Karoll - Advance Emerging Europe Opportunities

MONTHLY FACTSHEET: 31 October 2026

*This is marketing material

FUND OBJECTIVE

Advance Emerging Europe Opportunities is a sub-fund of the Luxembourg umbrella Karoll SICAV. The Fund invests in shares of companies across Central and Eastern Europe, primarily in Poland, Czechia, Hungary, Austria, Slovenia and the Baltics. The Fund seeks long-term capital appreciation at a moderate to high level of risk, targeting opportunities in a region that combines structural growth potential with attractive relative valuations. Key drivers include economic convergence with Western Europe, faster economic and earnings growth, resilient domestic consumption, near-shoring and the growing international expansion of regional companies.

FUND MANAGER'S COMMENT

October brought a sharp sell-off in emerging markets (MSCI EM -6.5% in EUR), as concerns over stretched valuations and the payback on AI investment weighed on technology stocks, particularly in Asia. Developed markets (MSCI World +0.9% in EUR) proved considerably more resilient. Emerging Europe also declined, with the benchmark MSCI EFM Europe + CIS ex Russia losing 2.29% in EUR terms, but the region's low technology weighting once again limited the downside relative to broader EM. Against this backdrop, the Fund's unit value increased by 0.22%, outperforming the benchmark by 2.5pp. The turmoil in Turkey deepened further, with the BIST-100 falling another 9.9%. As we flagged last month, the forced liquidation of investment funds is likely to leave lasting damage to investor confidence, which supports our decision to stay away from the market and was a key driver of our outperformance. Stock selection also made a significant contribution during the month.

In Poland, the WIG20 ended the month unchanged, while our Polish holdings outperformed significantly, gaining around 2.6% on average (in EUR). The strongest contributions came from our top picks, including Benefit Systems (+18.1%), LPP (+9.9%), Inter Cars (+11.6%) and Allegro (+17.6%). Banks underperformed, with the WIG-Banks index falling 3.9%, in line with broader weakness across European financials. Our significant underweight in Polish banks limited the impact on the portfolio. Politics returned to the spotlight after Prime Minister Tusk stepped into the dispute over the Constitutional Court. We see little near-term economic impact, but the conflict further deepens political polarization and makes the outcome of next year's parliamentary elections even harder to call. Of greater importance for investors, the long-running deadlock over the central bank's leadership was resolved after the prime minister approved the new appointments to the NBP management board.

The BUX was also broadly flat, while our Hungarian holdings again outperformed, led by Magyar Telekom (+10.1%). The stock rallied ahead of its quarterly results, which came in broadly in line with expectations. In Czechia, Moneta Money Bank (+4.2%) stood apart from the weakness in European banks. Quarterly net profit beat consensus by 12%, helped mainly by lower provisioning, and management raised its full-year 2026 net profit guidance by close to 8% to CZK 7.1bn, now modestly ahead of market expectations. The share price response was nevertheless restrained, as the prospect of additional bank taxes in Czechia and the absence of a special dividend tempered investor enthusiasm. We took the opportunity to partially lock in gains on the position.

Greece, Austria and Slovenia lagged the rest of the portfolio, mainly because of our exposure to financials. Jumbo (+8.6%), the Greek discount retailer, was the notable exception. Sales growth has accelerated notably in recent months and is now running ahead of the company's own guidance. Encouraged by this momentum, we increased our position further during the month.

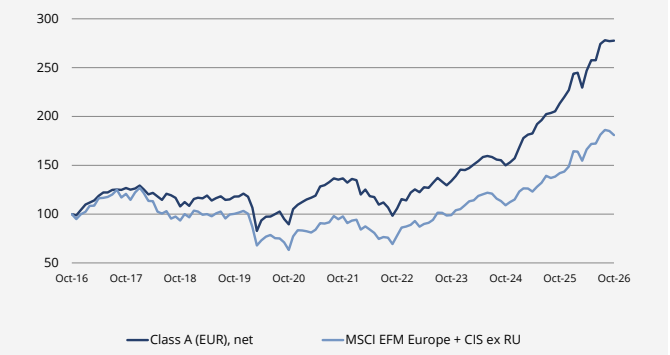
FUND FACTS

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 110 M
NAV per Share	EUR 2.309
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 1m
Management Fee	1.50%	1.00%
Subscription Fee	Up to 0.9%	None
Redeption Fee	None	None
ISIN	LU3221847190	LU3221847356
Bloomberg Code	KARAEOA LX	KARAEOC LX
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	0.22%	-2.29%
YTD	22.29%	21.61%
1 year	30.14%	27.39%
3 years p.a.	27.54%	22.24%
5 years p.a.	15.25%	13.13%
10 years p.a.	10.75%	6.10%
Since Inception p.a.	4.52%	-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.*

COUNTRY ALLOCATION

Poland	45.75%
Hungary	15.05%
Austria	11.59%
Greece	10.89%
Czech Republic	8.14%
Cash	4.83%
Slovenia	1.76%
Lithuania	1.21%
Others	0.77%

SECTOR ALLOCATION

Financials	38.15%
Consumer Discretionary	17.22%
Energy	8.51%
Industrials	8.34%
Health Care	5.79%
Cash	4.83%
Consumer Staples	4.24%
Real Estate	3.44%
Communication Services	3.23%
Materials	2.93%
Utilities	1.41%
IT	1.14%
Others	0.77%

TOP 5 HOLDINGS

Holding name	**Sector**	**Country**
OTP BANK	Financials	Hungary
LPP SA	Consumer Discretionary	Poland
BENEFIT SYSTEMS SA	Industrials	Poland
ERSTE GROUP BANK AG	Financials	Austria
JERONIMO MARTINS	Consumer Staples	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