

ACTIVE FUND INTELLIGENCE · EMERGING MARKETS UNIVERSE

Eastern Europe: The Quiet Overweight

How active EM managers have built a consensus overweight in Eastern Europe — and why the conviction behind it remains narrower than the numbers suggest.

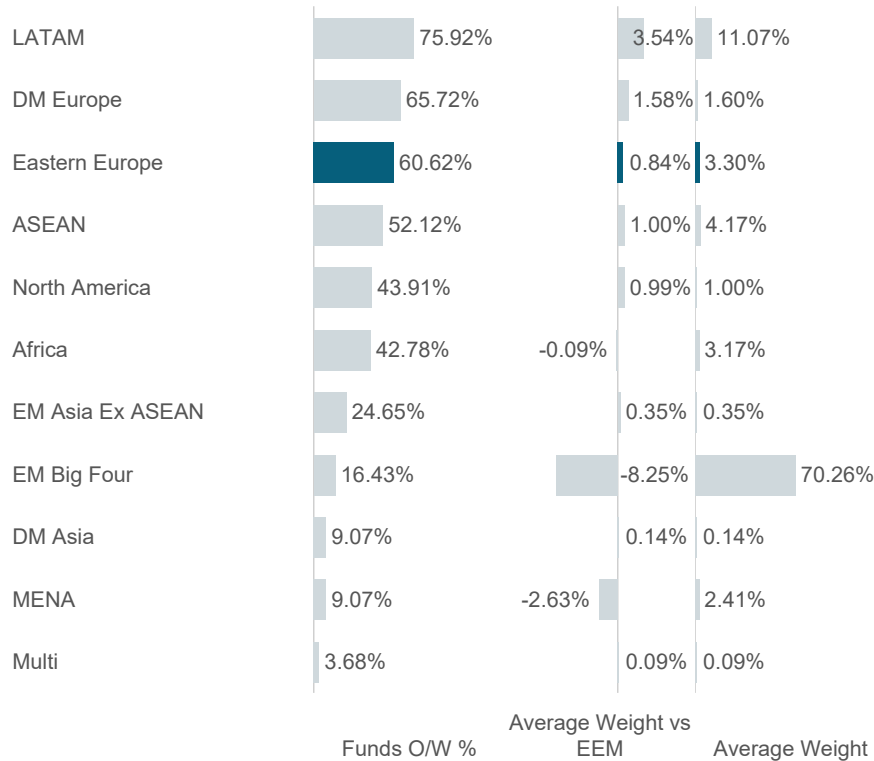
May 2026

Eastern Europe: The Quiet Overweight

Eastern Europe occupies a modest but structurally overweight position in active EM portfolios. Average exposure stands at 3.3%, sitting 0.84% above the iShares MSCI EM ETF benchmark weight, with 60.6% of funds positioned ahead of the index — the third most overweighted sub-region in our universe, behind only LATAM and Developed Europe. Overweight levels have been grinding higher towards the top of the long-term range, with average weights climbing steadily from the lows of mid-2022. The trajectory is clear — this has been a deliberate, if gradual, reallocation towards the region over the past three years.

Chart 1: EM Sub-Regional Exposures

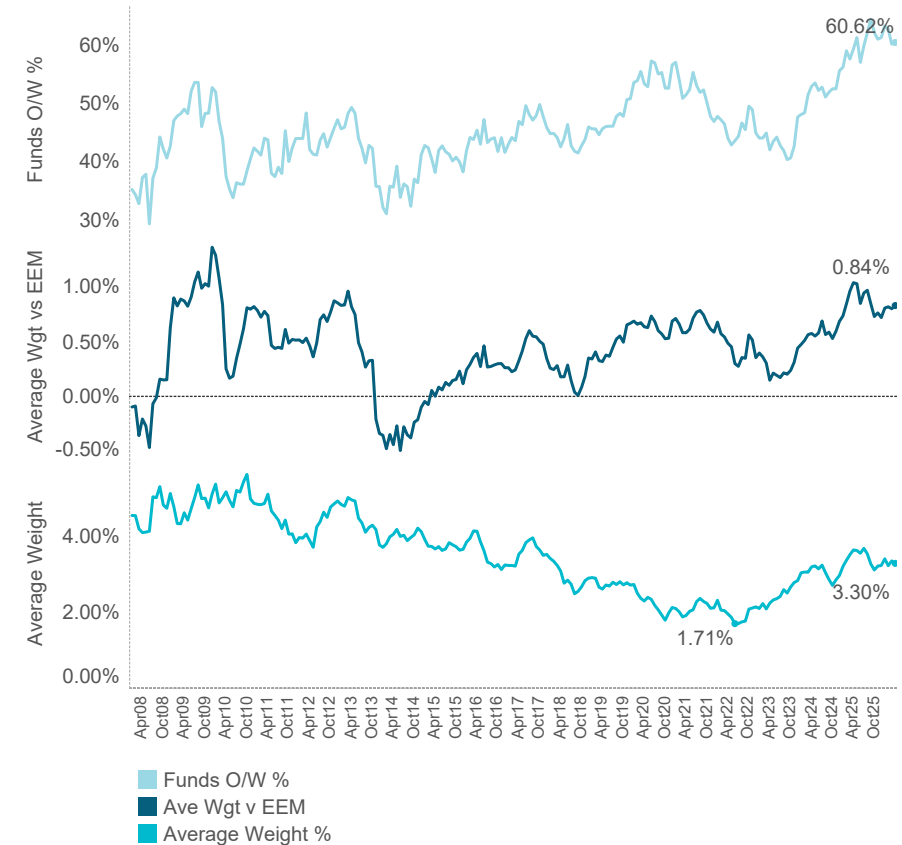
Percentage of funds overweight / average fund weight vs iShares MSCI EM ETF (EEM) / average weight



For the purposes of this analysis, we have carved out Russia as a standalone region so it doesn't interfere with the history of Eastern European allocations as they stand today.

