



ADVANCE INVEST

UCITS Mutual Fund

May 2026

Marketing Material



DISCLAIMER:

The information contained in this report is for information purposes only and does not constitute investment advice, nor is it a part of investment advice. It does not constitute a recommendation or an offer to issue, to subscribe or to purchase units or shares in the investments described herein neither an offer of investment services.

All investments mentioned here can involve significant risk and may not be suitable for all investors. Investors should be aware that investment income can fluctuate, and the value of fund shares and their income can decrease, profits are not guaranteed, and investors bear the risk of not receiving a full return compared to the initially invested funds.

Investments in funds are not guaranteed by a state-established guarantee fund or any other type of guarantee. Past performance is not indicative of future results of mutual funds. Future results are subject to taxation, depending on the personal situation of each investor and may change in future periods.

This constitutes a marketing communication. The information is valid as of the date of issuance of the marketing material and may change in the future. Before making a final investment decision, please review the prospectus and the key information document of the fund you wish to invest in. The documents are available in Bulgarian and English on the website www.karollcapital.bg and can be obtained free of charge in paper form at the office of the Management Company upon request. The fund is actively managed and does not follow an index. A summary of the rights of unit holders is available at https://karollcapital.bg/uploads/2023/Prava_na_pritejatelite.pdf

This material has been prepared by Karoll Capital Management, a licensed asset management company, a member of the Bulgarian Association of Asset Management Companies (BAAMC) – member of EFAMA.



ADVANCE INVEST

FUND HIGHLIGHTS



- **The first equity mutual fund** in Bulgaria, launched in 2004, investing in Bulgaria and Romania
- **Long fund history** with consistent performance and **low volatility**
- **High degree of security:** fund assets are kept in a segregated account with the custodian bank (EFG Eurobank)
- **Consistent alpha generation:** +5.3% p.a. for the last 3 years
- **Emerging markets equity fund of the year award** by Investor.bg in 2024 and in prior editions of 2023, 2020, 2019, 2018



FUND DETAILS

Domicile	Sofia, Bulgaria
Currency	EUR
Fund Type	Open-ended UCITS, daily NAV trading
Management Company	Karoll Capital Management
Bloomberg Code	ADVIMFD.BU
ISIN	BG9000014134
Management Fee	2.5% of NAV p.a.
Entry Fee	up to 1.50%
Exit Fee	None
Performance Fee	None

ADVANCE INVEST *FUND STRATEGY*



Investment theme: Balkan stock markets – Bulgaria and Romania

Investment style: blended (value & growth), stock-picking, bottom-up combined with top-down and sector views, benchmark agnostic

