

## KEY INVESTOR INFORMATION

This document provides you with key investor information about this fund. This is not a marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision whether to invest.



## ADVANCE EMERGING EUROPE OPPORTUNITIES MUTUAL FUND

ISIN BG9000023077 Fund's units denominated in: Euro (EUR)

The Fund is established and managed by Karoll Capital Management EAD Management Company

### Objectives and Investment Policy

The main objective of the Fund is to provide unitholders with an increase of the real value of their investment through capital gains by assuming moderate to high risk. The investment portfolio of the Fund is structured based on an active approach, based mainly on investments in shares of companies from the region of Central and Eastern Europe, mainly from Poland, the Czech Republic, Hungary, Estonia, Lithuania and Latvia. The Fund invests also in Austrian companies whose income is generated predominantly in the region. The Fund's policy provides for active portfolio management of financial instruments and cash and stipulates investing in financial assets that can easily and without any significant loss of value be purchased or sold, respectively, while achieving sustainable and optimal growth at a limited risk. The investment strategy includes the provision of both capital gains and dividend income. The Fund does not pursue a specific objective with regard to a given industrial sector. The Fund's investment is directed to companies based in Central and Eastern Europe. The Fund does not pursue an objective for achieving results, which are linked to a certain market index. This Fund might not be suitable for investors who plan to withdraw their funds within 3 years.

Karoll Capital Management EAD Management Company has adopted a policy of integrating the sustainability risk in its process of making investment decisions and takes into account the main adverse influences of the investment decisions on the sustainability factors, while applying the principles of responsible investing and sustainability in asset management, and it believes that the factors related to environment protection, social responsibility and good corporate governance (ESG) influence to a great extent the risk of the investments and their return, respectively.

The above notwithstanding, the investments underlying this financial product do not conform to the EU criteria for ecologically sustainable economic activities, including the following environmental goals: mitigation of and adaptation to climate change.

The main categories of eligible financial instruments and other assets that are the object of investment by the Fund are as follows:

1. Transferable securities and financial market instruments admitted to or traded at regulated markets as per Art. 152, para. 1 and 2 of the Markets in Financial Instruments Act (MFIA) in the Republic of Bulgaria or in another Member State;
2. Transferable securities and money market instruments traded at a regulated market, other than the one under Art. 152, para. 1 and 2 of the MFIA, in the Republic of Bulgaria or another Member State, regularly functioning, accepted and publicly accessible, as well as securities and money market instruments issued in the Republic of Bulgaria or another Member State;
3. Transferable securities and money market instruments admitted to trading at an official Stock Exchange market or traded at other regulated markets in a third country, regularly functioning, accepted and publicly accessible, which are included in a list approved by the FSC at the proposal of the Deputy Chairperson or are stipulated in the Mutual Fund Rules;
4. Recently issued transferable securities, the issue of which includes a condition for assuming liability for requesting admission and within a term not longer than a year after their issuance to admitted to trading at an official stock exchange market or another regulated market, regularly functioning, accepted and publicly accessible, which are included in a list approved by the FSC at the proposal of the Deputy Chairperson or are stipulated in the Mutual Fund Rules;
5. Units of collective investment schemes and/or other undertakings for collective investment that meet the provisions of Art. 4, Para. 1 of the LACISOUCl, regardless of whether they are incorporated in a Member State, provided that their Statutes or Rules stipulate that they can invest not more than 10 per cent of their assets in other collective investment schemes or in other undertakings for collective investment where the other undertakings for collective investment shall meet the provisions of Art 38, para 1, item 5, letter a) of LACISOUCl;
6. Deposits with credit institutions, payable on demand or which carry the right to be withdrawn at any time and with a maturity date not more than 12 months ahead; the credit institutions in a third country shall follow rules and be subject to supervision that the FSC, at the proposal of the Deputy Chairperson, considers equivalent to the ones contained in the EU legislation;
7. Money market instruments other than those traded at a regulated market and stated in § 1, item 6 of the supplementary provisions of LACISOUCl while observing the legal restrictions;
8. Cash resources;
9. Other financial instruments, in addition to those mentioned above, while observing the legal restrictions.