Chart 2: Eastern Europe

Percentage of funds overweight / average fund weight vs iShares MSCI EM ETF (EEM) / average weight - time series



Eastern Europe: The Quiet Overweight

Eastern European exposure is concentrated in four countries that share broadly similar ownership characteristics — Poland, Greece, Turkey and Hungary — with Poland holding a slight lead in outright ownership but sitting fractionally below benchmark weight. The remaining countries in the region attract only fringe allocations. The time-series in Chart 4 confirms the rotation observed at the sub-regional level. All four core countries have captured meaningful new investment between 2023 and today, reflecting a broad-based re-engagement with the region rather than country-specific conviction. The divergence, however, is notable. Poland, Greece and Hungary sit at or near all-time ownership highs, while Turkey and the Czech Republic remain well below previous peak levels.

Chart 3: Eastern Europe: Country Exposures

Funds invested / average weight / average weight vs EEM

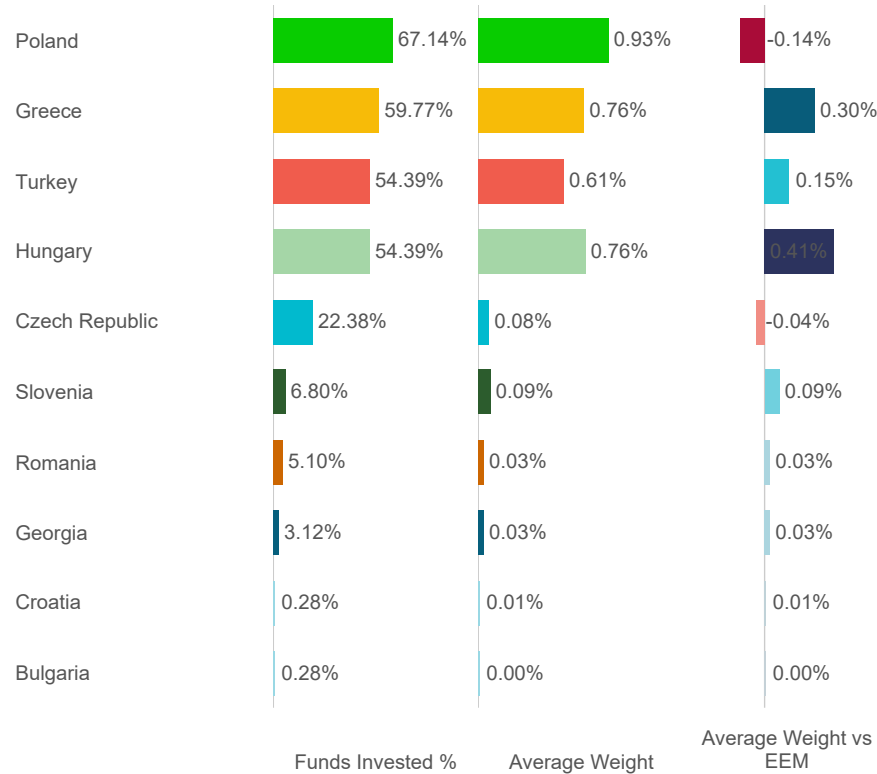
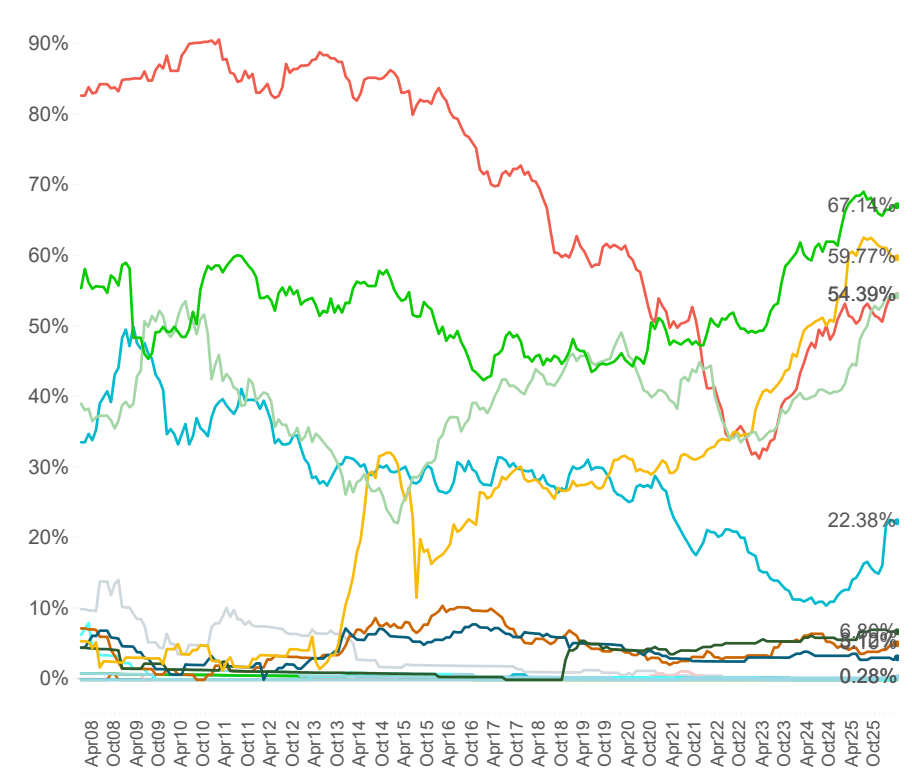


Chart 4: Eastern Europe Country Ownership

Funds invested over time



Eastern Europe: The Quiet Overweight

The sector composition of Eastern European allocations is where the story becomes more nuanced — and somewhat concerning. Financials dominate, with an average weight of 1.88% and ownership across more than three quarters of the EM funds in our analysis. Every other sector registers as a fringe allocation by comparison, with low ownership and moderate benchmark overweights. The time-series in Chart 6 reinforces the point. Financials have been the primary engine behind the sustained rise in Eastern European allocations. Other sectors have participated only marginally — Consumer Staples and Discretionary have actually seen ownership levels fall over the past year, while Industrials and Energy have seen modest increases. The Eastern European overweight is, at its core, a Financials trade.