Market cap: regional large cap, but also small & mid cap

Sectoral areas of strength: value investing, small caps, IPOs

Diversified portfolio with investments in ~ 60 individual companies

Consistent alpha generation: +5.3% p.a. for last 3 years

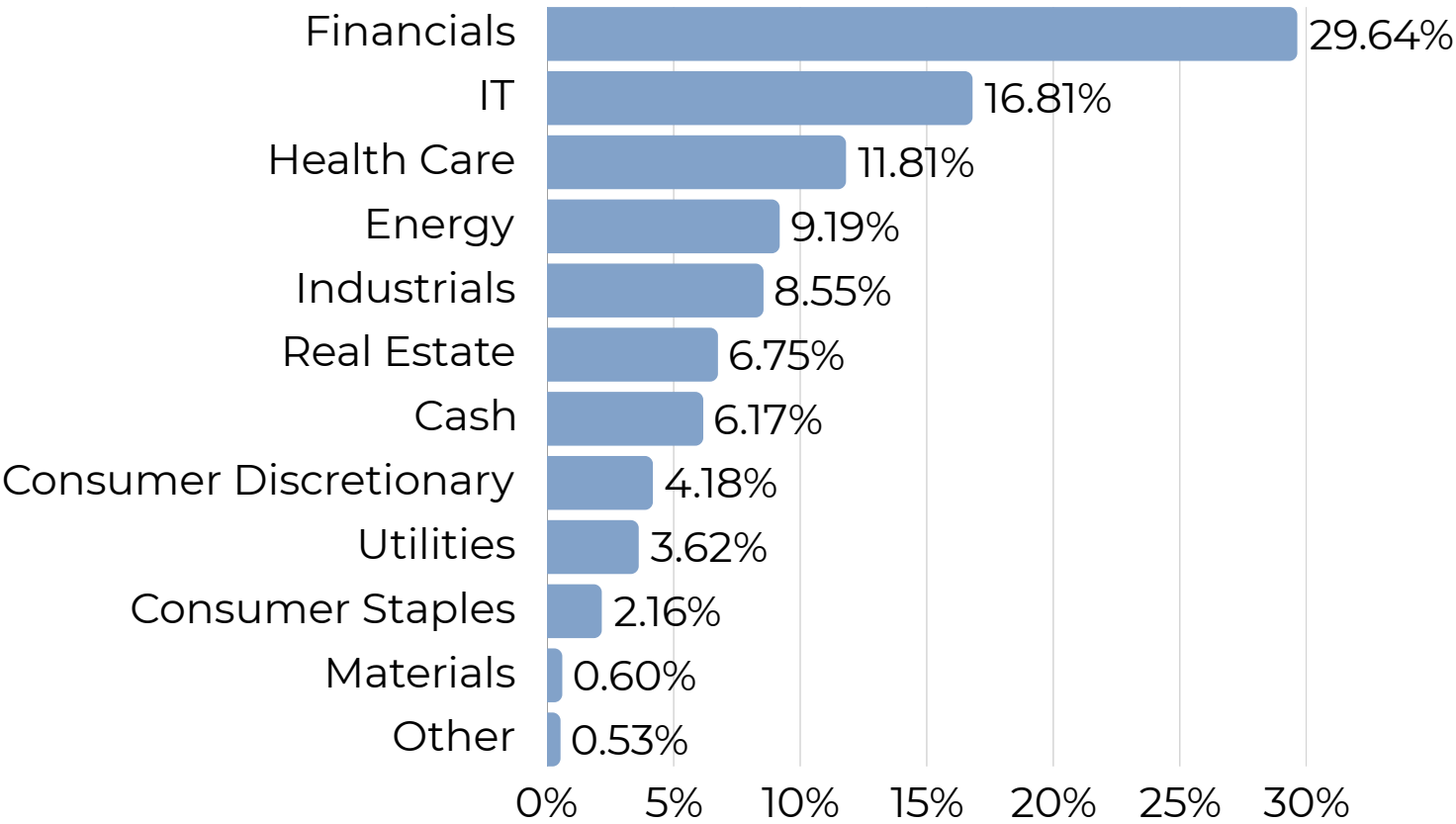
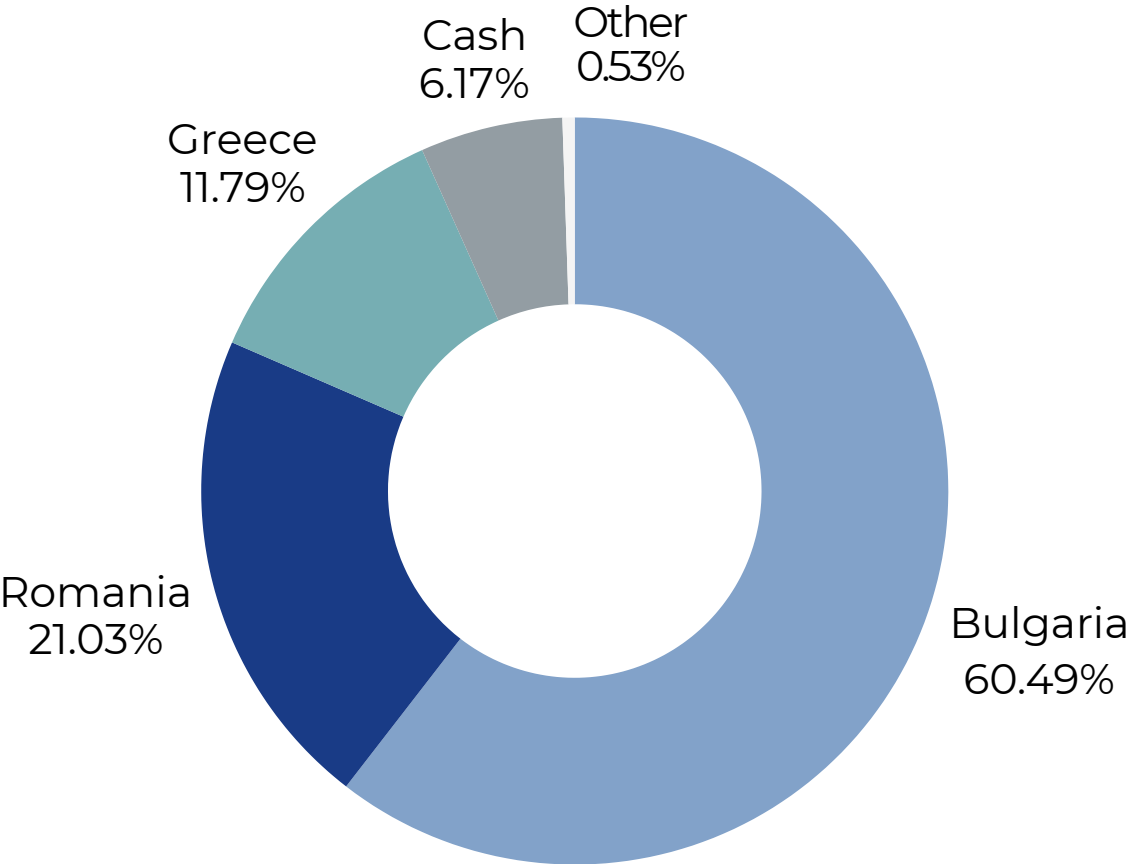
Low portfolio turnover (~20% of assets p.a.) and limited volatility

