

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 May 2025



Fund Manager's Comment

Global equities continued to rise, fully recovering from the tariff shock amid softening rhetoric between the US and China. Nevertheless, market sentiment and institutional investor positioning in the US remained relatively bearish, likely questioning the sustainability of the trade "truce". The sharp rise of LT bond yields, particularly in the US and Japan, was troubling, pointing to elevated risk levels for financial assets in the coming months. MSCI World rose by 5.8% in euro terms, with stronger performance of North America (+6.4%) compared to Europe (+3.9%). The weak USD was supportive for emerging markets, with the global MSCI EM index gaining 4.1%, while the regional MSCI EFM Europe + CIS added 4.0%, securing a leading position at 11.4% YTD.

The Greek ASE index posted a strong gain of 7.8%, mainly driven by the financial sector (+18.9%). The combination of strong momentum in the Eurozone banks index, relatively more attractive valuation multiples, and strong 1Q25 earnings and guidance upgrades propelled Greek banks by 19%. Alpha Bank markedly outperformed (+34.5%), demonstrating lower sensitivity of its NIM to ECB's cutting cycle. A further positive catalyst for the stock was the acquisition of a nearly 10% stake by Unicredit, with the Italian bank aiming to raise its holding to 30% – a strong indicator of long-term positive prospects for the Greek lender.

The Turkish market continued to underperform, with the BIST 100 declining by 0.6% in local currency (-2.4% in euro). The lira remained under moderate pressure after the TCMB appeared to retreat from its supportive measures. Following two months of outflows, foreign investors returned to the market. With the highest carry trade globally, net inflows into Turkish bonds reached USD 2.6 bn – significantly higher than the USD 450 mn that went into equities.

Romania's BET index gained 6.7%, in a strong positive reaction to the victory of centrist candidate Nicușor Dan in the second round of the presidential elections. Market expectations that Dan will strengthen the pro-European ruling coalition by bringing in the liberal USR party will likely materialize. However, difficult debates lie ahead on necessary fiscal consolidation measures. In the short term, this will likely put pressure on equities, considering the focus is on the budget revenue side – namely increases in various tax rates (VAT, corporate tax, dividend tax, etc.).

Class A fund shares rose by a substantial 12.3%, significantly outperforming the benchmark, thanks to heavy OW in the best-performing names in Bulgaria and Greece. Bulgarian positions in the portfolio accounted for two-thirds of the return. Sector-wise, tech stocks had the largest contribution to monthly performance, followed by banks, while consumer discretionary lagged.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund size	EUR 197 M
NAV/share	EUR 0.9249
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

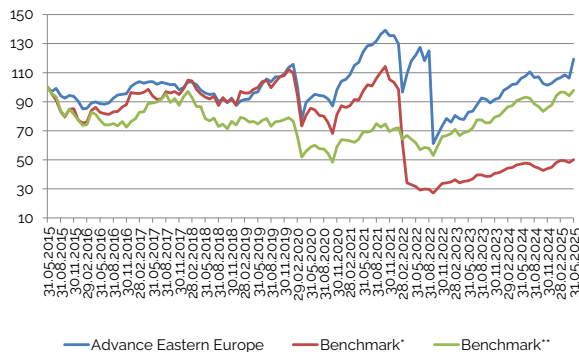
Past performance does not predict future returns.

Fund Results (31.05.2025)

	Fund	Benchmark*	Benchmark**
1 month	12.25%	3.98%	3.98%
1 year	12.52%	6.42%	6.42%
Year to Date	16.08%	11.40%	11.40%
Since Launch (annualized)	-0.42%	-5.69%	-1.29%

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%		
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%

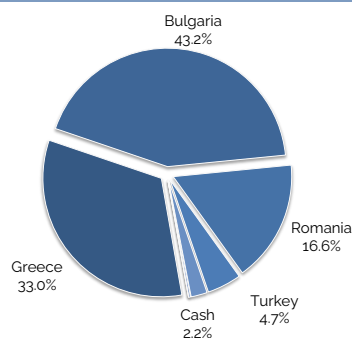
*Annual performance since 03.01.2023 when class A was started

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

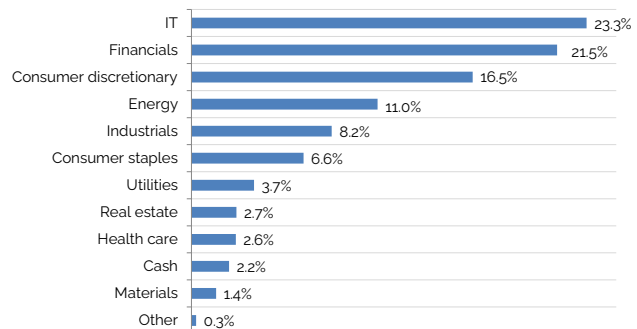
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

Portfolio Breakdown

Market Breakdown



Sector Breakdown



TOP 5 HOLDINGS

Shelly Group, Bulgaria, IT

Sirma Group Ad, 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

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.karollcapital.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://karollcapital.bg/uploads/2023/Prava_na_pritejatelite.pdf