



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

July was a strong month for Emerging Europe, which clearly outperformed both developed and broader emerging markets. The region benefited from its favorable sector composition, as financials, energy and consumer came back into focus. Renewed tensions in the Middle East briefly pushed oil prices higher, providing additional support for energy names. At the same time, technology and AI-related stocks globally came under pressure after their strong run earlier in the year, as investors became more selective around valuations, future returns on AI investment and the ultimate distribution of profits across the value chain. As a result, the MSCI World Index declined by 0.2% in EUR terms and MSCI Emerging Markets fell by 3.9%, while the CEE benchmark, MSCI EFM Europe + CIS ex Russia, gained 5.3% during the month. Against this backdrop, the Fund delivered a strong return of 6.5%, supported by positive stock selection. The divergence once again highlighted the region's lower exposure to the global technology cycle and its stronger reliance on local, idiosyncratic growth drivers, which we view as an important source of diversification.

Poland was the strongest market within the portfolio, with the WIG20 gaining 9.3%, while our Polish holdings performed even better, supported by strong stock selection in the consumer space. On the negative side, renewed speculation around higher banking taxes triggered a brief pullback in bank stocks, although the regulatory overhang has not fully disappeared. Allegro (+19%) was among the key contributors to the Fund after preliminary first-half results showed the strongest domestic GMV growth in three years and rapid expansion of its international business. The company also appears well positioned to benefit from pressure on Chinese competitors following the introduction of the €3 customs duty on low-value non-EU parcels. Pepco (+26.6%) also performed strongly after a solid trading update, supported by healthy LFL growth, record gross margins and an improved free cash flow outlook, while the ongoing buyback provided additional support. Żabka (+18.9%) was another focus point after attracting strategic interest, culminating in a voluntary tender offer from Alimentation Couche-Tard. The tender offer for Żabka fits into a broader pattern across our portfolio, where strategic interest in leading CEE growth companies (also InPost and Shoper) continues to validate our view that public markets often underappreciate their long-term strategic value.

The Czech market, which had lagged in previous months, rebounded by 5.4% in July. Gains were broad-based, led by banks and ČEZ, both of which benefited from the improved regional sentiment. Defence company CSG (+29.3%) also recovered strongly after a prolonged downward trend since its IPO, although the stock remains well below its listing price despite the company's solid underlying fundamentals.

Hungary also performed strongly, with the BUX Index gaining 4.9%. MOL (+22.4%) stood out as the key contributor, supported by an exceptionally favorable refining backdrop. Diesel shortages in Europe and record-high refining margins provided a strong tailwind for the stock, adding to the broader positive momentum in the Hungarian market. On the negative side, the forint lost 2.6% vs. the euro, partly reflecting profit-taking after the central bank's dovish messaging.

Among the remaining markets, stock selection in Austria and Greece was particularly strong, with both markets making a meaningful contribution to portfolio performance.

COUNTRY ALLOCATION

Poland		46.74%
Hungary		15.87%
Austria		13.18%
Czech Republic		9.08%
Greece		8.87%
Cash		2.76%
Slovenia		1.97%
Lithuania		1.32%
Others		0.21%

SECTOR ALLOCATION

Financials		41.92%
Consumer Discretionary		14.55%
Industrials		10.70%
Energy		8.11%
Health Care		5.35%
Consumer Staples		3.96%
Communication Services		3.28%
Real Estate		3.27%
Materials		3.24%
Cash		2.76%
Utilities		1.47%
IT		1.17%
Others		0.21%

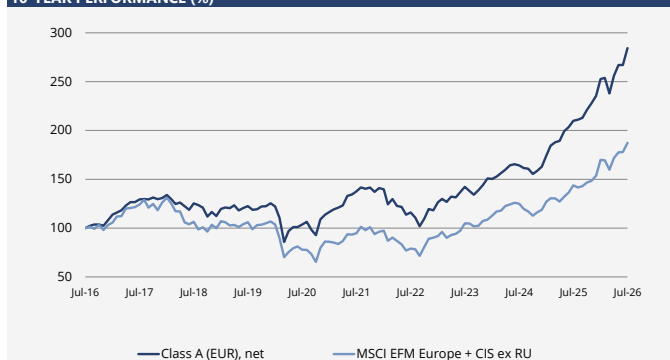
FUND FACTS

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 107.97 M
NAV per Share	EUR 2.2809
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	15.01.2026

10-YEAR PERFORMANCE (%)



Past performance is not a guarantee of future results.

PERFORMANCE*	Class A (EUR)	MSCI EFM Europe + CIS ex RU
1 month	6.47%	5.26%
YTD	20.80%	21.89%
1 year	35.50%	30.27%
3 years p.a.	26.00%	21.35%
5 years p.a.	15.61%	14.61%
10 years p.a.	11.02%	6.48%
Since Inception p.a.	4.51%	-0.72%

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
BENEFIT SYSTEMS	Industrials	Poland
ERSTE GROUP BANK	Financials	Austria
RAIFFEISEN BANK INTL	Financials	Austria

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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>