Benchmark: MSCI EFM Europe + CIS ex RU

Time-proven investment strategy since May 2004

ADVANCE INVEST

FUND PORTFOLIO DETAILS



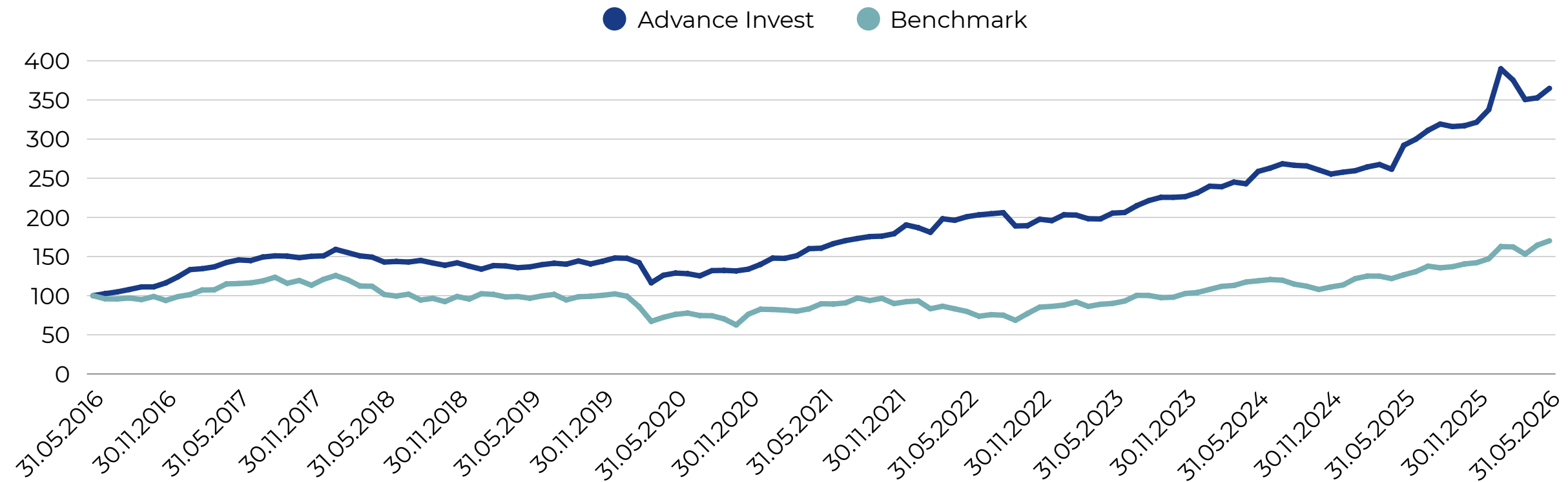
TOP 5 POSITIONS	% OF THE PORTFOLIO	COUNTRY	SECTOR
Sopharma	9.18%	Bulgaria	Health Care
Shelly Group	8.70%	Bulgaria	IT
Bulgarian Stock Exchange	4.51%	Bulgaria	Financials
Sirma Group Holding	4.07%	Bulgaria	IT
HR Capital AD Sofia (conv. bonds)	3.45%	Bulgaria	Financials

