

ADVANCE EMERGING EUROPE OPPORTUNITIES

Investment Objective

The Fund invests in stocks of companies in the CEE region, and has long-term investment horizon.



This is marketing material

30 November 2024

Fund Manager's Comment

Donald Trump's victory in the U.S. presidential election was the most significant market-moving event in November. Driven by expectations of higher economic growth, lower taxes, and reduced regulation, U.S. equities surged to fresh all-time highs, propelling the MSCI World Index to a 7.4% gain in euro terms. In contrast, the MSCI Emerging Markets Index declined by 1.0% in euro terms, while the MSCI Europe Index posted a modest gain of 1.0%, as the strength of the U.S. dollar (DXY +1.7%) and concerns about potential trade tariffs weighed on investor sentiment. Meanwhile, Emerging Europe, as measured by the MSCI EFM Europe + CIS ex RU Index, outperformed with a 3.0% gain in euro terms, driven by strong performances in Turkey (+8.9%) and Hungary (+5.5%). The fund's unit value appreciated by 2.0% during the month, lagging the benchmark primarily due to the lack of exposure to Turkey. The ongoing escalation of the conflict in Ukraine heightened volatility among Eastern European currencies. The Hungarian forint extended its losses against the euro, depreciating by 1.1% while the Polish zloty and Czech koruna appreciated by 1.3% and 0.2%, respectively.

The month began strongly for Polish equities, as Donald Trump's election victory sparked optimism that the new administration might facilitate a swift diplomatic resolution to the war in Ukraine. However, escalating conflict between Ukraine and Russia dampened investor sentiment as the month progressed. Given Poland's proximity to the conflict, the WIG20 Index underperformed, declining by 0.7%. Bolstered by the appreciation of the zloty, our Polish positions gained 2.0% in euro terms. The largest contribution came from the insurer PZU (+12% MoM), where we had increased our position in the previous month. In line with our expectations, claims related to the September flooding were lower than anticipated.

Leading to a positive market reaction following the Q3 results. Investor sentiment toward food retailers noticeably improved after Dino outlined optimistic prospects for the future and potential margin improvements, interpreted as a sign that the price war among retailers might be easing. A rebound in October retail sales figures (+1.3% YoY) provided further tailwinds. Conversely, shares of the e-commerce giant Allegro (-18.1%) disappointed investors with a forecast for declining profitability in the next quarter. In November, we opened a position in Benefit Systems, encouraged by solid Q3 growth and promising guidance for 2025, which highlights plans to expand international operations, particularly in Turkey. Benefit Systems is a leading provider of non-wage employee benefits in Poland and the CEE region, specializing in solutions that promote well-being and work-life balance. The company's flagship product, the MultiSport card, provides access to a wide network of sports and leisure facilities.

The Hungarian BUX Index soared 5.5%, driven by Russia-exposed OTP Bank (+13.3%), which benefitted from Trump's victory and expectations of a resolution to the war. Our Czech positions continued to perform well in November, with Moneta Money Bank, a beneficiary of decreasing interest rates, leading the way (+8.5%).

Greek lenders in the portfolio posted another strong quarter, with net profits 5-11% ahead of expectations, leading to improved guidance for 2024. Alpha Bank (+6.2%) stood out, exceeding expectations across all key metrics. Overall, the Greek market underperformed, with the ASE Index up just 0.8%.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, CFA, Konstantin Prodanov
Fund size	EUR 52.73 M
NAV/share	EUR 1.272
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 0.9%
Management fee	1.5 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

Fund Identifiers

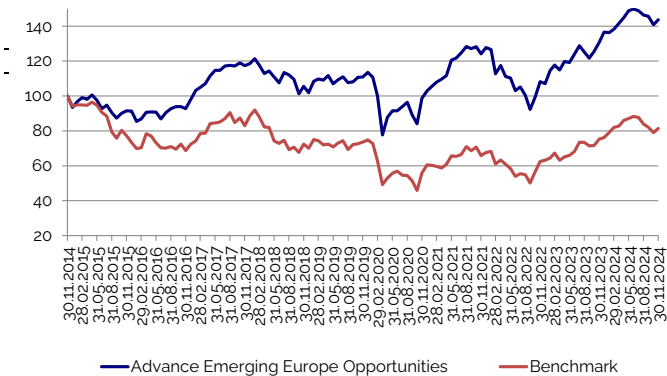
ISIN	BG900023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298
Past performance does not predict future returns.	

Fund Results (30.11.2024)

	Fund	Benchmark
1 month	2.04%	3.01%
1 year	10.09%	8.14%
Year to Date	5.11%	6.82%
Since Launch (annualized)	1.42%	-3.54%

Fund Performance 10Y

Past performance does not predict future returns.



Annual Performance

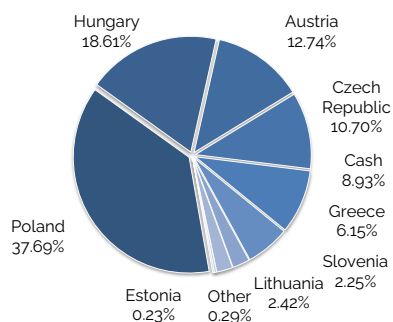
Year	Fund	Benchmark
2023	27.62%	20.55%
2022	-16.20%	-6.49%
2021	24.13%	11.71%
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%
2015	-2.27%	-22.13%
2014	-16.68%	2.24%

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

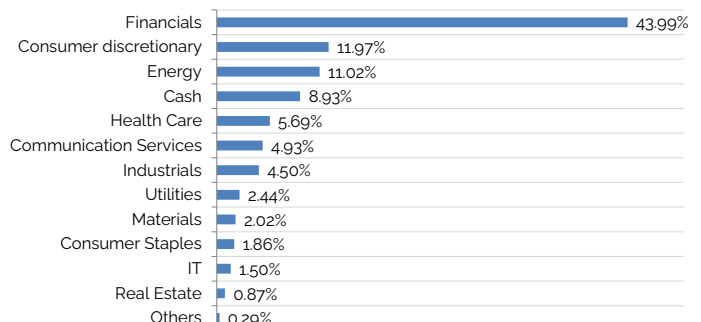
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

ERSTE GROUP BANK AG, Austria, Financials	BANK PEKAO SA, Poland, Financials	RICHTER GEDEON NYRT, Hungary, Health Care	OTP BANK, Hungary, Financials	KOMERCNI BANKA, Czech Republic, 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.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_pritejatelitelte.pdf