The Fund rules do not provide for application of strategies and techniques for hedging against market, currency or other risks by using derivative financial instruments. Each unitholder may request their units to be repurchased by the Fund on demand, the unit redemption prices being calculated and announced every business day. The amounts for subscriptions of units are accepted in EUR or BGN as per the fixing of the Bulgarian National Bank for the day. The amounts under the requests for redemption of units are paid in EUR or BGN as per the fixing of the Bulgarian National Bank for the day.

The Fund shall not distribute income under the issued units and shall not pay the unitholders such income or dividends. The Fund's income is being reinvested in assets in accordance with its investment strategy and policy. The net income from the Fund's investments is accumulative and it is included in the Fund's net asset value and hence in the prices of its units.

### Risk and Reward Profile

Lower risk ← Higher risk  
Typically lower rewards ← Typically higher rewards

1	2	3	4	5	6	7
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The above synthetic indicator shows the position of the Fund on a scale measuring risk and return. In general, the Fund's category is based on historical data for the deviation of the Fund's returns as compared to its average return over the last 5 years (i.e. volatility of returns of the Fund). The data for previous periods used to calculate the above indicator may not be a reliable indication of the future risk profile of the Fund. The risk and reward category shown is not guaranteed and hence the Fund category may change over time. The lowest category, indicated as 1, does not mean 'risk free'.

The risks, which are materially relevant to the Fund and which are not adequately covered by the synthetic indicator are:

- Market risk – the possibility of incurring losses due to unfavourable changes in the prices of financial instruments held by the Fund, market interest rates, exchange rates, etc.;
- Credit risk – the possibility that the value of the Fund's position in a financial instrument may fall due at unexpected credit events relating to the issuers of financial instruments held by the Fund, the counterparty in stock exchange and OTC transactions, as well as the countries, in which they operate. This risk reflects also the possibility of bankruptcy of a credit or financial institution, in which Fund's resources are kept and/or in whose deposits investments have been made. Credit risk includes: Counterparty risk – the risk of non-performance of the obligations by the counterparty in off-exchange and repurchase transactions; Settlement risk – the risk that an expected and due payment or supply of financial instruments may not occur on time or may not be performed at all; investment credit risk – risk of

decreasing the value of the investment in a security due to a specific event, comprising announcement of bankruptcy, insolvency, material change of the capital structure, reduction of the credit rating, etc.

- Operational risk – includes internal and external operational risks. Internal operational risks:
  - Risks related to personnel - the risk of suffering loss as a result of employees' mistakes, negligent/malicious conduct by employees, insufficient qualification;
  - Risk of performing transactions with persons related to the Management Company, the terms of which differ from the market terms and cause harm to the interests of the Fund and of its unit holders;
  - Technological risk - risk of suffering loss caused by imperfections of the used technologies, operations, data, etc.
- External operational risks: these are the risks, which exist outside of the Fund and can have material impact on its activity. The Fund is not able to influence external risks but accounts for their impact on its activity. These include:
  - Legislation risk – risk of unexpected amendments of laws and regulations that may limit the Fund activities and development;
  - Macroeconomic risk – risk of disturbance of the macroeconomic stability of the markets, at which the Fund invests or operates;
  - Inflation risk – risk of inflation rise to levels that limit growth, decrease domestic demand at the markets, at which the Fund invests or operates, and reduce the actual profitability that the Fund yields;
  - Risk of physical interference – risk of suffering losses because of robbery, unauthenticated intrusion in the information systems of the Fund or the Management Company.

- Liquidity risk – the risk stemming from the possibility of incurring losses as a result of urgent sale of assets under adverse market conditions so as to meet unexpected short-term obligations.

