

ADVANCE EMERGING EUROPE OPPORTUNITIES

Investment Objective

The Fund invests in stocks of companies in the CEE region, and has long-term investment horizon.

*This is marketing material

31 December 2025

Fund Manager's Comment

December (+3.3%) concluded strongly for the markets in Central and Eastern Europe, bringing a record year for the Fund to a close. Total year-to-date return reached 44.4%, supported by our pronounced exposure to Central Europe and consistently strong stock selection. This resulted in an outperformance of 15 percentage points versus the benchmark index.

Beyond the achieved performance, 2025 established itself as a pivotal year in the Fund's development. We recorded our first inflows from foreign institutional investors, expanded the team with two new analysts—both office-based and field-based—held a record number of meetings with companies, including numerous on-site visits, and implemented a series of enhancements to the investment process, including the deployment of a customized AI-based large language model (LLM). We are confident that this represents not an endpoint, but rather the beginning of a new phase in which the Fund's growth will accelerate. The ongoing redomiciliation of the Fund to Luxembourg, scheduled for January, is expected to open a new chapter by materially facilitating access for international investors. This coincides with heightened interest from foreign institutions observed during our numerous roadshows in 2025.

In 2026, the market environment in Central and Eastern Europe remains favorable. While we do not expect a repeat of the exceptional returns achieved in 2025, Poland—our core market in the region—continues to stand out, with economic growth accelerating to 3.5–4.0% (the highest among leading EU economies), alongside declining inflation and interest rates. At the same time, the WIG20 is trading at a 26E P/E of 12.2x, which still represents a discount of more than 25% relative to global emerging markets.

The Polish WIG20 index (+6.1%) delivered a very strong performance in December, lifting its year-to-date return to 45.3%. Among the top performers was fashion retailer LPP (+22.3%)—our largest position in Poland—which reported very strong third-quarter results, supported by high operational efficiency, and provided guidance indicating materially stronger performance over the next two years compared with market expectations. During the month, we increased our exposure to Poland by raising the weights of several existing positions and initiating a new position in Shoper, a leading e-commerce software provider, where recent strategic developments are expected to further enhance the company's long-term growth potential and market positioning.

The Czech PX index rose by 7.7% in December and finished 2025 as the best-performing market in the region, with a total return of 52.6%. The advance was driven by the financial sector, particularly Vienna Insurance Group (VIG) (+36.8%), supported by the announcement of new strategic and financial targets.

Among the other markets in the region, Austria stood out, with our positions posting an average increase of 5.5%, led by Erste Bank and Raiffeisen. The Hungarian BUX (+1.4%) and the Greek ASE (+1.8%) also ended the month in positive territory, albeit lagging the performance of the rest of the region.

Fund Facts

Fund type	open-end
Fund Manager	Emil Yanchev, CFA, Konstantin Prodanov
Fund size	EUR 85.81 M
NAV/share	EUR 1.8881
Launch date	23.11.2007
Currency of account	Euro
Subscription fee	up to 0.9%
Management fee	15 % NAV p.a.
Redemption fee	none
Minimum investment	none
Benchmark	MSCI EFM Europe + CIS ex RU

Fund Identifiers

ISIN	BG9000023077
Bloomberg Code	ADVIPOF.BU
Reuters Lipper	68417298

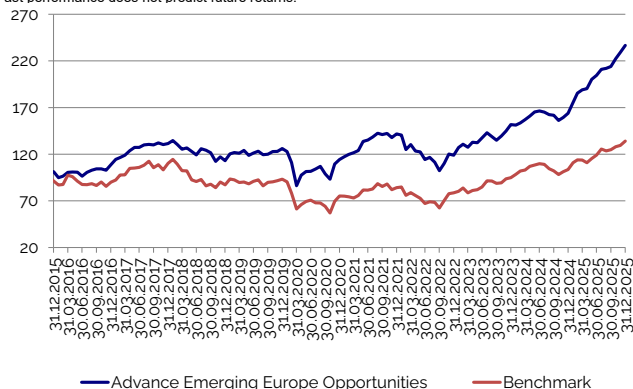
Past performance does not predict future returns.

Fund Results (31.12.2025)

	Fund	Benchmark
1 month	3.29%	3.59%
1 year	44.43%	29.43%
Year to Date	44.43%	29.43%
Since Launch (annualized)	3.57%	-1.82%

Fund Performance 10Y

Past performance does not predict future returns.



Annual Performance

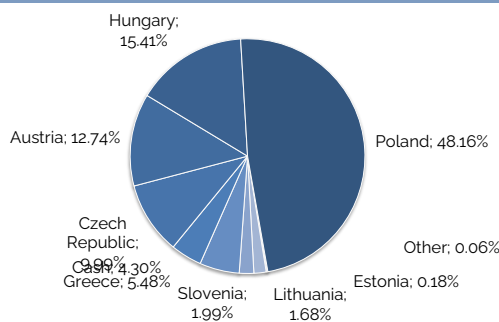
	Fund	Benchmark
2025	44.43%	29.43%
2024	8.02%	9.27%
2023	27.62%	20.55%
2022	-16.20%	-6.49%
2021	24.13%	11.71%
2020	-9.35%	-19.20%
2019	11.31%	6.91%
2018	-13.89%	-20.91%
2017	20.96%	22.39%
2016	7.76%	-1.29%

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

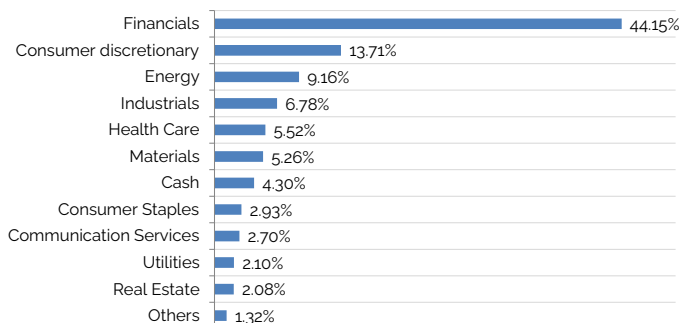
The risks of investing in shares of the contract fund are market, interest, liquidity, currency, operational, settlement risk, legislative, concentration risk, etc. More information about the risks can be found in the fund's prospectus.

Portfolio Breakdown

Market Breakdown



Sector Breakdown



5 Largest Holdings

OTP BANK, Hungary, Financials	LPP SA, Poland, Consumer discretionary	ERSTE GROUP BANK AG, Austria, Financials	KOMERCNI BANKA, Czech Republic, Financials	POWSZECHNY ZAKLAD UBEZPIECZEN SPOLKA AKCYJNA / PZU, Poland, Financials
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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_pritejatelitel.pdf