



FUND OBJECTIVE

The fund implements an active investment policy by investing mainly in shares of large cap companies included in the main stock indices of the regulated markets in Eastern Europe. The fund's strategy is mainly based on a top-down approach where the main decision is regarding the allocation of assets among the different markets. For class A, the main markets for the fund's scope at the moment are Greece, Turkey, Romania and Bulgaria.

FUND MANAGER'S COMMENT

July was marked by heightened volatility across financial markets amid renewed hostilities between the US and Iran and fading enthusiasm for the AI theme. The MSCI World Index gained 0.2% in euro terms, with European equities (+0.9%) outperforming North Americans stocks (-0.2%) due to their lower exposure to AI. Sell-offs in Taiwanese and South Korean chipmakers weighed on the MSCI EM Index (-3.9%). The regional MSCI EFM Europe + CIS stood out with a gain of 5.3%, led by Polish equities.

The Greek ASE Index rose 4.5%. Energy was the strongest-performing sector (+29.5%), supported by record-high refining margins amid globally constrained refining capacity. Banks also outperformed the broader index (+7.6%), posting strong second-quarter financial results.

Turkish equities were the weakest performers in the region amid fading expectations for interest rate cuts by the TCMB. The BIST 100 Index declined 4.7% in local currency, with banks weighing most heavily (-16.5%). Portfolio flows diverged, with Turkish bonds attracting USD 2.9bn in net inflows, while equities recorded net outflows of USD 65m.

Romania's BET Index led the region for a second consecutive month, gaining 11.3% in local currency. All key sectors advanced, led by energy stocks (+5.9%). Operators of the Neptun Deep project, OMV Petrom and Romgaz, announced the installation of the offshore platform, keeping the gas production start-up schedule for next year on track. Banks rose 2.1% to new highs despite deteriorating macroeconomic conditions. Utilities gained 2.5%, as Hidroelectrica shares continued to advance despite worsening hydrological conditions.

Class A fund shares gained 5.8%. Greek holdings accounted for half of the gain, outperforming the local index by around 2pp, followed by Bulgarian equities, which also surpassed the market. Sector-wise, energy made the largest positive contribution, followed by financials and industrials.



COUNTRY ALLOCATION

Bulgaria	44.09%
Greece	35.81%
Romania	11.54%
Cash	4.95%
Turkey	3.50%
Other	0.11%

SECTOR ALLOCATION

Financials	29.28%
IT	18.20%
Energy	14.94%
Industrials	11.64%
Consumer discretionary	7.94%
Cash	4.95%
Consumer staples	3.92%
Health care	2.93%
Utilities	2.58%
Real estate	2.00%
Materials	1.51%
Other	0.11%
Communication services	0.00%

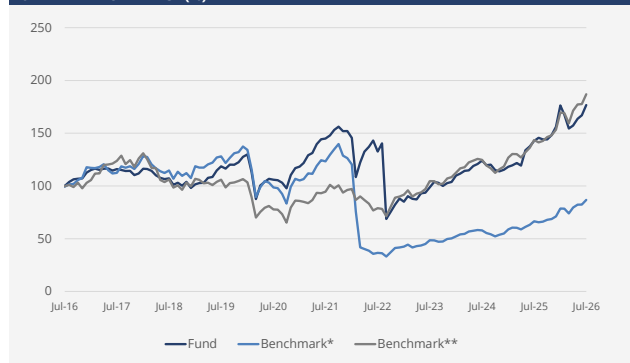
FUND FACTS

Fund Type	open-end
Fund Manager	Georgi Raykov
Fund Size	EUR 2.95 M
NAV per Share	EUR 1.2207
Fund Launch Date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe + CIS ex RU
Currency	EUR
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

10-YEAR PERFORMANCE (%)



Past performance is not a guarantee of future results.

PERFORMANCE*	Fund	Benchmark*	Benchmark**
1 month	5.83%	5.26%	5.26%
YTD	13.16%	21.89%	21.89%
1 year	23.85%	30.27%	30.27%
3 years p.a.	21.44%	21.35%	21.35%
5 years p.a.	4.04%	-6.81%	14.61%
10 years p.a.	5.86%	-1.35%	6.48%
Since Inception p.a.	1.01%	-3.69%	0.53%

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CALENDAR YEAR PERFORMANCE*	Fund	Benchmark*	Benchmark**
2025	35.38%	29.43%	29.43%
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%

*Annual performance since 03.01.2023 when class A was started

*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.

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.

TOP 5 HOLDINGS

Holding name	Sector	Country
HR Capital AD Sofia (bonds)	Financials	Bulgaria
AEGEAN AIRLINES STOCK	Industrials	Greece
ALLWYN AG	Consumer discretionary	Greece
ALPHA BANK SA	Financials	Greece
AROBS TRANSILVANIA SOFTWARE	IT	Romania

Disclaimer: 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

For further information visit: <https://karollcapital.bg/en/funds/2-advance-eastern-europe>