Chart 5: Eastern Europe Sector Exposures

Funds invested / average weight / average weight vs EEM

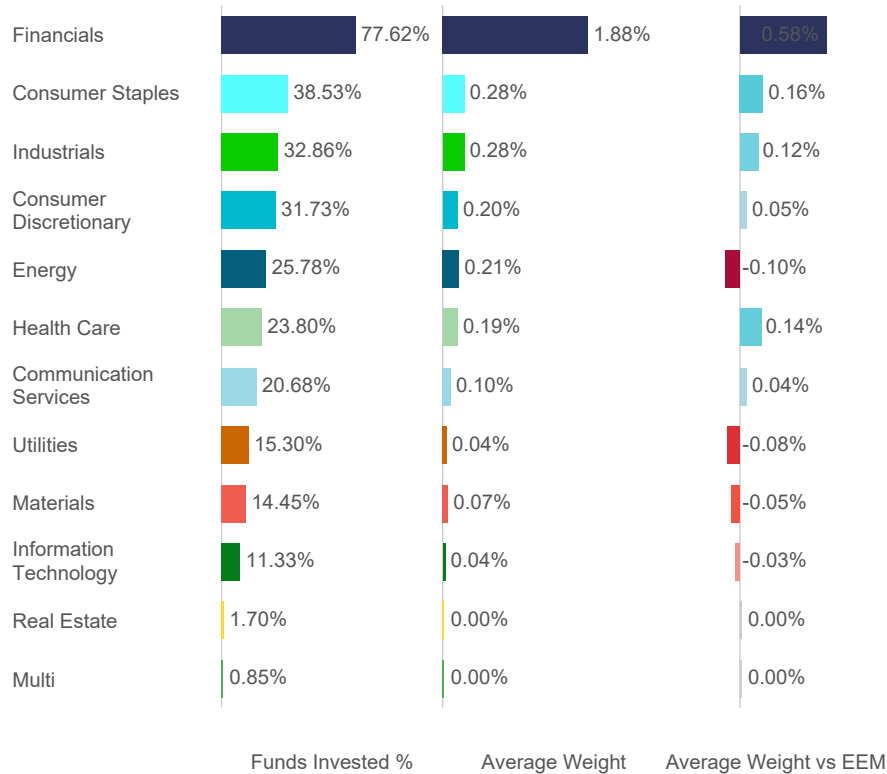
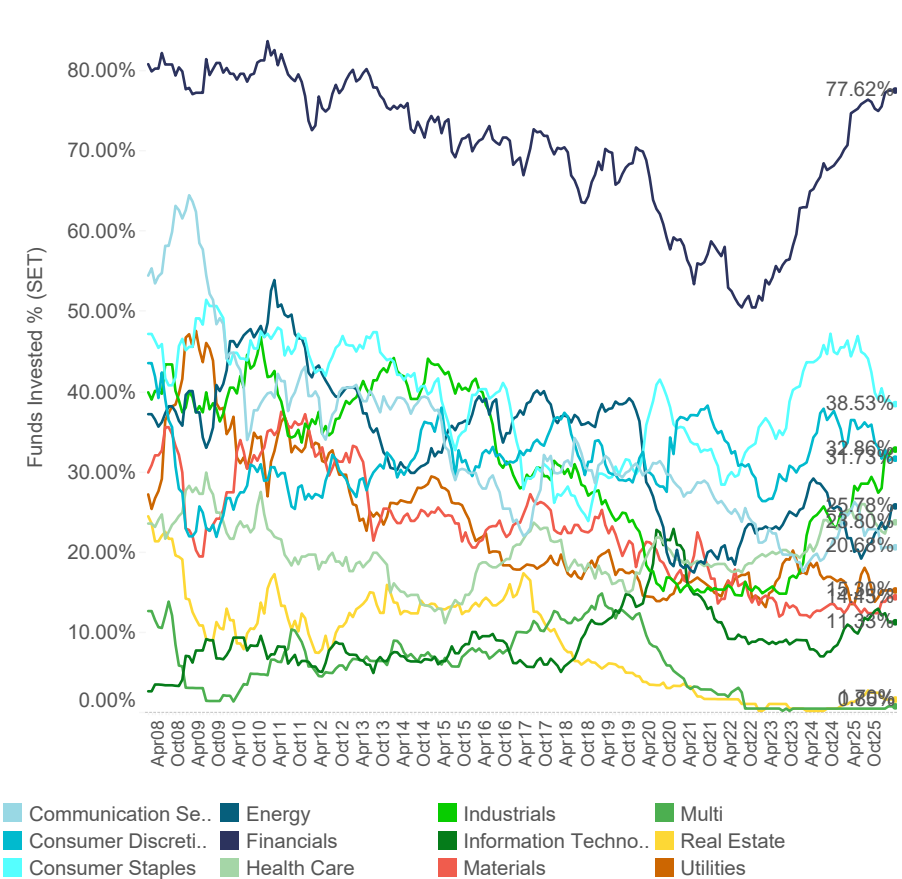


Chart 6: Eastern Europe Sector Ownership

Funds invested over time



Eastern Europe: The Quiet Overweight

The dominance of Financials within Eastern Europe is an outlier relative to competing EM sub-regions. At 57.1% of total sector allocations, Eastern Europe's reliance on Financials is the highest of any region in our analysis. By comparison, the EM Big Four — China, India, South Korea and Taiwan — are heavily skewed towards Technology, but with a considerably broader distribution across competing sectors. Chart 8 shows that this concentration has not been diminishing. The reliance on Financials within Eastern Europe has increased to near-record levels, suggesting that managers are doubling down on what the region offers rather than broadening their exposure. Whether this reflects deliberate portfolio construction or a structural limitation of the available opportunity set is a question worth asking.

