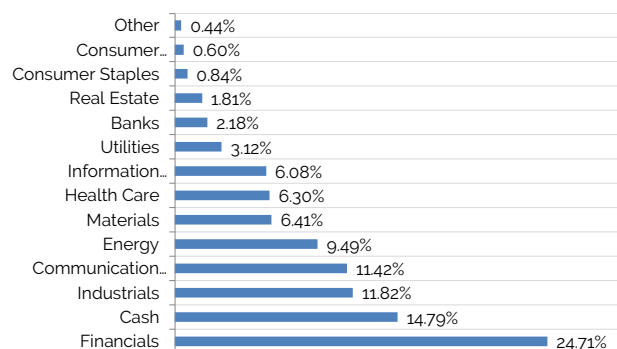
Year	Fund	Benchmark
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

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

MOL HUNGARIAN OIL AND GAS
PL (Hungary), Energy