

## 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

30 June 2025



### Fund Manager's Comment

Risk on sentiment prevailed on global markets in June. Despite a myriad of looming risks - the expiration of the trade truce, Trump's OBBBA and the ballooning budget deficit, rising geopolitical tensions, weakening macro data, etc. - US indices climbed the wall of worry to new ATH, as positioning recovered to neutral levels. MSCI World rose by 0.8% in euro terms, with North America (+1.5%) outperforming Europe (-1.4%). The weak USD acted as a tailwind for EM, with MSCI EM gaining 2.2%, while the regional MSCI EFM Europe + CIS added 3.2%, cementing its leading position at 15.0% YTD at the end of 1H25.

The Greek ASE index gained 2.0%, with financials in the lead again (+6.6%), followed by energy (+6.4%). Shares of Greek refineries rose on the back of a sharp increase in refining margins, amid the Israel-Iran conflict. The risk of supply disruptions of crude oil and petroleum products from the Persian Gulf pushed European diesel margins up by over 30% to a 14-month high, despite the concurrent rise in feedstock prices.

The Turkish market rebounded sharply at the end of the month in anticipation of a key court ruling on the legitimacy of the leadership of the main opposition party CHP. In the end, however, the euphoria appeared largely unwarranted, as the court postponed the hearing to September, merely prolonging the period of political uncertainty. The BIST 100 index posted a monthly gain of 10.3% in local currency (+4.8% in euro terms). The lira came under pressure, weakening by 5.2% against the euro and 1.5% against the USD. On the macroeconomic front, the central bank kept its key policy rate unchanged at 46%, citing potential future inflationary pressures stemming from the Middle East conflict. At the same time, with a ceasefire in place and energy prices stabilizing, the slowdown in annual inflation to 35% in May and June supports expectations of a rate-cutting cycle resuming in July.

Romania's BET index rose by 2.4%, with the market so far demonstrating a surprising resilience to the proposed fiscal consolidation measures. On the revenue side, the government plans to raise various tax rates (VAT, social security contributions, dividend tax, etc.), alongside a freeze on public sector wages and administrative downsizing. The pace and scale of this tightening will inevitably weigh on economic activity in the coming year. Bank stocks appear most vulnerable to the restrictive fiscal policy, facing both limited lending growth and an increased sector-specific turnover tax (from 2% to 4%).

Class A fund shares increased by 2.7%, as Bulgarian positions in the portfolio accounted for almost half of the return. Sector-wise, financials had the largest contribution to monthly performance, followed by tech and energy stocks, while industrials were a drag.

### Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 2.03 M
NAV/share	EUR 0.9497
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

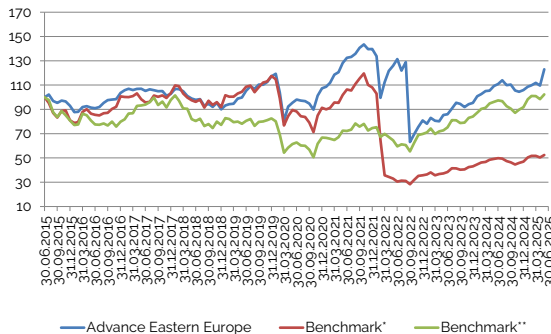
Past performance does not predict future returns.

### Fund Results (30.06.2025)

	Fund	Benchmark*	Benchmark**
1 month	2.68%	3.20%	3.20%
1 year	13.80%	8.41%	8.41%
Year to Date	19.19%	14.96%	14.96%
Since Launch (annualized)	-0.27%	-5.50%	-1.12%

### Fund Performance 10Y

Past performance does not predict future returns.



### Annual Performance

	Fund	Benchmark*	Benchmark**
2024	11.08%	9.27%	9.27%
2023	20.64%	20.55%	20.55%
2022(indicative)	-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%

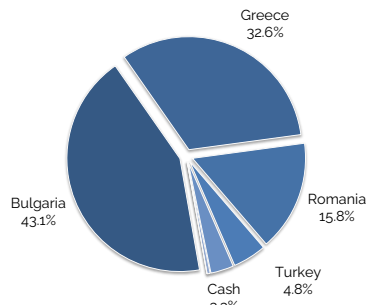
\*Annual performance since 03.01.2023 when class A was started

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

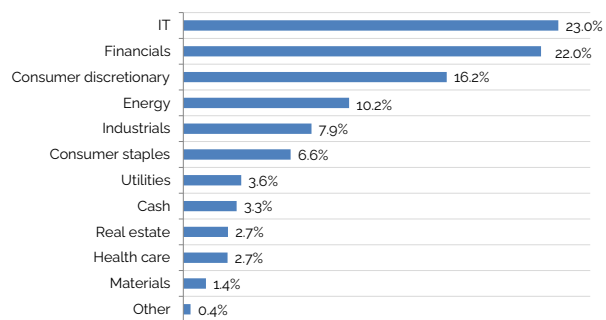
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

### Portfolio Breakdown

#### Market Breakdown



#### Sector Breakdown



### TOP 5 HOLDINGS

Shelly Group, Bulgaria, IT	Sirma Group, Bulgaria, IT	JUMBO SA, Greece, Consumer discretionary	GREEK ORGANISATION OF FOOTBALL PROGNOSTICS S.A., Greece, Consumer discretionary	Eurobank Ergasias Services and Holdings SA, Greece, Financials
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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.karolcapital.bg](http://www.karolcapital.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://karolcapital.bg/uploads/2023/Prava\\_na\\_pritejatelite.pdf](https://karolcapital.bg/uploads/2023/Prava_na_pritejatelite.pdf)