

# 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 June 2025

### Fund Manager's Comment

Despite heightened geopolitical uncertainties, global equity markets demonstrated remarkable resilience in June. CEE continued to lead global markets in euro terms, with the MSCI EFM Europe + CIS ex RU index rising by 3.2%. This performance solidified CEE's position as the top-performing region in 2025, with a YTD gain of 15%. The fund outperformed the benchmark index by nearly 10 percentage points YTD, driven by its strategic focus on Central Europe, where local markets ranked among the world's top performers. Several tailwinds supported the CEE region's strong performance in 2025. Growing optimism for a potential peace deal in Ukraine, coupled with a robust recovery in the German economy, fueled investor confidence. Furthermore, a notable rotation of capital out of U.S., amplified by a significant 12.2% YTD depreciation of the U.S. dollar against the euro, drove substantial foreign inflows into the region. Tactical decisions, including the addition of Greek equities last year with an average YTD return of 60% across portfolio positions, and adept navigation of the April sell-off, significantly boosted performance as well. However, in June, the fund slightly underperformed the benchmark index, primarily due to its lack of exposure to Turkish equities, which rebounded strongly with a 6.6% gain in euro terms.

In line with our expectations, the presidential elections in Poland had minimal impact on the market environment, allowing Polish equities to sustain their robust run in June and the WIG20 index advanced by 2.7%. During the month, we strategically realized partial gains in banking stocks and reallocated capital into consumer discretionary companies. The outlook for e-commerce retailers remains particularly promising, supported by the Base index, which reported a 12.4% YoY growth in Polish e-commerce for May—the strongest figure this year. Among our increased positions in June was Answear, Europe's fastest-growing fashion e-commerce retailer. Additionally, shares of video gaming company CD Projekt stood out (+27.1% MoM), fueled by excitement over a striking technological demo for The Witcher IV, its eagerly awaited game, which has raised expectations for its success.

The Hungarian BUX index mirrored regional strength, advancing 2.1% in June. Among the fund's holdings, ANY Security Printing maintained its exceptional performance, achieving a YTD return exceeding 100% by month-end. We began reducing our position in June and fully exited in early July, with the stock recording a 16x gross total return since our initial investment in 2015. Despite our continued confidence in the company's fundamentals and growth prospects, we believe the current market valuation is no longer justified. All of our other positions ended June in positive territory, except for Wizz Air (-31.7% MoM), which faced headwinds from disappointing results and heightened investor concerns stemming from the escalating Middle East conflict.

Czech equities underperformed slightly, with the PX index rising a modest 0.4%. Meanwhile, Greek market dynamics remained robust, with the ASE index gaining 2%. Our positions, weighted heavily toward financials, continued to outperform, and we capitalized on these gains by locking in further profits in Alpha Bank.

### Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, CFA, Konstantin Prodanov
Fund size	EUR 74.29 M
NAV/share	EUR 16.319
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

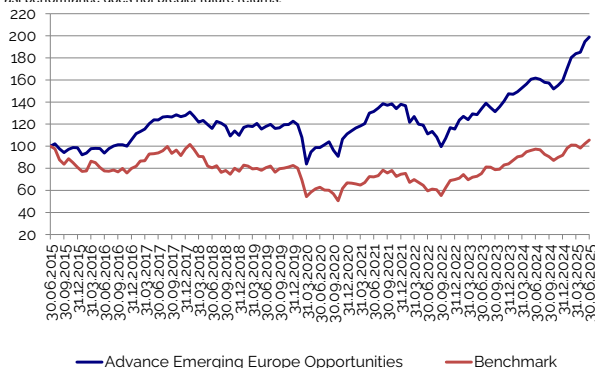
ISIN	BG9000023077
Bloomberg Code	ADVPOF.BU
Reuters Lipper	68417298
Past performance does not predict future returns.	

### Fund Results (30.06.2025)

	Fund	Benchmark
1 month	2.10%	3.20%
1 year	23.00%	8.41%
Year to Date	24.83%	14.96%
Since Launch (annualized)	2.82%	-2.53%

### Fund Performance 10Y

Past performance does not predict future returns.



### Annual Performance

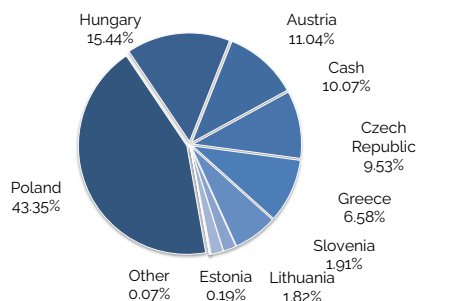
	Fund	Benchmark
2024	8.02%	9.27%
2023	27.62%	20.55%
2022	-16.20%	-6.49%
2021	24.13%	11.71%
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%
2015	-2.27%	-22.13%

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](http://www.msci.com)

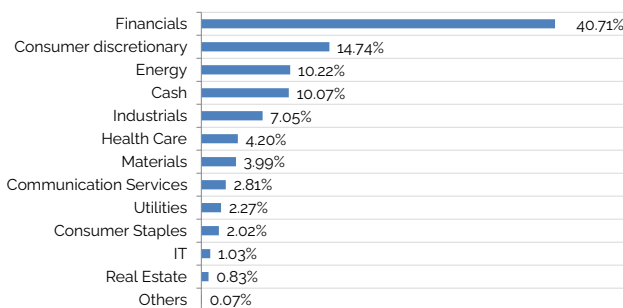
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

### 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
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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](http://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](https://karollcapital.bg/uploads/2023/Prava_na_pritejatelite.pdf)