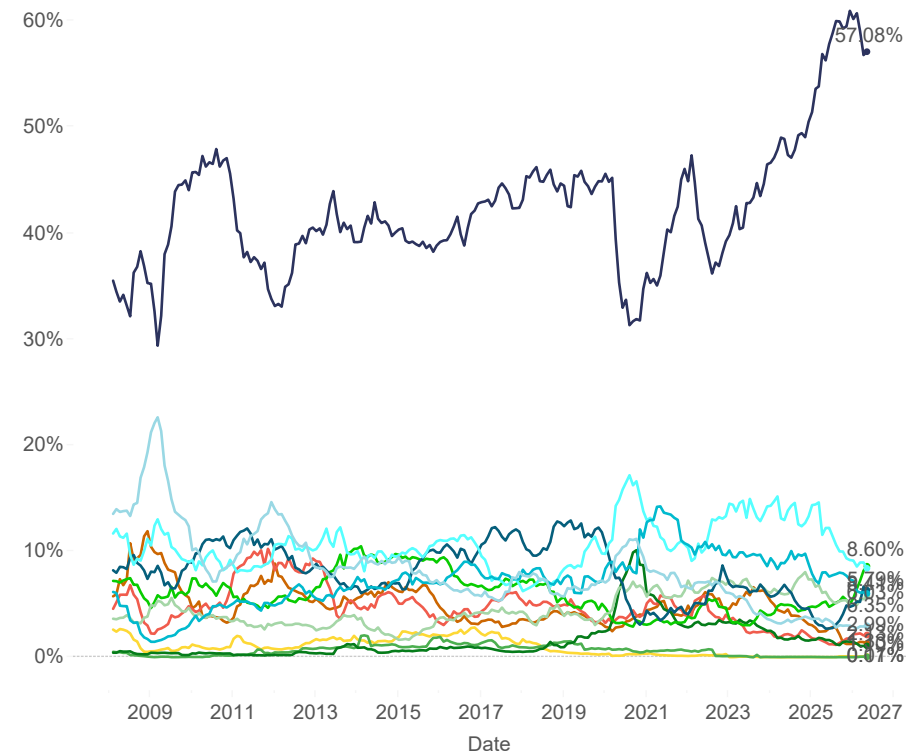
Chart 7: Sub Regional Sector Exposures

Average sector weights as a percentage of total

	Africa	ASEAN	Eastern Europe	EM Big Four	LATAM	MENA
Information Technology	0.05%	5.17%	1.10%	47.74%	6.68%	2.23%
Financials	35.81%	37.74%	57.08%	14.41%	31.48%	45.38%
Consumer Discretionary	4.91%	9.69%	6.03%	11.13%	7.65%	2.82%
Industrials	0.24%	12.32%	8.60%	9.39%	8.86%	5.42%
Communication Services	23.35%	8.89%	2.99%	6.94%	3.56%	8.07%
Materials	26.84%	3.15%	2.13%	2.31%	11.92%	2.51%
Consumer Staples	6.40%	9.84%	8.41%	2.29%	11.31%	0.47%
Health Care	0.97%	3.60%	5.79%	2.73%	1.77%	2.55%
Energy	0.36%	3.73%	6.35%	1.10%	9.28%	10.12%
Real Estate	0.84%	3.68%	0.11%	0.86%	2.06%	19.09%
Utilities	0.01%	1.99%	1.33%	0.72%	5.42%	0.73%
Multi	0.21%	0.18%	0.07%	0.38%	0.01%	0.60%

Chart 8: Eastern Europe Sector Exposures

Average sector weights as a percentage of total - time series



Eastern Europe: The Quiet Overweight

The distribution of Eastern European fund weights shows a clear clustering around the average, with the bulk of holders sitting between 2% and 4% allocation. The long tail to the upside — with some funds carrying exposures above 10% — suggests a small cohort of high-conviction specialists operating well outside the consensus range. Across style groups, all categories are positioned overweight the benchmark on average, with Value funds the clear bulls on the region. Value managers have maintained a structural overweight over the long term, though current levels sit modestly below the historical average. More notable is the behaviour of Growth and Aggressive Growth managers, who have shifted from structural underweight to overweight in recent years and now sit near their highest levels of overweight on record.

