



FUND OBJECTIVE

The fund implements an active investment policy by investing mainly in shares of large cap companies included in the main stock indices of the regulated markets in Eastern Europe. The fund's strategy is mainly based on a top-down approach where the main decision is regarding the allocation of assets among the different markets. For class A, the main markets for the fund's scope at the moment are Greece, Turkey, Romania and Bulgaria.

FUND MANAGER'S COMMENT

Global equities started the year on a strong footing, as sector and regional rotation continued to shift the focus away from US tech giants. MSCI World rose by 0.9% in euro terms, with European stocks (+3.1%) outperforming North American peers (-0.1%). Supported by a USD and the hardware-driven boom in the AI sector, MSCI EM advanced by 7.4%, led by South Korea and Taiwan. The regional MSCI EFM Europe + CIS also stood out with strong performance, gaining 10.5%, driven by a catch-up rally in Turkish equities, which had lagged last year.

The Greek ASE Index added 9.2%. After noticeably underperforming the STOXX Europe 600 Banks index in the fourth quarter, Greek banks caught up with an 18.0% gain in January, supported by continued strong lending growth. Other cyclical sectors also performed well, including industrials (+11.6%), materials (+9.4%), and energy (+9.0%).

The Greek ASE index rose by 1.8%, closing the year with a gain of 44.3%. In December, there was a rotation away from banks (-1.0%) toward other cyclical sectors, with materials leading the way (+15.6%), followed by energy (+8.8%) and consumer discretionary (+5.1%).

Turkish equities, which had remained on the sidelines of last year's emerging markets rally due to political risks, entered a catch-up phase. The BIST 100 Index surged 22.9% in local currency and 20% in euro terms, recovering its hard-currency losses from 2025. Foreign investor interest strengthened, with net inflows into Turkish equities reaching USD 1.5 billion, marking a monthly record.

Romania's BET Index rose 11.3%. Among key sectors, utilities led the gains (+16.2%), while banks (+6.8%) and energy (+8.3%) lagged.

Class A fund shares increased by 12.9%. Bulgarian equities were the main contributor to the strong monthly performance, rising 21.4% and outperforming the local SOFIX index (+18.9%). Turkish holdings also outperformed the market (+26.1%), but their contribution to the overall return was limited due to their relative UW. At the sector level, gains were nearly broad-based. Technology stocks delivered the largest positive contribution, followed by financials and energy. Greek consumer discretionary were the only segment to weigh slightly on performance.



COUNTRY ALLOCATION

Bulgaria	45.44%
Greece	25.55%
Romania	13.14%
Cash	10.77%
Turkey	4.97%
Other	0.13%

SECTOR ALLOCATION

IT	24.79%
Financials	24.65%
Cash	10.77%
Energy	10.63%
Consumer discretionary	8.75%
Industrials	5.69%
Consumer staples	4.23%
Health care	3.03%
Utilities	3.00%
Real estate	2.20%
Materials	2.14%
Other	0.13%
Communication services	0.00%

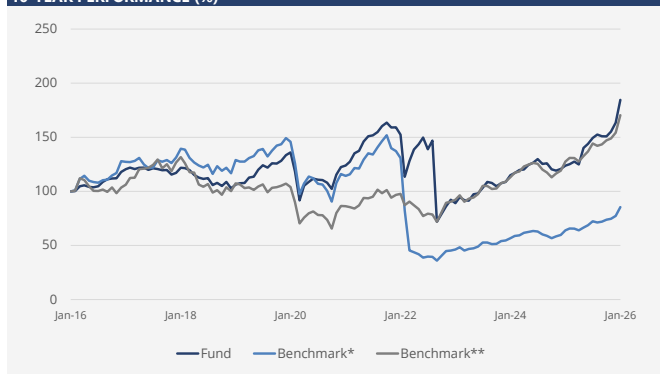
FUND FACTS

Fund Type	open-end
Fund Manager	Georgi Raykov, Konstantin Prodanov
Fund Size	EUR 2.7 M
NAV per Share	EUR 1.218
Fund Launch Date	04.10.2006
Benchmark*	MSCI EFM Europe&CIS
Benchmark**	MSCI EFM Europe + CIS ex RU
Currency	EUR
Subscription Fee	up to 1.50%
Management Fee	1.5 % NAV p.a.
Redemption fee	none
Minimum Investment	none

FUND IDENTIFIERS

ISIN	BG9000016063
Bloomberg Code	ADVEAEU.BU
Reuters Lipper	65095316
Valor	3079269
WICN-German	AOMXVY

10-YEAR PERFORMANCE (%)



Past performance is not a guarantee of future results.

PERFORMANCE*	Fund	Benchmark*	Benchmark**
1 month	12.91%	10.54%	10.54%
YTD	12.91%	10.54%	10.54%
1 year	49.10%	33.60%	33.60%
3 years p.a.	27.47%	22.73%	22.73%
5 years p.a.	8.30%	-5.65%	14.59%
10 years p.a.	6.32%	-1.56%	5.47%
Since Inception p.a.	1.02%	-4.26%	0.04%

Past performance is not a guarantee of future results.

CALENDAR YEAR PERFORMANCE*	Fund	Benchmark*	Benchmark**
2025	35.38%	29.43%	29.43%
2024	11.08%	9.27%	9.27%
2023	20.64%	20.55%	20.55%
2022 (indicative)	-42.12%	-66.97%	-6.49%
2021	30.09%	18.34%	11.71%
2020	-8.31%	-22.29%	-19.20%
2019	29.88%	27.68%	6.91%
2018	-12.25%	-10.96%	-20.91%
2017	-0.73%	2.66%	22.39%
2016	11.90%	24.40%	-1.29%

*Annual performance since 03.01.2023 when class A was started

*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.

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
Shelly Group	IT	Bulgaria
Sirma Group Holding	IT	Bulgaria
EUROBANK SA	Financials	Greece
Motor Oil Hellas Corinth Refineries S.A.	Energy	Greece
HR Capital AD Sofia	Financials	Bulgaria

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_pritejatelitel.pdf

For further information visit: <https://karollcapital.bg/en/funds/2-advance-eastern-europe>