

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 July 2025

Fund Manager's Comment

Global equities continued their upward momentum, driven by the Trump administration's announcement of several trade agreements. These developments offered significant relief to investors, easing concerns amid elevated uncertainty. Despite political backlash in Europe over the EU's trade deal with the United States, which imposes a 15% import tariff on most European goods, financial markets reacted positively, as the agreement averted a potential trade war and reduced investment risks. CEE equity markets led global performance, recording the highest monthly gains worldwide, with the MSCI EFM Europe + CIS ex RU index advancing 5.35% in EUR. The fund's positions also performed robustly, achieving a 3.15% gain. The underperformance relative to the benchmark stemmed from allocation differences, as Greece (+6.8%), Turkey (+8.0%), and Romania (+7.8%) emerged as top performers as the weak US dollar continued to serve as a tailwind.

Central European markets exhibited similar performance in July. The Polish WIG20 index rose by 3.7%, with trading volumes remaining notably high at PLN 41.0 billion, marking a 72% YoY increase, which suggests greater participation from foreign investors. This aligns with the latest EPFR data, indicating continued inflows in June, approx. \$100mn. The rally was largely driven by the banking sector, where the WIG-Banks index gained 8.9%. The earnings season kicked off strongly, with banks reporting results that surpassed consensus estimates by an average of 12%, supported by lower-than-expected cost of risk and higher trading gains. The increased position in retailer LPP S.A. (+13.8%) in June paid off well, as it emerged as the top performer in July and is now our largest Polish holding. In July, we made some adjustments to our Polish portfolio. Lacking catalysts for the stock and observing ongoing customer churn, we closed our position in IT company Text S.A. (owner of LiveChat). Concurrently, we opened a position in Synektik S.A., a company specializing in medical imaging and robotic surgery solutions. Its shares had recently declined due to concerns over competition from Chinese firms. However, our analysis concluded that the risks stemming from Chinese competitors are overstated, and furthermore, we see strong midterm growth potential, fueled by the rising adoption of robotic surgery.

The Hungarian BUX index rose by 3.7%, with OTP Bank and healthcare company Richter Gedeon leading the gains, each up by 5.2%. The Czech PX index performed slightly better, increasing by 3.9%, alongside a 0.6% appreciation of the Czech koruna. Meanwhile, the Polish zloty and Hungarian forint weakened, depreciating by 0.7% and 0.1%, respectively.

The rally in Greece maintained its momentum, with our positions appreciating by an average of 8.8% (vs. +6.8% gain for the ASE Index). This performance in Q2 highlighted that Greek lenders are well-prepared for the anticipated interest rate cuts, supported by accelerating credit expansion, deposit repricing, and hedging strategies.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, CFA, Konstantin Prodanov
Fund size	EUR 76.64 M
NAV/share	EUR 1.6833
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

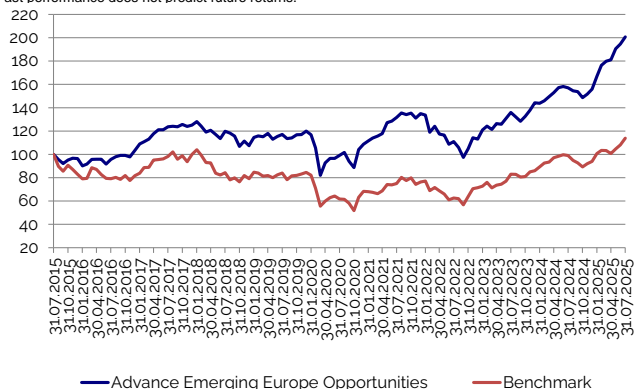
Past performance does not predict future returns.

Fund Results (31.07.2025)

	Fund	Benchmark
1 month	3.15%	5.35%
1 year	27.76%	14.99%
Year to Date	28.76%	21.10%
Since Launch (annualized)	2.99%	-2.23%

Fund Performance 10Y

Past performance does not predict future returns.



Annual Performance

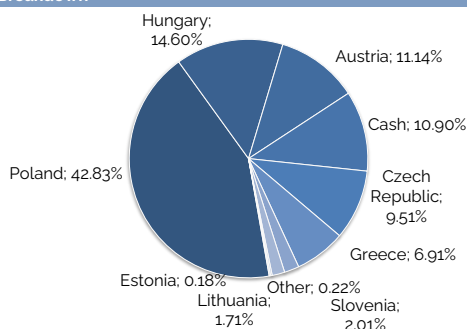
	Fund	Benchmark
2024	8.02%	9.27%
2023	27.62%	20.55%
2022	-16.20%	-6.49%
2021	24.13%	11.71%
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%
2015	-2.27%	-22.13%

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

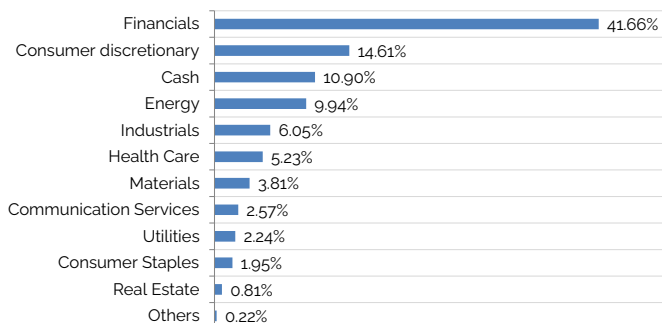
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

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