



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

March was dominated by heightened geopolitical tensions, with the conflict involving Iran acting as the primary driver of market volatility. Uncertainty around potential spillover effects continued to weigh on investor sentiment, while expectations for a swift resolution proved overly optimistic. Against this backdrop, the Fund declined by -6.22%, compared to -5.73% for the benchmark. Despite the negative performance, Emerging Europe demonstrated relative resilience, significantly outperforming broader global markets (MSCI EM: -11.1%; MSCI Europe: -8.0%). The macro backdrop in the region remains broadly intact, with only marginal adjustments to growth expectations, consistent with a base-case scenario of gradual normalization in oil prices following a de-escalation. Current Bloomberg forecasts suggest 2026 GDP growth has been trimmed by just 0.1pp to 3.6% in Poland, 2.6% in the Czech Republic and 2.0% in Hungary, pointing to a contained impact from the external shock. In Poland, growth should be supported by strong EU fund inflows and accelerating investment, which are likely to cushion downside risks even in a more adverse scenario.

In Poland, the WIG20 declined by 2.9%, while the zloty weakened by 1.6% against the euro. Performance was polarized, with energy names emerging as clear beneficiaries of the sharp increase in commodity prices - most notably Orlen (+17.2%) and domestic coal producers - supported by a surge in refining margins and elevated oil, gas and coal prices. In contrast, the majority of the market finished in negative territory. Banks were relatively resilient, with WIG-Banks down 3.9%, as strong Q4 results and a more supportive rate outlook - amid rising inflation expectations - helped underpin sentiment, while asset quality remains robust. Among the few positive outliers, fashion retailer LPP gained 7.9%, driven by stronger-than-expected profitability and an upgraded 2026 margin outlook, supported by favorable FX dynamics. During the month, we selectively added to several sold-off positions where fundamentals remain largely unaffected by the conflict, while trimming our exposure to Grupa Kęty (-9% MoM) on early signs of potential supply disruptions and rising aluminium prices, a key input cost.

In the Czech Republic, the PX Index declined by 5.4%, while the koruna weakened by 1.2% against the euro. Performance was broadly negative, with ČEZ (+3.0%) the only major stock finishing in positive territory. Notably, newly listed defence group CSG NV declined by 26.7% as post-IPO enthusiasm faded. The company reported solid Q4 results and reiterated its mid-teens organic revenue growth and margin expansion targets (to 26-28% EBIT), which we view as highly attractive. We used the weakness to continue building our position, adding opportunistically during the sell-off.

In Hungary, the BUX Index declined by 4.1% during the month, with investor focus increasingly shifting toward the parliamentary elections on 12 April. Recent polling indicates a meaningful lead for the opposition Tisza party, with markets viewing the outcome as potentially positive given the prospect of improved EU relations and the unlocking of substantial EU funds.

Greece was among the laggards, with the ASE Index declining by 9.3% during the month. MSCI officially confirmed that Greece will be upgraded to Developed Market status, with implementation scheduled for May 2027. The reclassification could prove supportive over time by lowering the cost of capital and broadening the investor base.

COUNTRY ALLOCATION

Poland		45.16%
Hungary		15.05%
Austria		12.98%
Czech Republic		9.39%
Greece		7.70%
Cash		5.65%
Slovenia		2.27%
Lithuania		1.61%
Estonia		0.18%

SECTOR ALLOCATION

Financials		41.86%
Consumer Discretionary		12.84%
Industrials		10.90%
Energy		8.91%
Health Care		5.88%
Cash		5.65%
Materials		3.28%
Communication Services		2.90%
Consumer Staples		2.81%
Real Estate		1.95%
Utilities		1.63%
IT		1.37%

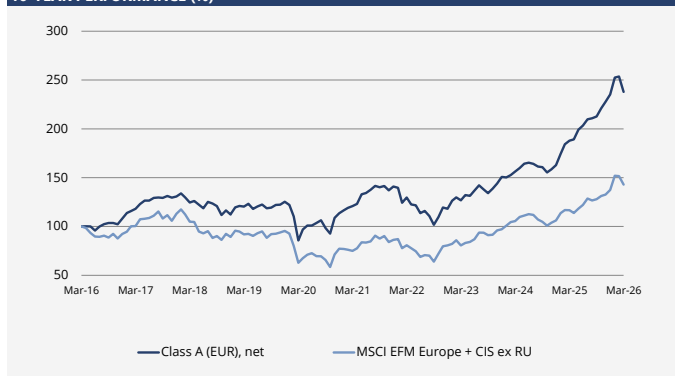
FUND FACTS

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 88.75 M
NAV per Share	EUR 1.9087
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
Luxembourg Launch Date	15.01.2026	15.01.2026

10-YEAR PERFORMANCE (%)



PERFORMANCE*	Class A (EUR)	MSCI EFM Europe + CIS ex RU
1 month	-6.22%	-5.73%
YTD	1.09%	3.97%
1 year	26.55%	22.48%
3 years p.a.	23.33%	21.04%
5 years p.a.	14.48%	13.78%
10 years p.a.	9.05%	3.64%
Since Inception p.a.	3.58%	-1.58%

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%

Past performance is not a guarantee of future results.

*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
RICHTER GEDEON	Health Care	Hungary
KOMERCNI BANKA	Financials	Czech Republic

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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>