SOURCE: KAROLL CAPITAL MANAGEMENT, DATA AS OF 31.05.2026



ADVANCE INVEST

PERFORMANCE VS BENCHMARK



*PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Strategy vs Benchmark Performance (in EUR)	Y2025	3Y Return (ann.)	5Y Return (ann.)	Volatility	Alpha	Div. Yield
Advance Invest Mutual Fund	30.97%	21.10%	17.83%	13.41%	5.30%	3.05%
MSCI EFM Europe CIS ex RU	29.43%	23.61%	13.66%	12.25%		3.59%

SOURCE: KAROLL CAPITAL MANAGEMENT CALCULATIONS BASED ON NAV, DATA AS OF 31.05.2026





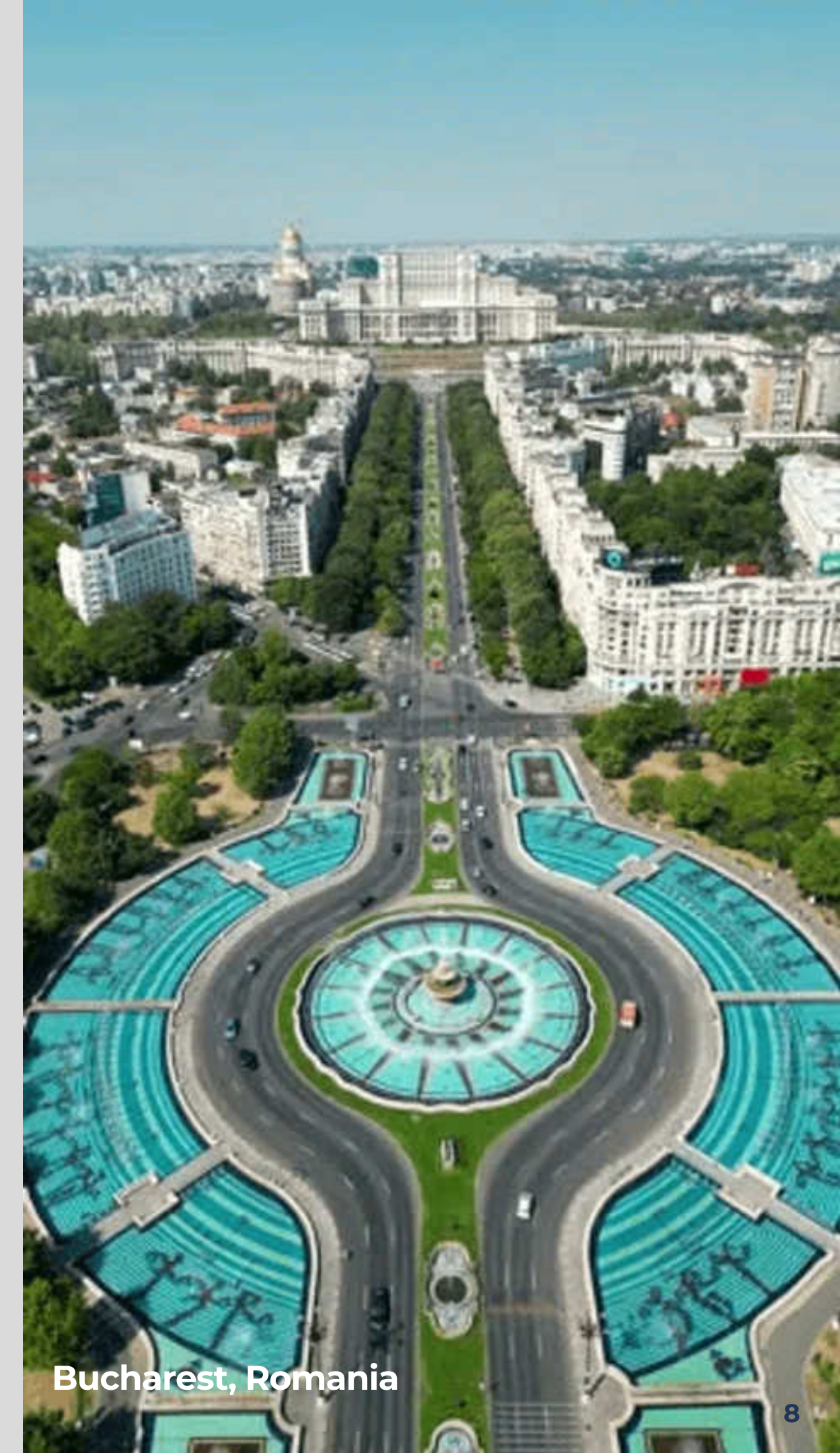
INVESTMENT OPPORTUNITIES

IN THE BALKANS



INVESTMENT OPPORTUNITIES IN THE BALKANS

- **Bulgaria and Romania growing faster than developed Europe** post pandemic: +3.1% and +2.0%, respectively, CAGR b/n 2021-2025 vs. +1.6% for the Euro area
- **Growth potential through leverage** - Govt. debt to GDP at 28% for Bulgaria and 59% Romania vs. 88% for Eurozone; gross private debt at 76% and 41% respectively vs 144% for the Euro area
- **Strong domestic demand** - buoyed by rising household incomes and supportive fiscal initiatives
- **EU/Eurozone membership** - Bulgaria and Romania are EU, NATO and Schengen members, with access to common European market, cohesion funds and financial stability mechanisms. Bulgaria joined the EURO zone on 1 Jan 2026.
- **Regulatory framework** fully synchronized with EU legislation.
- **Lowest labor costs, business expenses and taxes in EU** - well-educated and cheap workforce, low overall costs attracting international business; 10% flat tax rate
- **Strategic location** - ideally situated for trade links b/n Western Europe, Middle East and Asia. Significant improvement in infrastructure with major projects in the works.
- **Strong support from EU cohesion and RRP funds** - up to €17bln to Bulgaria and €60 bln to Romania for the period b/n 2021-2027 (ca. 4% of initial GDP p.a.)



Bucharest, Romania

WHY NOW IS A GOOD TIME TO INVEST IN BULGARIA & ROMANIA



Higher for longer global rates favor value sectors and **quality factor** (~75% share of value sectors in Balkan markets)

Low Mkt Cap/GDP: ~ 9% for Bulgaria and ~ 29% for Romania vs 140% for global market --> ample room for growth