Chart 9: Clustering and Extremes in Eastern Europe Exposures

Histogram of fund weights - colour represents fund style

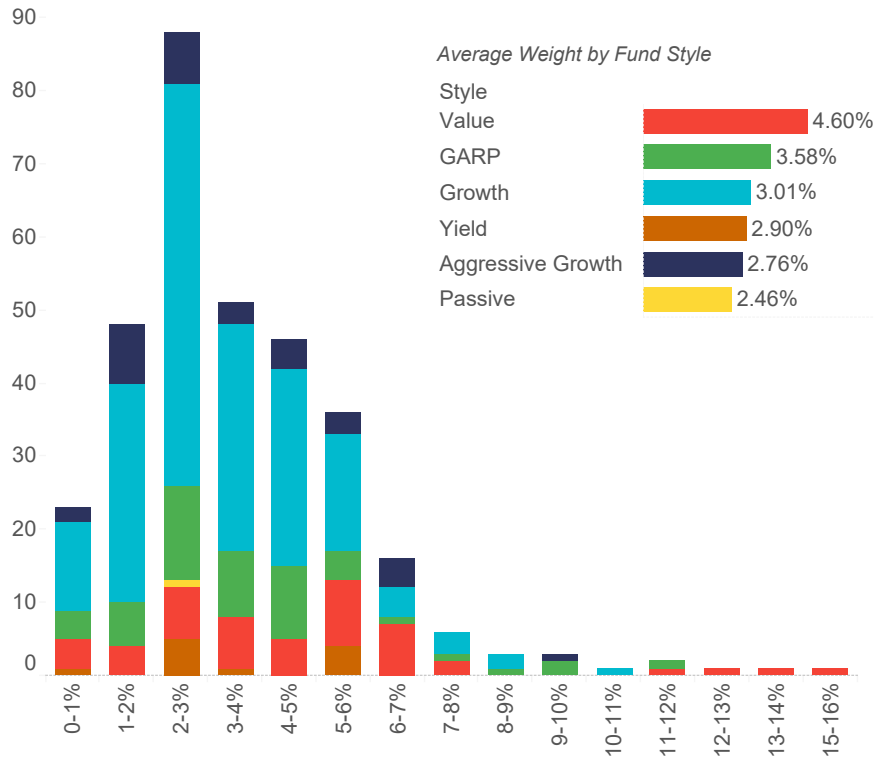
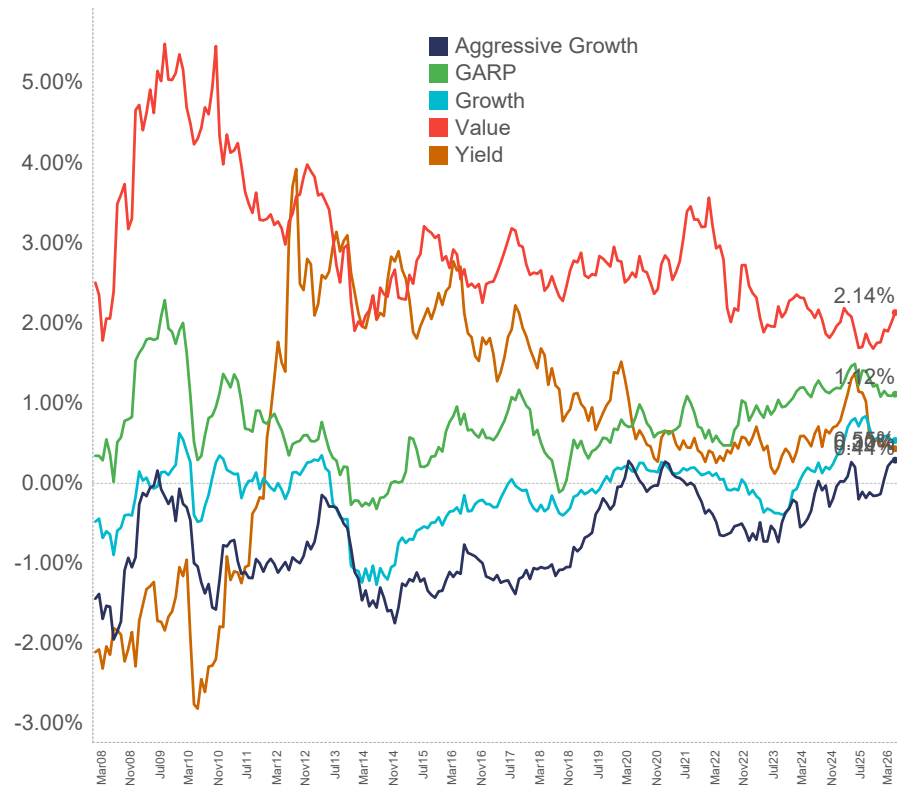


