



FUND OBJECTIVE

Advance European Infrastructure is an actively managed, sector-focused open-end mutual fund, created and managed by Karoll Capital Management. The fund aims for long-term capital appreciation through strategic investments in shares of European publicly traded companies that own, manage and derive income from infrastructure assets across Europe. The fund invests in infrastructure sectors such as transport, energy, construction, utilities, digital and social infrastructure, and defense. The fund also invests in shares of companies with business in Central and Eastern Europe, based on the long-term expertise of our team in this region. The investment horizon is long-term, while maintaining strict discipline to effectively manage concentration and liquidity risks.

FUND MANAGER'S COMMENT

June brought moderate optimism to financial markets after a 60-day ceasefire was reached between the US and Iran. As a result, global equities, represented by the MSCI ACWI index, posted a gain of 1.1% in euro terms.

European markets staged a strong recovery, with the Stoxx 600 index rising 2.5%. Cyclical sectors, including financials, travel & leisure, and industrials, outperformed as investor interest in Europe strengthened. Despite the decline in energy prices, the ECB raised its key policy rate by 25 bps, citing persistent inflationary pressures stemming from the earlier closure of the Strait of Hormuz. Nevertheless, the euro area's composite PMI rose to 50.0 in June, its highest level in three months.

Investor attention was primarily focused on the travel & leisure sector (+7.2%), led by European airlines as jet fuel prices normalized. Industrials finished the month up 1.2%, although performance within the sector was mixed. Aircraft engine MRO companies, such as MTU (+16.2%), Safran (+12.9%) and Rolls-Royce (+8.0%), outperformed, supported by improving outlook for higher airline fleet utilization.

By contrast, the temporary ceasefire in the Middle East and the absence of major new contract announcements weighed on defence stocks. Germany's Rheinmetall lost a key naval contract to the more specialized domestic shipbuilder TKMS, prompting investors to reassess its prospects for future orders. The stock fell 23.4%, triggering a broader sell-off across the European defence sector. Nevertheless, short-term catalysts—including the NATO summit in Ankara and further acceleration in European defence spending (UK, Italy, France)—suggest that market participants may have overreacted to the Rheinmetall story.

The unwinding of the geopolitical risk premium embedded in oil prices led to a sharp decline of the energy sector, down by 5.3%. Still, suppliers of renewable energy equipment outperformed, with German wind turbine manufacturer Nordex (+10.1%) posting particularly strong gains on robust order intake. Utilities also rebounded (+4.5%), supported by continued power generation, storage and grid investment announcements.

The fund underperformed in June due to its higher exposure to the European defense sector. Nevertheless, the combination of sustained commitments to higher defence spending and strategic investment in energy and digital infrastructure continues to reinforce the long-term investment case underpinning the Fund's strategy.

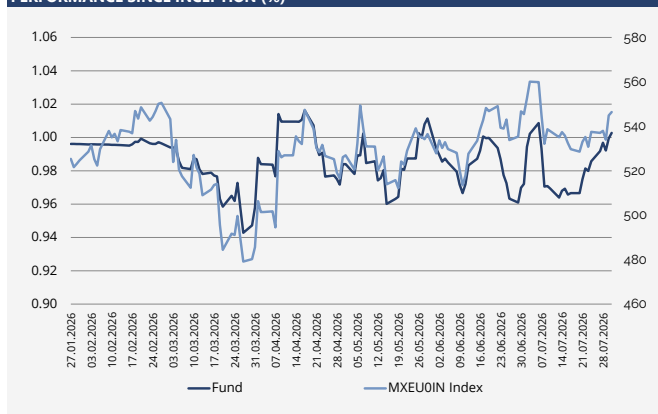
FUND FACTS

Fund Type	open-end
Fund Manager	Georgi Raykov
Fund Size	EUR 25.38 M
NAV per Share	EUR 1.0027
Fund Launch Date	27.01.2026
Benchmark	MXEU0IN Index
Currency	EUR
Subscription Fee	up to 0.90%
Management Fee	1.5% NAV p.a.
Redemption Fee	none
Minimum Investment	none

FUND IDENTIFIERS

ISIN	BG9000005256
Bloomberg Code	ADVERIE BU

PERFORMANCE SINCE INCEPTION (%)*



Past performance is not a guarantee of future results.

*The calculation is based on net asset value per unit and does not include issuance and redemption costs, according to the Fund's Rules and Prospectus.

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.

TOP 5 HOLDINGS

Holding name	Sector	Country
Schneider Electric S.A.	Industrials	France
THALES SA	Industrials	France
SIEMENS AG-REG	Industrials	Germany
SAFRAN SA	Industrials	France
ROLLS-ROYCE HOLDINGS PLC	Industrials	UK

COUNTRY ALLOCATION

Country	Allocation (%)
France	26.38%
Cash	21.91%
Germany	17.10%
Greece	7.37%
Italy	5.18%
UK	4.20%
Bulgaria	4.14%
Austria	4.00%
Spain	2.47%
Ireland	2.12%
Czech Republic	1.56%
Switzerland	1.49%
Portugal	1.25%
Romania	0.76%

SECTOR ALLOCATION

Sector	Allocation (%)
Industrials	57.16%
Cash	21.91%
Utilities	7.70%
IT	5.60%
Energy	3.01%
Materials	2.90%
Communication Services	1.63%
Other	0.08%

THEMATIC STRUCTURE

Theme	Allocation (%)
Defense	28.32%
Cash	21.91%
Energy	21.49%
Construction & Concessions	15.66%
Digitalization	8.53%
Transportation	4.01%
Other	0.08%

Disclaimer: 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_pritejatelite.pdf

For further information visit: <https://karollcapital.bg/en/funds/6-advance-european-infrastructure>