

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

31 October 2024

Fund Manager's Comment

Bulgarian and Romanian stocks were relatively more resilient to the overall market volatility in the region. SOFIX fell by 1.1%, while BET was down 1.0%. Trading activity on both exchanges showed mixed dynamics, with equity turnover on the Bulgarian Stock Exchange 51% MoM higher, while Bucharest saw a decrease of 32% MoM.

BREF was the top performing stock in SOFIX for a third consecutive month, rising by further 10.5% after announcing a deal to sell one of its properties. The value of the deal is EUR 18 mn, which is about twice the book value of the asset, and the buyer is the current tenant "Doverie Brico," part of Doverie Holding (DUH). The deal is planned to be finalized in November 2025, meaning the positive financial result from the revaluation of the property, amounting to nearly BGN 18 mn, will be included in the financial results for 2025. The largest companies in the index – Shelly Group and Sopharma – fell by 2.9% and 1.0%, respectively. The smart home device manufacturer announced preliminary sales data for 3Q, showing still robust, albeit slightly moderating, growth of 43.5% YoY (compared to 49.0% in 1H24). Sopharma announced that it had started a deal to acquire a portfolio of pharmaceutical products in 10 of its markets, without disclosing financial details.

Among the key sectors in Romania's BET, financials (+0.5%) and energy (+1.2%) outperformed the broader market, while utility stocks fell 1.5%. 3Q bank earnings did not disappoint, delivering continued double-digit growth in net lending and stable net interest margins. The NBR kept its policy rate unchanged, expressing concerns about a slowdown in GDP growth during the third quarter and a higher inflation rate, likely exceeding the 4% year-end forecast.

The fund's NAV per share declined 1.9%. Sector-wise, real estate positions had the highest positive contribution to return, followed by consumer discretionary and energy which were modestly in the black. On the other hand, tech stocks were the biggest drag, with financials and industrials coming next.

Fund Facts

Fund type	open-end
Fund Manager	Georgi Georgiev
Fund size	BGN 18.14 M
NAV/share	BGN 2.3389
Launch date	10/05/2004
Benchmark	MSCI EFM Europe + CIS ex RU
Currency of account	BGN (tEUR + 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	ADVMFD BU

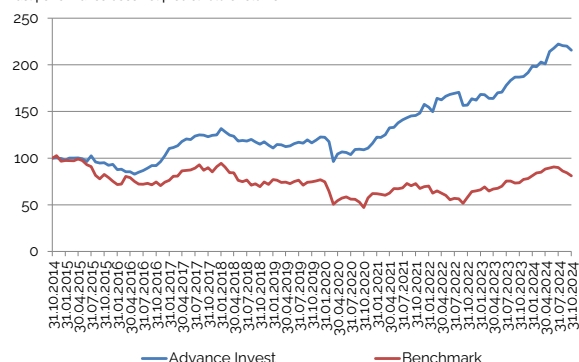
Past performance does not predict future returns.

Fund Results (31.10.2024)

	Fund	Benchmark
1 month	-1.93%	-3.77%
1 year	15.51%	10.13%
Year to Date	12.56%	3.69%
Since Launch (annualized)	4.32%	1.71%

Fund performance vs Benchmark

Past performance does not predict future returns.



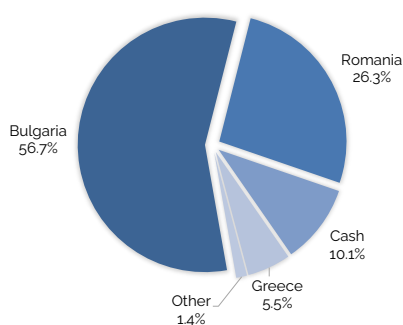
Annual Performance

Year	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.msci.com

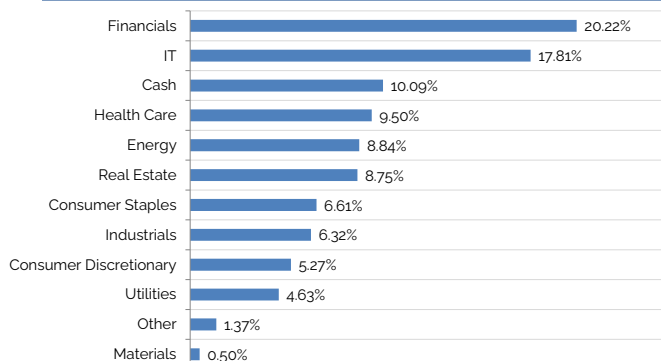
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

Market Breakdown



Portfolio Breakdown

Sector Breakdown



5 Largest holdings

Shelly Group, Bulgaria, IT	Sopharma, Bulgaria, Health Care	OMV PETROM, Romania, Energy	Sirma Group Ad, Bulgaria, IT	ФОНД ЗА НЕДВИЖИМИ ИМОТИ БЪЛГАРИЯ АДСИЦ, 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.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