Chart 10: Eastern Europe Style Evolution Over Time

Average Weight vs EEM by Fund Style, Time-Series

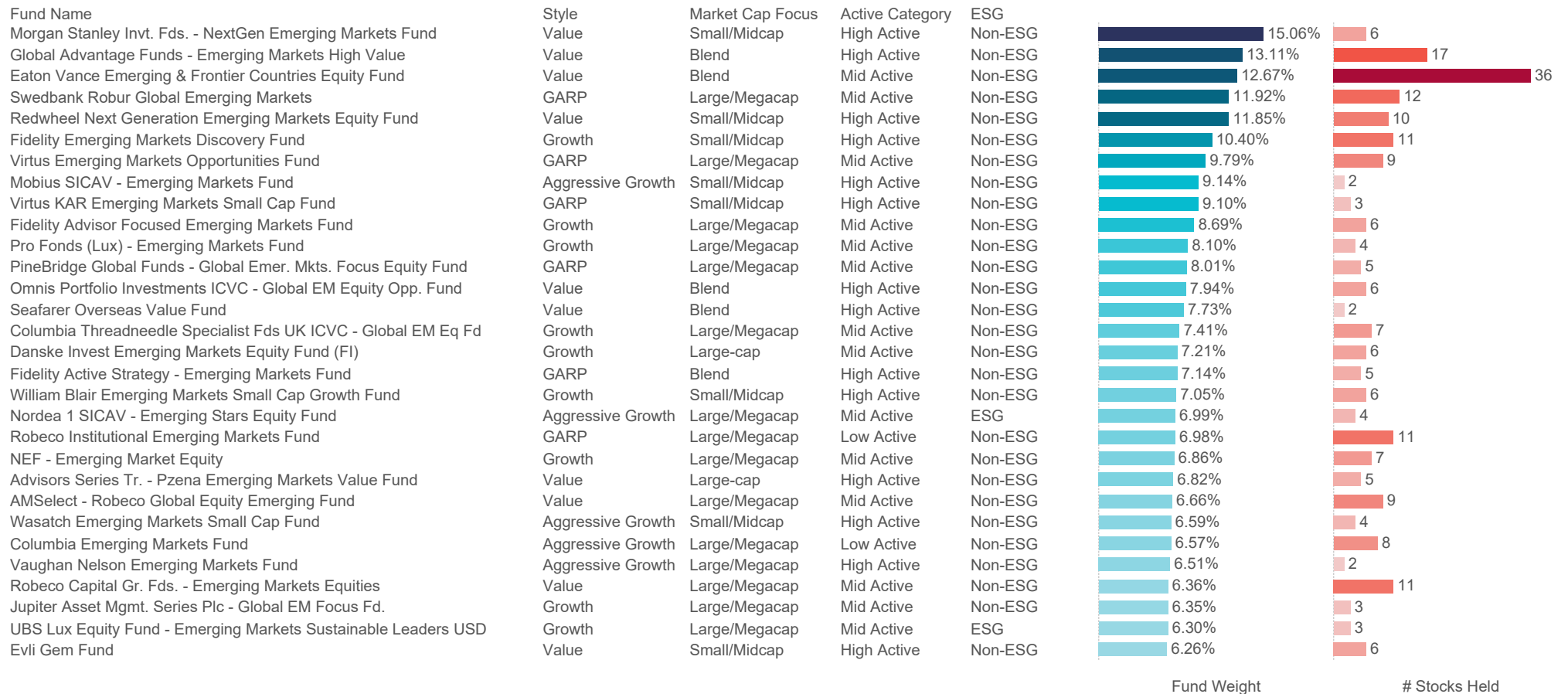


Eastern Europe: The Quiet Overweight

At the fund level, Eastern European allocations are capped out at 15%, with just six strategies carrying exposure above 10%. The top 30 investors show a mixture of styles reinforcing the broadening of Styles noted in the previous section. A notable concentration of small and mid-cap specialists sits among the largest allocators, consistent with the view that the region's more compelling opportunities may increasingly lie below the large-cap threshold where most generalist EM managers focus their attention.

Chart 11: Funds with the Largest Eastern Europe Portfolio Weight

Latest fund weights and number of holdings per fund.



Eastern Europe: The Quiet Overweight

OTP Bank stands apart as the defining position in Eastern Europe, held by 44.8% of funds at an average weight of 0.52% — a level of ownership that leaves the next most widely held company, PKO Bank Polski, more than 17 percentage points behind. National Bank of Greece and Piraeus Financial Holdings follow, each owned by roughly a quarter of EM funds. Only seven companies in the entire region are held by more than a fifth of funds — a telling indicator of how narrow the genuine opportunity set remains.

Chart 13 captures twelve months of stock-level rotation. OTP Bank has seen a further 10% of funds open exposure — cementing it as the regional leader. Energy and Industrials names have also attracted new buyers. At the other end, the rotation out has been led by Communication Services stocks — Turkcell, Orange Polska and Hellenic Telecom have all seen meaningful closures — alongside Dino Polska and National Bank of Greece.

Chart 12: Eastern Europe Popular Stock Holdings

Aggregate Stock Ownership Data [ranked by most widely held]

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs ..	Fund AUM \$
OTP-HU	OTP Bank Nyrt	44.76%	0.52%	0.26%	\$3,336M
PKO-PL	PKO Bank Polski S.A.	26.91%	0.18%	-0.01%	\$1,209M
ETE-GR	National Bank of Greece S.A.	24.93%	0.17%	0.05%	\$1,408M
TPEIR-GR	Piraeus Financial Holdings S.A.	24.36%	0.18%	0.09%	\$841M
PZU-PL	Powszechny Zaklad Ubezpieczen S..	24.08%	0.11%	0.02%	\$527M
EUROB-GR	Eurobank Ergasias Services & Holdi..	22.10%	0.14%	0.04%	\$1,008M
RICHT-HU	Chemical Works of Gedeon Richter ..	20.68%	0.17%	0.12%	\$1,078M
PEO-PL	BANK POLSKA KASA OPIEKI SA	19.26%	0.09%	0.00%	\$496M
BIMAS.E-TR	BIM Birllesik Magazalar A.S.	17.56%	0.13%	0.06%	\$813M
ALE-PL	Allegro.eu SA	15.86%	0.08%	0.02%	\$330M
ALPHA-GR	Alpha Services & Holdings SA	15.58%	0.09%	0.04%	\$486M
PKN-PL	Polski Koncern Naftowy ORLEN S.A.	13.31%	0.08%	-0.10%	\$312M
BELA-GR	Jumbo S.A.	12.75%	0.04%	0.01%	\$315M
AKBNK.E-TR	Akbank TAS	12.75%	0.05%	0.00%	\$429M
DNP-PL	Dino Polska SA	11.61%	0.07%	0.03%	\$359M
KGH-PL	KGHM Polska Miedz S.A.	11.05%	0.05%	-0.05%	\$273M
ASELS.E-TR	Aselsan Elektronik Sanayi ve Ticare..	10.48%	0.10%	-0.01%	\$1,377M
MOL-HU	MOL Hungarian Oil & Gas Plc Class..	10.20%	0.05%	0.01%	\$317M
KOMB-CZ	Komerční banka, a.s.	10.20%	0.02%	-0.01%	\$110M
MONET-CZ	MONETA Money Bank AS	9.92%	0.03%	0.01%	\$130M
ZAB-PL	Zabka Group	9.07%	0.03%	0.01%	\$220M
TUPRS.E-TR	Türkiye Petrol Rafinerileri A.S.	9.07%	0.03%	-0.02%	\$174M
HTO-GR	Hellenic Telecommunications Organ..	8.78%	0.05%	0.02%	\$134M
EBP-PL	Erste Bank Polska S.A.	7.93%	0.03%	-0.03%	\$131M
TCELL.E-TR	Türkcell İletişim Hizmetleri A.S.	7.37%	0.01%	-0.01%	\$57M
LPP-PL	LPP S.A.	6.80%	0.03%	-0.03%	\$96M
THYAO.E-TR	Türk Hava Yolları A.O.	6.52%	0.01%	-0.02%	\$79M
NLB-GB	Nova Ljubljanska banka d.d. Spons..	6.52%	0.09%	0.09%	\$385M
YKBNK.E-TR	Yapı ve Kredi Bankası A.S.	5.95%	0.02%	-0.01%	\$274M
SAHOL.E-TR	Hacı Omer Sabancı Holding A.S.	5.95%	0.02%	0.00%	\$103M