Strong catch-up potential - Bulgaria's SOFIX index is ~ 30% below its 2007 peak

Among lowest valuations globally - TTM P/E at 7.8x for the Bulgarian SOFIX index, 14.8x for the Romanian BET vs. 24.9x for Developed Markets and 19.0x for Global EMs

Attractive dividend yields ~ 3% for both local indices and up to low-teens for selected portfolio stocks

Balkans **drastically underweight in global investment portfolios**

Nearshoring trends driven by COVID and East-West geopolitics benefit region

Buoyant **tech sector** - gaming, cyber-security, digital services

Bulgaria and Romania among biggest beneficiaries of EU **COVID-related fiscal support package**; recovery from COVID-induced recession much stronger than expected

Bulgaria's Euro area membership to improve foreign investors' perception and **drive inflows** to the market



KAROLL CAPITAL MANAGEMENT

COMPANY OVERVIEW



ABOUT KAROLL CAPITAL MANAGEMENT



OUR HERITAGE



Founded in Sofia in 2003,
Part of Karoll Financial Group



Regional representative of Schroders
Investment Management, UK and Goldman
Sachs Europe



The first local signatory of the UN's
Principles of Responsible Investing



EUR 550+ mm in assets under management and
administration, incl. 5 UCITS funds managed in-
house, SMAs, advisory mandates and wealth
management accounts

UNIQUE PERSPECTIVE & EXPERIENCE IN EMERGING EUROPE EQUITY MARKETS

22+ years

track record in regional
market allocation and
stock selection

+100 years

of combined financial
markets experience of
Investment Committee
members

5

UCITS funds managed in-
house:
3 regional, 1 thematic and 1
global



Unique heritage and native understanding of the Emerging European markets



First mover advantage - independent, specialized and pioneering



On-the-ground research coverage of wide range of companies

KEY INVESTMENT COMMITTEE MEMBERS



Georgi Georgiev, Portfolio Manager

Manages wealth management portfolios and the Balkan strategies. Born 1981. MA, Finance, University of National & World Economy, Sofia. Over 20 years of experience in finance. Was financial analyst at Kraft Foods, Northfield, USA, and financial consultant at Alfa Finance Holding, Sofia. Fluent in English and German.



