

ADVANCE INVEST

Investment Objective

To seek long term capital appreciation through investments in stocks listed on the Bulgarian & Romanian markets. The fund is actively managed through bottom-up selection of undervalued stocks with high growth potential as determined by fundamental measures.



*This is marketing material

30 November 2024

Fund Manager's Comment

The Bulgarian SOFIX Index edged slightly lower in November (-0.3%), while Romania's BET experienced heavy sell-offs amid rising political uncertainty, recording a monthly decline of 6.3%. Trading activity on the two exchanges diverged, with stock turnover on the Bulgarian Stock Exchange (BSE) declining by 13% month-over-month, while heightened volatility in Bucharest drove a notable 60% increase in turnover compared to October.

The best-performing stock within SOFIX was Central Cooperative Bank (CCB), which rose by 5.6%. The bank's financial report showed strong growth in net interest income and net profit for the first nine months of 2024, up 24.3% and 25.6%, respectively, against the backdrop of a flat loan portfolio. Doverie United Holding (DUH) came second (+1.8%) after a notable relief rally linked to its main asset, Moldindconbank, following the re-election of Maia Sandu as President of Moldova. Index heavyweight Shelly Group remained largely unchanged (+0.3%) despite a busy calendar last month. The smart home devices manufacturer held its inaugural Capital Markets Day in Frankfurt, where it shared an ambitious vision and strategy for business development over the next five years. The Q3 2024 report met revenue growth expectations, though moderately aggressive expansion into new markets exerted some pressure on the EBIT margin (-6.5 pp quarter-on-quarter). During the key Black Friday campaign, the company reported a 65% year-over-year increase in sales, reaching EUR 24 million (approximately 23% of its FY2024 revenue guidance).

In Romania's BET Index, financials were the hardest-hit sector (-8.0%), while energy (-3.7%) and utilities (-3.1%) displayed relative resilience to overall market volatility. The key catalyst for the sell-off was the first round of presidential elections, which was unexpectedly won by a previously unpopular independent far-right candidate opposing the country's Euro-Atlantic orientation. This outcome heightened expectations that the ruling center-left coalition would lose its majority in the parliamentary elections a week later. However, this risk did not materialize, as a broad coalition between PSD, PNL, USR (opposition in the previous parliament), and UDMR now appears likely out of necessity. Ultimately, due to allegations of external interference, the constitutional court annulled the results of the first round of presidential elections in early December.

The fund's NAV per share declined by 2.0%. Sector-wise, losses were broad-based, with financials contributing the most negatively to overall returns, followed by energy, real estate, and utilities. Information technology and consumer discretionary stocks proved relatively more resilient.

Fund Facts	
Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 17.07 M
NAV/share	BGN 2.2921
Launch date	10/05/2004
Benchmark	MSCI EFM Europe + CIS ex RU
Currency of account	BGN (1EUR = BGN 1.95583)
Subscription fee	up to 1.50%
Management fee	2.5% NAV p.a.
Redemption fee	none
Minimum investment	none

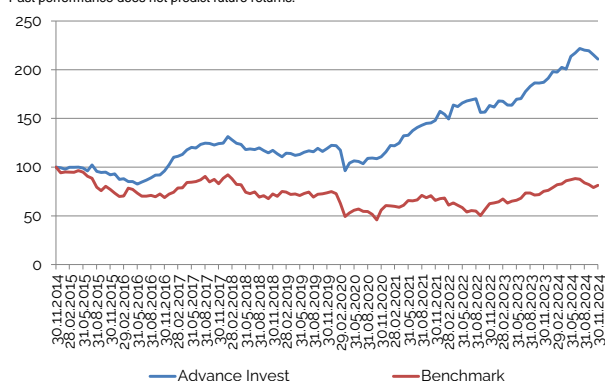
Fund Identifiers	
ISIN	BG9000014134
Reuters Lipper	68417296
Код в Bloomberg	ADVIMFD BU

Past performance does not predict future returns.

Fund Results (30.11.2024)		
	Fund	Benchmark
1 month	-2.00%	3.01%
1 year	12.76%	8.14%
Year to Date	10.30%	6.82%
Since Launch (annualized)	4.20%	1.86%

Fund performance vs Benchmark

Past performance does not predict future returns.



Annual Performance

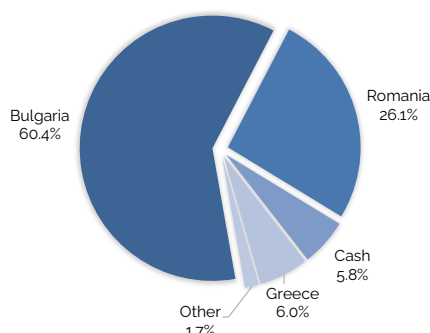
	Fund	Benchmark
2023	18.25%	20.55%
2022	2.84%	-6.49%
2021	36.06%	11.71%
2020	-5.56%	-19.20%
2019	7.62%	6.91%
2018	-8.79%	-20.91%
2017	21.56%	22.39%
2016	10.02%	-1.29%
2015	-6.26%	-22.13%
2014	5.61%	2.24%

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.mscl.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

Financials	21.23%
IT	19.23%
Health Care	9.75%
Real Estate	9.05%
Energy	8.80%
Consumer Staples	6.88%
Industrials	6.52%
Cash	5.78%
Consumer Discretionary	5.70%
Utilities	4.78%
Other	1.70%
Materials	0.50%

5 Largest holdings

Shelly Group, Bulgaria, IT	Sopharma, Bulgaria, Health Care	OMV PETROM, Romania, Energy	Sirma Group Ad, Bulgaria, IT	Bulgarian Real Estate Fund Inc, Bulgaria, Real estate
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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.karolcapital.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://karolcapital.bg/uploads/2023/Prava_na_pritejitelite.pdf