



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

May was another constructive month for equity markets, as investors increasingly priced in a gradual de-escalation of the conflict in the Middle East. Negotiations between the US and Iran appeared to gain momentum, while oil prices declined below \$100 per barrel toward month-end. The AI theme remained firmly in focus, driving a 10.1% gain for the MSCI EM Index. Europe lagged behind with a 2.6% increase, while Emerging Europe, measured by, MSCI EFM Europe + CIS ex Russia rose by 3.4%. Against this backdrop, the Fund gained 4.4% during the month.

The month was shaped by the Q1 reporting season, with a full week in Warsaw spent discussing results and outlooks with management teams across more than 30 portfolio companies and businesses under active coverage. Overall, the regional backdrop remains constructive. The Middle East conflict has so far had only a limited impact on company operations, while underlying fundamentals remain broadly intact. Banks across the region continue to screen positively, supported by robust credit quality, a more favorable interest-rate outlook for net interest margins and healthy loan-growth expectations. Hungary stands out as a particularly supportive case, as the recent unlocking of EU funds could provide a meaningful boost to economic activity and translate into stronger corporate loan demand. The picture in the consumer space is more mixed, although selected retailers are benefiting from a weaker US dollar and company-specific improvements in logistics and product mix. The backdrop for energy companies is clearly supportive, although government intervention, including fuel-price caps, caps part of the upside.

Poland saw a broad-based rally (WIG20 up by 5.7%) during the month, with mid-cap holdings contributing strongly to portfolio performance. Benefit Systems (+10.3% MoM) reported a strong set of Q1 results, with improvements across several areas. Turkey stood out in particular, as the number of MultiSport cards increased to nearly 80,000 from around 30,000 in mid-2025, highlighting the market's attractive long-term expansion potential. Inter Cars (+11% MoM) also reported solid sales dynamics, while the first signs of a shift from a deflationary to a more inflationary pricing environment were received positively by the market, given the potential for an improvement in operating performance.

The rally in Hungary took a breather after the strong gains in April, with the BUX Index rising by just 0.6% during the month. The broader market backdrop nevertheless remained supportive: the 10-year government bond yield fell below 5.3% at month-end, from more than 6.7% at the beginning of the year, moving below the Polish equivalent, while the forint appreciated by 3.0% against the euro. Sentiment was further supported by the unlocking of EUR 16.4 billion in previously frozen EU funds.

Among the other markets, Greece (ASE +8.4% MoM) was a notable outperformer, with banks once again at the forefront. Sector dynamics remained strong in the first quarter, supported by buoyant credit expansion, which exceeded 10% YoY on average across the four largest banks. Metlen (+20%) also contributed strongly to portfolio performance, as the outlook for aluminium improved significantly, benefiting the company through its vertically integrated metals business and exposure to aluminium production.

COUNTRY ALLOCATION

Poland		43.59%
Hungary		16.29%
Austria		13.06%
Czech Republic		8.77%
Greece		8.16%
Cash		6.29%
Slovenia		2.06%
Lithuania		1.38%
Others		0.40%

SECTOR ALLOCATION

Financials		41.47%
Consumer Discretionary		12.70%
Industrials		10.47%
Energy		8.07%
Cash		6.29%
Health Care		5.73%
Materials		3.68%
Communication Services		3.13%
Real Estate		2.90%
Consumer Staples		2.40%
Utilities		1.46%
IT		1.29%
Others		0.40%

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 101.32 M
NAV per Share	EUR 2.1425
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	4.41%	3.42%
YTD	13.47%	15.59%
1 year	34.04%	34.31%
3 years p.a.	26.64%	23.61%
5 years p.a.	14.97%	13.66%
10 years p.a.	10.30%	5.46%
Since Inception p.a.	4.20%	-1.01%

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
RICHTER GEDEON	Health Care	Hungary
ERSTE GROUP BANK	Financials	Austria
BENEFIT SYSTEMS	Industrials	Poland

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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>