Georgi Raykov, Portfolio Manager

Manages the Eastern European and Balkan strategies. Born 1992. MA, Financial Management; University of National & World Economy, Sofia. Over 10 years of experience in research, fundamental analysis, and valuations in CEE. Fluent in English, German, and Russian.



Emil Yanchev, CFA, Portfolio Manager

Manages the Central European strategies. Born 1992. BA, Business Administration, Sofia University; Over 9 years of experience in investment research and analysis in European equities. Fluent in English and German.



Simeon Keranov, Portfolio Manager

Simeon Keranov joined the company's team in 2018 as a Financial Analyst. Holds MS Degree in Finance from Tilburg University, Netherlands; CFA Level 1. Since April 2020, he has held the position of Portfolio Manager, with responsibilities that include the management of individual discretionary portfolios and Advance Global Trends mutual fund .

KAROLL CAPITAL MANAGEMENT

INVESTMENT PHILOSOPHY



Market inefficiencies abound in less developed markets due to asymmetric information, liquidity constraints, and behavioral biases. This creates opportunities, but one must have the capabilities and processes to identify them on time and profit from them. Here're our investment pillars:

- ❖ Maintain contrarian bias and long-term investment horizon
- ❖ Approach each investment with an ownership mentality rather than as a speculative trade
- ❖ Prioritize free cash flow generation ability, niche market positioning, pricing power and margin of safety when selecting investments
- ❖ Proposed investments above PM mandate limit purposefully challenged by an Investment
- ❖ Committee member to avoid group think; perform investment post-mortems
- ❖ Stay ahead of the curve through regular interactions (calls, visits) with companies and access to local news sources
- ❖ Liquidity management during periods of market turmoil – maintain an adequate cash buffer to meet unexpected drawdowns or act upon investment opportunities
- ❖ Maintain rigorous discipline with regards to liquidity and concentration risk
- ❖ Transaction and hedging costs can be prohibitively expensive so keep portfolio turnover low (<20% p.a.) and hedge FX risk only on an ad hoc basis



KAROLL CAPITAL MANAGEMENT

INVESTMENT PROCESS



The Four S's of our Process

1. SCREEN

- In-house / external screening tools (Bloomberg, Reuters, X3, etc.)
- Sourcing ideas from 3rd party research
- Conference attendance
- Company visits
- ESG sector exclusions
- Market intelligence

3. SHAPE

- Investment Committee decides on country and sector allocation limits
- PMs decide on inclusion of stocks in portfolios and weight in line with mandate constraints and risk parameters
- Benchmark unconstrained approach – at a country and individual stock level

2. STUDY

- In-depth analysis conducted in-house
- Assessing sector dynamics
- Studying business model and company's ability to generate return > cost of capital
- Identifying companies with improving margins and low debt levels
- Calculation of intrinsic value employing DCF method; Fair value calculation based on peers comparison . target price
- Analyst proposal to PMs

4. SUPERVISE

- Regular review of portfolio components' fundamentals
- Exit discipline: excessive valuation; unexpected deterioration in fundamentals; loss of confidence in management; better alternatives
- Monthly attribution analysis to determine how performance is affected by country/sector/stock selection and quantify true alpha
- Risk management: oversight by CRO and investment committee



KAROLL CAPITAL MANAGEMENT

ESG PROCESS & CRITERIA



- ✓ Internal Sustainable Investment Policy in place, in compliance with the EU SFDR directive
- ✓ Using a blend of external and internal ESG scores to select the best-in-class companies.
- ✓ Exclusion of companies generating majority of revenues from tobacco, pornography, fracking, coal mining
- ✓ Assessment of corporate governance à alignment of interests of owners with those of minorities; management must act to minimize risk of corruption.
Environmental and social factors à does company address environmental & social issues in its operation
Active ownership approach

Signatory of:





Daniel Ganev
Chief Executive Officer

E-mail: ganevd@karoll.bg

Tel: +359 2 4008 382



Headquarters Sofia

1 Zlatovrah Str, 1164, Sofia, Bulgaria,

Phone: +359 2 4008 300,

E-mail: kcm@karoll.bg, www.karollcapital.bg