Chart 13: Eastern Europe Stock Rotation

Largest changes in fund ownership*

Ticker	Stock Name	Funds Invested ..	Ave Wgt % Δ	Ave Wgt vs Bmark Δ	Fund Flows, \$
OTP-HU	OTP Bank Nyrt	10.20%	0.13%	0.07%	\$214M
PKN-PL	Polski Koncern Naftowy ORLEN S...	5.10%	0.05%	0.00%	\$115M
TUPRS.E-TR	Türkiye Petrol Rafinerileri A.S.	4.53%	0.03%	0.02%	\$123M
ASELS.E-TR	Aselsan Elektronik Sanayi ve Ticar..	4.53%	0.06%	0.01%	\$410M
PGE-PL	PGE Polska Grupa Energetyczna ..	3.12%	0.01%	0.01%	\$18M
ASTOR.E-TR	Astor Enerji A.S.	2.55%	0.05%	0.05%	\$78M
TPE-PL	TAURON Polska Energia S.A.	2.55%	0.00%	0.00%	\$10M
TTKOM.E-TR	Türk Telekomunikasyon A.S.	2.27%	0.01%	0.01%	\$27M
PPC-GR	Public Power Corporation S.A.	2.27%	0.01%	0.02%	\$14M
GEKTERNA-GR	GEK Terna Holding Real Estate C..	1.70%	0.01%	0.01%	\$14M
ACP-PL	Asseco Poland S.A.	1.70%	-0.01%	-0.03%	\$8M
OPTIMA-GR	Optima Bank SA	1.42%	0.01%	0.01%	\$55M
MOL-HU	MOL Hungarian Oil & Gas Plc Clas..	1.42%	0.02%	0.01%	\$88M
ZAB-PL	Zabka Group	1.13%	-0.01%	-0.01%	\$27M
EKGYO.E-TR	Emlak Konut Gayrimenkul Yatırım ..	1.13%	0.00%	0.00%	\$21M
AKBNK.E-TR	Akbank TAS	-1.42%	-0.01%	-0.01%	\$206M
SAHOL.E-TR	Hacı Omer Sabancı Holding A.S.	-1.70%	0.00%	0.00%	\$6M
AGHOL.E-TR	AG Anadolu Grubu Holding Anoni..	-1.70%	0.00%	0.00%	(\$1M)
GARAN.E-TR	Türkiye Garanti Bankası Anonim Si..	-1.70%	-0.01%	-0.01%	\$8M
ISCTR.E-TR	Türkiye İş Bankası Anonim Şirketi ..	-1.98%	0.00%	0.00%	(\$16M)
PGSUS.E-TR	Pegasus Hava Tasimaciligi Anoni..	-1.98%	0.00%	0.01%	(\$8M)
CDR-PL	CD Projekt S.A.	-2.27%	-0.01%	0.00%	(\$45M)
EUROB-GR	Eurobank Ergasias Services & Hol..	-2.27%	-0.04%	-0.05%	(\$281M)
MAVI.E-TR	Mavi Giyim Sanayi ve Ticaret A.S.	-2.55%	-0.01%	-0.01%	(\$2M)
KCHOL.E-TR	Koc Holding A.S.	-2.55%	0.01%	0.01%	\$114M
ETE-GR	National Bank of Greece S.A.	-2.55%	-0.05%	-0.06%	(\$384M)
OPL-PL	Orange Polska S.A.	-3.40%	0.00%	0.00%	(\$11M)
HTO-GR	Hellenic Telecommunications Orga..	-3.97%	-0.02%	0.00%	(\$26M)
DNP-PL	Dino Polska SA	-5.95%	-0.15%	-0.10%	(\$299M)
TCELL.E-TR	Türkcell İletişim Hizmetleri A.S.	-6.80%	-0.02%	-0.01%	(\$11M)

*Between 4/30/2025 and 4/30/2026

Eastern Europe: The Quiet Overweight

Single-fund positions in individual companies highlight the concentration of conviction around OTP Bank, with nine of the top thirty largest positions held in the name. Several of the largest opening positions in the region over the past year are also in OTP. Also notable are some high-conviction positions in more lightly-held companies — Chemical Works of Gedeon Richter across multiple funds, Mobius EM's position in Astor Enerji, and Morgan Stanley and Swedbank's holdings in Nova Ljubljanska Banka all represent genuine differentiation in a region where most active capital is crowded into the same handful of names. Closures over the past twelve months are dominated by Bank of Georgia and Dino Polska, both of which have seen broad-based exits from investors who previously held meaningful exposure.