- Concentration risk – the possibility of incurring losses due to improper diversification (allocation of assets among different financial instruments and markets made for the purposes of reducing the risk of the investment);

More information about the risks and about the other investment strategies, techniques and instruments employed by the Fund is available in the respective parts of the prospectus which can be found at the Management Company's website: [www.karollcapital.bg](http://www.karollcapital.bg)

## Charges

One-off charges taken before or after you invest	
Entry charge	1.5% *1
Exit charge	0%
<i>This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out. You can learn more about the current subscription fees and redemption fees from your personal financial advisor or intermediary.</i>	
Charges covered by the Fund over a year	
Ongoing Charges	1.86%
Remuneration for the Management Company:	1.50%
Charges covered by the Fund under certain specific conditions	
Performance fee	none

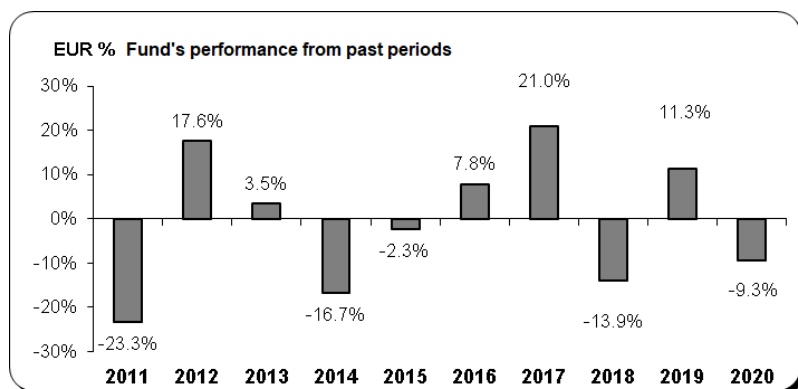
Investors pay a fee of up to 1.5% when purchasing units of the Fund. Investors pay no charges on redemption of the Fund's units. In general, the Ongoing Charges are based on the Fund's expenditures over the previous year ending 31 December and this figure may vary from year to year.

The Ongoing Charges do not include the costs necessarily incurred in connection with the acquisition or disposal of any asset of the Fund's investment portfolio. The transaction expenses stated in the preceding sentence do not include the charges paid by the Fund to the custodian bank in cases when the latter acts as the Fund's custodian but not as its investment intermediary.

The charges paid by the investors are used to cover the expenditures of running the Fund, including the expenses for distributing the Fund, and they reduce the potential growth of the investment.

More information about the charges and expenses is available in the respective parts of the prospectus, which can be found at the Management Company's website [www.karollcapital.bg](http://www.karollcapital.bg)

## Past Performance



\* The Net Asset Value per Unit (NAVU), calculated in EUR.

\* The NAVU reflects the charges covered by the Fund during the respective year but it does not include the expenses related to issue or redemption of units.

Past performance of the Fund does not guarantee and is not necessarily indicative of its future results. The value of the Fund's units and the income from them can decrease, the profits are not guaranteed and there is a risk that investors may not receive the full amount of the invested funds.

The Fund commenced the public offering of units on 21/11/2007.

## Practical Information

- The Fund's custodian bank is UNICREDIT BULBANK AD, UIC: 831919536.
  - Further information as well as the Fund's prospectus, rules, latest annual report and subsequent half-yearly report can be obtained free of charge each working day 10 AM - 5 PM (Bulgarian time) at the head office of Karoll Capital Management at the following address: Sofia, 1 Zlatovrah Str., tel.: (+359 2) 4008 300. These documents, the current version of the Key Investor Information Document and the details on the current remuneration policy are available in Bulgarian language on the Management Company's web site [www.karollcapital.bg](http://www.karollcapital.bg)
  - Current information about the net asset value, the issue price and the redemption price of the Fund shall be published on the web site of the Management Company [www.karollcapital.bg](http://www.karollcapital.bg). The information under the preceding sentence shall be announced at the offices of the Management Company in the Republic of Bulgaria.
  - Investors in the Fund must take into account that the Bulgarian tax legislation may have an impact on their individual tax position.
- Karoll Capital Management may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Fund's prospectus.

The present Fund and the Management Company – Karoll Capital Management – are authorised in the Republic of Bulgaria and are regulated by the Bulgarian Financial Supervision Commission.

The present Key Investor Information is current and accurate as of the date of this document - 11.02.2022.

<sup>1</sup> The subscription fee shall not be payable by institutional investors and clients that have concluded a contract for management of an individual portfolio with Karoll Capital Management EAD.