

# 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 November 2019

### Fund Manager's Comment

November was another strong month for global equities with all three main US stock indices hitting new all-time highs in the absence of further escalation in trade disputes and respectively increasing optimism about the prospects for a Sino-US trade deal. At the same time, the bulk of Q3 corporate earnings exceeded market expectations, although net profit growth remained flat YOY for most of the S&P 500 constituents. Reduced fears of a near-term recession also contributed to the positive performance of US stocks, with MSCI North America surging by 4.7% MoM (in EUR terms). Increasing by 2.5%, European equities (MSCI Europe) had a slightly less spectacular performance. In November, MSCI Emerging markets lagged behind global developed markets and added just 1.0%. Rebounding from the sharp fall in the previous month, Turkish ISE30 index soared 8.9% in EUR terms and became the best performer in our coverage universe. Buoyed by the Turkish rally, CEE region (MSCI EFM EUROPE + CIS ex RU) outperformed the global EM, advancing by 1.3% in EUR terms. The fund's unit value increased by 0.12% in November. The absence of Turkey, which is not part of the portfolio's strategy, was the main reason for this month's underperformance vs. the benchmark. YTD and over the longer term, however, the fund maintains its superior performance.

November started positively for the Polish equities, with all blue-chip financials posting solid Q3 results. The optimistic mood, however, soon faded and WIG20 finished the month in red, falling by 1.6% in PLN terms. Shares of the largest index constituent – PKN Orlen – were among the worst-performers, plunging by 11% on expectations for weakening refining margins. In the last days of month, Poland's Supreme Court ruling in Bank BPH case triggered panic in the market, which sent zloty and banking stocks lower, as it appeared more likely that the lenders could be exposed to the worst-case scenario where not only indexed mortgages are exposed to legal risks, but also denominated loans.

With the exception of Poland, all other markets in portfolio recorded a positive performance. Czech PX index posted a solid gain of 2.8% in LCU. Overall, the fund's Czech positions performed strongly, with Avast PLC (AVST) (+9.8% MoM in LCU) and Moneta Money Bank (MONET) (+5.6% MoM) contributing the most to the portfolio's return.

In Hungary Richter Gedeon (GDRB) and OTP Bank (OTPB) saw its shares rising 6.5% and 5.3%, respectively. Among the Baltic equity indices, Latvian OMX Riga gained 2.5%, while Lithuanian and Estonian indices increased respectively by 1.0% and 1.4%.

### Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, Konstantin Prodanov
Fund size	EUR 10.58 M
NAV/share	EUR 0.9815
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

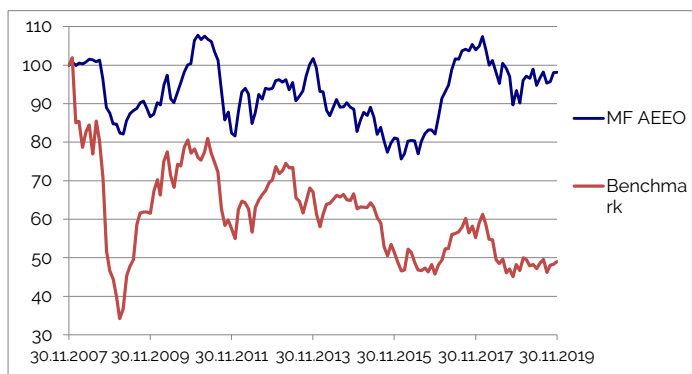
### Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

### Fund Results

	Fund	Benchmark
1 month	0.12%	1.33%
1 year	5.06%	1.50%
Year to Date	8.90%	5.05%
Since Launch (annualized)	-0.16%	-5.77%

### Fund Performance

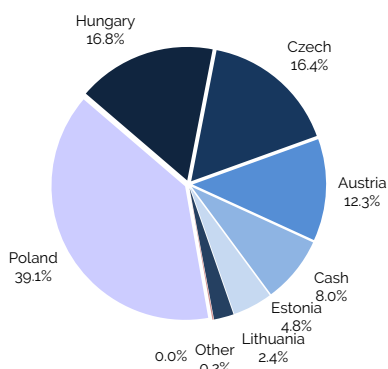


### Annual Performance

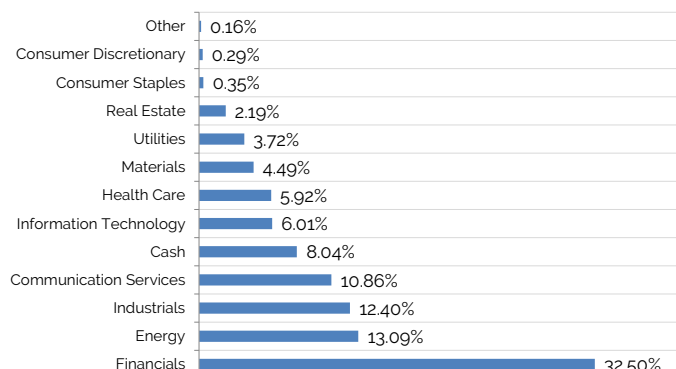
	Fund	Benchmark
2018	-14.09%	-20.91%
2017	20.96%	22.39%
2016	7.26%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	-22.13%
2013	3.47%	2.24%
2012	17.55%	-16.81%
2011	-23.26%	34.08%
2010	21.98%	-29.75%
2009	2.85%	16.29%
2008	-15.88%	51.49%

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### 5 Largest Holdings

CD PROJEKT SA (Poland),  
Communication Services

WIZZ AIR HOLDINGS PLC (Great  
Britain), Industrials

MOL HUNGARIAN OIL AND GAS  
PL (Hungary), Energy

CEZ AS (Czech), Utilities

MONETA MONEY BANK (Czech),  
Financials