



FUND OBJECTIVE

Advance Emerging Europe Opportunities is a sub-fund of the Luxembourg umbrella Karoll SICAV. The fund invests in shares of companies from Central and Eastern Europe, primarily in Poland, Czechia, Hungary, Austria, Slovenia and the Baltics. The fund's objective is to provide capital appreciation by realizing capital gains in the long run at a moderate to high risk.

FUND MANAGER'S COMMENT

Global equity markets resumed their upward trend in August, supported by a strong second-quarter earnings season across major regions. Emerging Europe remained among the better-performing areas globally, with the benchmark MSCI EFM Europe + CIS ex Russia gaining 2.73% in EUR terms. This compared with a 1.5% increase for MSCI World and a 2.23% rise for MSCI Emerging Markets.

Within the region, performance was led by Turkey, while the earlier exuberance in Romania faded and the market declined by 6.7% during the month. Against this backdrop, the Fund's unit value increased by 1.39%. Performance was negatively affected by the lack of exposure to Turkey and by unfavorable stock selection in Poland, although this was partly offset by strong stock selection in Austria and Greece.

In Poland, the strongest contribution came from financials and KGHM (+16%), which benefited from the sharp rise in metal prices. Dino (+12.5%) also returned to growth after a prolonged period of underperformance, as investors started to look through the weak near-term environment and price in a recovery in food retail. The key driver is the expected fading of food deflation, which has been putting pressure on pricing and margins. We had built exposure to this theme earlier, when sentiment toward the sector was still weak, by substantially increasing our position in Jeronimo Martins. In our view, the company offers greater resilience than Dino, which was visible in the second-quarter results: Jeronimo Martins managed to expand its operating margin, while Dino's margin contracted. During the month, however, Jeronimo Martins lagged the sector recovery and gained 3.7%.

There were also two positive policy developments for the Polish market. First, the president signed the OKI bill, which introduces tax-advantaged personal investment accounts aimed at channeling more household savings into capital markets. We view this as positive for local equity inflows, with the impact expected to become visible from 2027. Second, the 2027 budget proposal points to a meaningful increase in dividend payouts from state-controlled companies, with expected state dividend income of PLN 13.9bn - 76% above the 2026 target and significantly above the 2025 level. This should provide an additional source of support for market sentiment, particularly in large-cap names with state ownership.

Hungary lagged slightly behind, with the BUX Index gaining 1.7%. MOL (+11.6%) was the key highlight after publishing exceptionally strong second-quarter results, driven by better downstream performance, higher inland premiums and the benefit from cheaper Russian crude purchases. Cash flow generation was also very strong, with operating cash flow rising 71% year-on-year. The environment for MOL remains highly supportive, helped by record refining margins and strong fuel demand. OTP, our largest Hungarian position, reported headline results below expectations; however, they were burdened by numerous one-offs, and the stock fell 3.4%.

Among the remaining markets, the contribution from Czechia was relatively weak, as sentiment toward logistics real estate developer CTP (-8.6%) remained subdued. At the same time, Greece and Austria made a meaningful positive contribution, with our positions in the two markets gaining 6.8% and 5.7% on average, respectively, outperforming the local indices.

COUNTRY ALLOCATION

Poland		42.96%
Hungary		15.75%
Austria		13.68%
Greece		9.18%
Czech Republic		8.99%
Cash		6.06%
Slovenia		1.95%
Lithuania		1.29%
Others		0.15%

SECTOR ALLOCATION

Financials		41.77%
Consumer Discretionary		14.08%
Energy		8.55%
Industrials		8.10%
Cash		6.06%
Health Care		5.50%
Consumer Staples		3.90%
Materials		3.32%
Real Estate		3.00%
Communication Services		2.98%
Utilities		1.46%
IT		1.14%
Others		0.15%

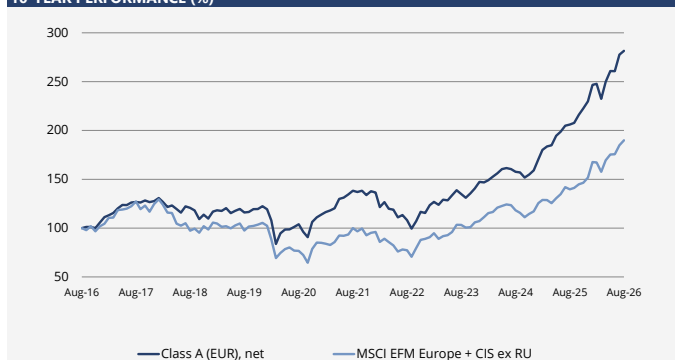
FUND FACTS

Fund Type	UCITS V, Luxembourg SICAV
Management Company	Waystone Management Company (Lux) S.A.
Investment Manager	Karoll Capital Management EAD
Fund Manager	Emil Yanchev, CFA
Fund's Total Net Assets	EUR 109.94 M
NAV per Share	EUR 2.3127
Domicile	Luxembourg
Currency	Euro
NAV Frequency	Daily
Fund Launch Date	23.11.2007
Auditor	Deloitte Audit, Luxembourg
Depository	Quintet Private Bank (Europe) S.A.
Fund Administrator	UI efa S.A., Luxembourg
Countries for Distribution	BG, LU, CH, DE, AT, BE, NL, SE, NO

FUND DETAILS

Unit class	Class A EUR	Class C EUR
Investor Type	All	Institutional
Min. Subscription	Not applicable	EUR 1 m
Management Fee	1.50%	1.00%
Subscription Fee	Up to 0.9%	None
Redemption Fee	None	None
ISIN	LU3221847190	LU3221847356
Bloomberg Code	KARAEOLX	KARAEOLX
WKN Code	A426BF	A426BG
Luxembourg Launch Date	15.01.2026	28.01.2026

10-YEAR PERFORMANCE (%)



Past performance is not a guarantee of future results.

PERFORMANCE*	Class A (EUR)	MSCI EFM Europe + CIS ex RU
1 month	1.39%	2.73%
YTD	22.49%	25.21%
1 year	36.65%	35.90%
3 years p.a.	27.81%	22.50%
5 years p.a.	15.28%	13.69%
10 years p.a.	10.91%	6.62%
Since Inception p.a.	4.57%	-0.57%

CALENDAR YEAR PERFORMANCE*	Class A (EUR)	MSCI EFM Europe + CIS ex RU
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%

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*The calculation is based on net asset value per unit and does not include issuance and redemption costs, according to the Fund's Rules and Prospectus.

TOP 5 HOLDINGS

Holding name	Sector	Country
OTP BANK PLC	Financials	Hungary
LPP	Consumer Discretionary	Poland
ERSTE GROUP BANK	Financials	Austria
BENEFIT SYSTEMS	Industrials	Poland
RICHTER GEDEON	Health Care	Hungary

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A summary of shareholder rights is available at https://karollcapital.bg/uploads/Advance%20Emerging%20Europe%20Opportunities/_Karoll_.pdf

For further information visit: <https://karollcapital.bg/en/funds/3-karoll-advance-emerging-europe-opportunities>