

ADVANCE EASTERN EUROPE class A

Investment Objective

The goal of the fund is to ensure high investment results in the long-term by investing in Eastern European equities in 7 regional markets.



*This is marketing material

31 January 2025

Fund Manager's Comment

Global equities had a strong start to the year despite experiencing heightened volatility and market turbulence over the past month. Factors contributing to this included a sharp rise in long-term interest rates, political uncertainty surrounding the new U.S. administration's foreign trade policy, and challenges to U.S. dominance in AI from the Chinese model DeepSeek. The MSCI World index rose by 3.1% in euro terms, with European stocks (+6.4%) outperforming North American stocks (+2.6%). Emerging markets lagged behind, posting a 1.3% gain. In this context, the regional MSCI EFM Europe + CIS index stood out with a 7.1% increase, driven by the particularly strong performance of the Polish market, which had underperformed in the second half of last year.

The Greek ASE index rose by 5.4%, with banks once again leading the rally (+9.8%). Other cyclical sectors, such as materials, industrials, and consumer discretionary, also posted strong positive returns. On the corporate front, banks began implementing M&A strategies focused on fee and commission-based businesses. Alpha Bank announced the acquisition of a factoring company, while Piraeus Bank is considering several potential investments in asset management and insurance.

The Turkish BIST 100 index increased by 1.7% in local currency, led by the industrial sector, particularly defense stocks and airlines. The Turkish lira weakened by 1.1% and 1.2% against the U.S. dollar and the euro, respectively. Foreign investors maintained strong interest in Turkish bonds, which saw a net inflow of USD 1.6 billion, while Turkish equities attracted a net inflow of only USD 197 million. On the macroeconomic front, the TCMB proceeded with its second consecutive policy rate cut of 250 basis points, while slightly softening its tone regarding future monetary policy in its press release.

The Romanian BET index posted a monthly gain of 1.7%. Among key sectors, energy outperformed (+3.6%), primarily driven by rising natural gas prices in Europe, followed by utilities (+1.5%), while banks underperformed (+0.5%). Politically, the draft 2025 budget was adopted with a 7% deficit. S&P affirmed Romania's credit rating at BBB- (on the edge of investment grade) but downgraded its outlook to 'negative,' citing fiscal and external financing risks.

Class A fund shares rose by 2.5%. Greek holdings in the portfolio contributed the most to returns in January, while stock selection in Turkey and Romania had a slightly negative impact. Sector-wise, real estate and consumer discretionary performed best. Consumer stocks had the highest positive contribution to the monthly result, followed by technology, financials, and energy. Meanwhile, the healthcare and materials sectors saw slight declines.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 1.76 M
NAV/share	EUR 0.8169
Launch date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe&CIS
Currency of account	Euro
Subscription fee	up to 1.50%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none

Fund Identifiers

ISIN	BG9000016063
Bloomberg Code	ADVEAEU.BU
Reuters Lipper	65095316
Valor	3079269
WICN-German	AOMXVY

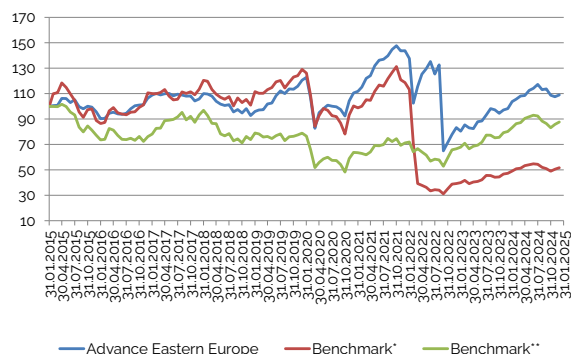
Past performance does not predict future returns.

Fund Results (31.01.2025)

	Fund	Benchmark*	Benchmark**
1 month	2.52%	7.09%	7.09%
1 year	7.69%	12.75%	12.75%
Year to Date	2.52%	7.09%	7.09%
Since Launch (annualized)	-1.10%	-5.99%	-1.52%

Fund Performance 10Y

Past performance does not predict future returns.



Annual Performance

Year	Fund	Benchmark*	Benchmark**
2024	11.08%	9.27%	9.27%
2023	20.64%		
2022(ИНДИКАТИВНО)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.68%	6.91%
2018	-12.25%	-10.96%	-20.91%
2017	-0.73%	2.66%	22.39%
2016	11.90%	24.40%	-1.29%
2015	-2.29%	-8.32%	-22.13%

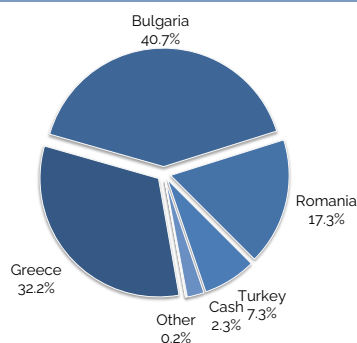
*Annual performance since 03.01.2023 when class A was started

Source: The calculated yield is based on net asset value per unit and does not include issuance and redemption costs, according to the Fund's Rules and Prospectus. *Benchmark information is based on official data from www.msci.com

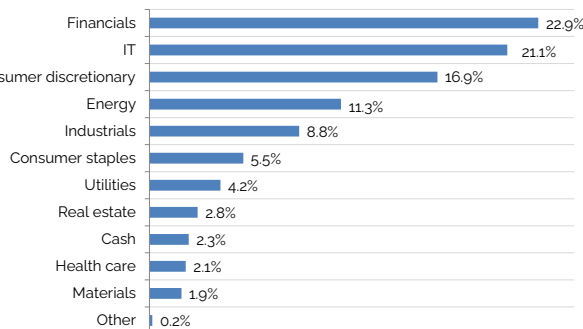
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

Portfolio Breakdown

Market Breakdown



Sector Breakdown



TOP 5 HOLDINGS

Shelly Group, Bulgaria, IT

JUMBO SA, Greece, Consumer discretionary

GREEK ORGANISATION OF FOOTBALL PROGNOSTICS SA, Greece, Consumer discretionary

Sirma Group, Bulgaria, IT

Eurobank Ergasias Services and Holdings SA, Greece, Financials

This is a marketing message. Please review the prospectus and key information document of the relevant fund before making an investment decision. The information is valid at the date of issue of the marketing material and may change in the future. The information provided does not constitute investment advice, advice, investment research or investment recommendation and should not be construed as such. The value of the Fund's units and the income from them may decline, profit is not guaranteed and investors bear the risk of not recovering their investment in full. Investments in funds are not guaranteed by a guarantee fund created by the state or by any other type of guarantee. Previous results of the activity have no connection with the future results of an investment company. Future results are subject to taxation depending on the personal circumstances of each investor and may change in future periods. The documents are available in Bulgarian on the website www.karollicapital.bg, and upon request they can be obtained free of charge in paper form at the office of the Management Company. The fund is actively managed and does not follow an index. A summary of shareholder rights is available at https://karollicapital.bg/uploads/2023/Prava_na_pritejatelite.pdf