

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

31 August 2025

Fund Manager's Comment

Despite the Q2 earnings season being in full swing, CEE equities in August were primarily driven by geopolitical and political developments, which overshadowed corporate earnings. CEE stocks experienced a notable uplift during the first half of August, buoyed by news of an upcoming meeting between Russian President Vladimir Putin and U.S. President Donald Trump, which reignited hopes for a peace deal in Ukraine. However, the lack of concrete outcomes from the meeting led to a cooling of investor sentiment, curbing the earlier gains.

In Poland, market dynamics were further disrupted by an unexpected announcement from the Polish Finance Ministry, which proposed a significant increase in corporate income tax for the banking sector to strengthen the state budget. While some form of taxation had been anticipated, the scale of the proposed hike far exceeded market expectations, triggering a sharp sell-off in Polish bank stocks. As a result, Polish equities underperformed, with the WIG20 index declining by 5.3% over the month. This also weighed on the benchmark index MSCI EFM Europe + CIS ex RU index, which fell by 1.5% in EUR, lagging the MSCI World index, which gained 0.22% during the month. By reducing exposure to Polish banks in prior months, the fund achieved a positive selection effect, with Polish positions declining by only 0.65% on average, contributing to a 0.54% appreciation in unit value for the month.

Czech equities exhibited greater resilience, with the PX index appreciating 1.2%. Shares of the utility company CEZ (+4.6%) rose the most among the major names, as with the approaching October Parliament elections there was renewed speculation that the state could take over the company. Meanwhile, banks recorded mixed performance.

Hungarian market showed similar dynamics, with the BUX index up by 1.3%. Shares of Magyar Telekom performed strongly amid solid earnings growth in Q2 (+27% YoY) and increased guidance for FY2025. OTP Bank (+3.6%) posted solid results as well, sending the stock to a fresh ATH during the month.

The strongest contribution in August came from our Austrian positions, adding 0.5pp to the fund's performance. Shares of Raiffeisen Bank rose 11.6%, supported by optimism about a potential peace deal in Ukraine. Voestalpine, a recent addition to the portfolio, delivered the best performance with a 16.9% MoM gain, driven by stronger-than-expected free cash flows in Q1'26 and management's increased focus on cost cutting.

Meanwhile, our Greek positions showed mixed performance and lagged slightly behind the main ASE index, which was up by 1.4%.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, CFA, Konstantin Prodanov
Fund size	EUR 77.1 M
NAV/share	EUR 1.6924
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 0.9%
Management fee	15 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

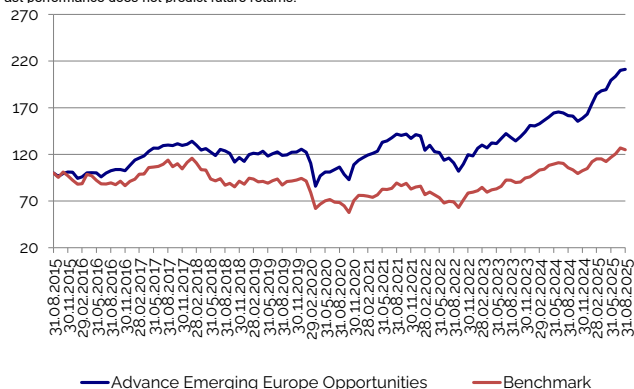
Past performance does not predict future returns.

Fund Results (31.08.2025)

	Fund	Benchmark
1 month	0.54%	-1.53%
1 year	30.64%	18.28%
Year to Date	29.46%	19.26%
Since Launch (annualized)	3.00%	-2.30%

Fund Performance 10Y

Past performance does not predict future returns.



Annual Performance

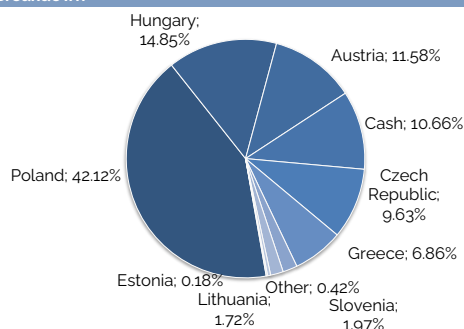
	Fund	Benchmark
2024	8.02%	9.27%
2023	27.62%	20.55%
2022	-16.20%	-6.49%
2021	24.13%	11.71%
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%
2015	-2.27%	-22.13%

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

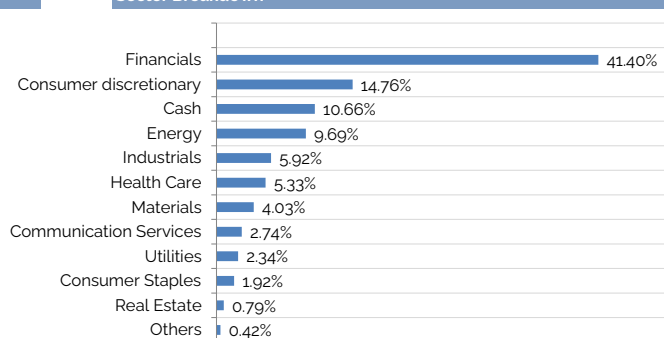
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

OTP BANK, Hungary, Financials	LPP SA, Poland, Consumer discretionary	KOMERCNI BANKA, Czech Republic, Financials	ERSTE GROUP BANK AG, Austria, Financials	POWSZECHNY ZAKLAD UBEZPIECZEN SPOLKA AKCYJNA / PZU, Poland, 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.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_pritejatelitel.pdf