Chart 14: Funds with the Largest Eastern Europe Stock Positions

Largest stock-level fund weights

Fund Name	Stock Name	Fund Weight, %
Orbis SICAV - Emerging Markets Equity Fund	Chemical Works of Gedeon Richter Plc	6.24%
Mobius SICAV - Emerging Markets Fund	Astor Enerji A.S.	6.12%
Morgan Stanley Inv. Fds. - NextGen Emergin..	Nova Ljubljanska banka d.d. Sponsore..	6.07%
Swedbank Robur Global Emerging Markets	Nova Ljubljanska banka d.d. Sponsore..	4.84%
Seafarer Overseas Value Fund	Bank of Georgia Group Plc	4.45%
Fidelity Funds SICAV - Institutional Emerging ..	OTP Bank Nyrt	4.28%
Morgan Stanley Inv. Fds. - NextGen Emergin..	Banca Transilvania SA	4.24%
Fidelity Institutional Funds - Emerging Market..	OTP Bank Nyrt	3.95%
Fidelity Funds SICAV - Emerging Markets Fu..	OTP Bank Nyrt	3.95%
UBAM - Positive Impact Emerging Equity	Chemical Works of Gedeon Richter Plc	3.68%
Neuberger Emerging Markets Equity Fund	Chemical Works of Gedeon Richter Plc	3.65%
Vaughan Nelson Emerging Markets Fund	Eurobank Ergasias Services & Holding..	3.58%
Seafarer Overseas Growth & Income Fund	Chemical Works of Gedeon Richter Plc	3.40%
Virtus KAR Emerging Markets Small Cap Fund	Grupa Pracuj spolka akcyjna	3.30%
Seafarer Overseas Value Fund	MONETA Money Bank AS	3.28%
Fidelity Active Strategy - Emerging Markets F..	OTP Bank Nyrt	3.28%
Jupiter Asset Mgmt. Series Plc - Global EM F..	OTP Bank Nyrt	3.28%
Schroder ISF - Emerging Market Value	Alpha Services & Holdings SA	3.27%
Virtus KAR Emerging Markets Small Cap Fund	Optima Bank SA	3.25%
Amana Developing World Fund	BIM Birlesik Magazalar A.S.	3.20%
Vontobel Fund - Emerging Markets Equity	Eurobank Ergasias Services & Holding..	3.18%
GMO Emerging Markets Fund	OTP Bank Nyrt	3.18%
William Blair Emerging Markets Small Cap Gr..	Aselsan Elektronik Sanayi ve Ticaret A..	3.16%
AB SICAV I - Emerging Markets Low Volatility..	Polski Koncern Naftowy ORLEN S.A.	3.11%
Alger Emerging Markets Fund	OTP Bank Nyrt	3.09%
Quilter Investors OEIC - Emerging Markets E..	OTP Bank Nyrt	3.07%
Nordea 1 SICAV - Emerging Stars Equity Fund	OTP Bank Nyrt	3.06%
Mobius SICAV - Emerging Markets Fund	Hitit Bilgisayar Hizmetleri A.S.	3.02%
Matthews Emerging Markets Small Companie..	Astor Enerji A.S.	2.97%
Vaughan Nelson Emerging Markets Fund	Public Power Corporation S.A.	2.93%

Fund Weight, %

Chart 15: Eastern Europe Stock Rotation

Largest changes in fund-level stock weight*

Fund Name	Stock Name	New or Closed	Fund Weight Change
Mobius SICAV - Emerging Markets Fund	Astor Enerji A.S.	New	.12%
Morgan Stanley Inv. Fds. - NextGen Emergin..	Banca Transilvania SA	New	4.24%
Vaughan Nelson Emerging Markets Fund	Eurobank Ergasias Services & ..	New	3.58%
Jupiter Asset Mgmt. Series Plc - Global EM Fo..	OTP Bank Nyrt	New	3.28%
AB SICAV I - Emerging Markets Low Volatility ..	Polski Koncern Naftowy ORLE..	New	3.11%
Alger Emerging Markets Fund	OTP Bank Nyrt	New	3.09%
Quilter Investors OEIC - Emerging Markets Eq..	OTP Bank Nyrt	New	3.07%
Vaughan Nelson Emerging Markets Fund	Public Power Corporation S.A.	New	2.93%
PGIM Jennison Emerging Markets Equity Opp..	OTP Bank Nyrt	New	2.87%
Neuberger Emerging Markets Equity Fund	Chemical Works of Gedeon Ric..	New	2.76%
Nomura Systematic Emerging Markets Equity ..	Powszechny Zaklad Ubezpiecz..	New	2.66%
NEF - Emerging Market Equity	OTP Bank Nyrt	New	2.63%
Overstone Fund PLC - Emerging Markets Equi..	Haci Omer Sabanci Holding A.S.	New	2.62%
Morgan Stanley Inv. Fds. - Emerging Leaders ..	Budimex SA	New	2.34%
PGIM Jennison Emerging Markets Equity Opp..	Aselsan Elektronik Sanayi ve Ti..	New	2.31%
Amonis Equity Emerging Markets	Allegro.eu SA	Close	-2.47%
Alger Emerging Markets Fund	Chemical Works of Gedeon Ric..	Close	-2.69%
Jupiter Global Emerging Markets Fund	Dino Polska SA	Close	-2.75%
Cullen Emerging Markets High Dividend Fund	MYTILINEOS S.A.	Close	-2.88%
Quilter Investors OEIC - Emerging Markets Eq..	Dino Polska SA	Close	-2.92%
Jupiter Asset Mgmt. Series Plc - Global EM Fo..	Dino Polska SA	Close	-2.94%
Vaughan Nelson Emerging Markets Fund	PKO Bank Polski S.A.	Close	-2.96%
Virtus KAR Emerging Markets Small Cap Fund	Grupa Pracuj spolka akcyjna	Close	-3.03%
Polen Capital Invts. Funds plc - Emerging Mark..	Dino Polska SA	Close	-3.25%
Polen Emerging Markets Growth Fund	Dino Polska SA	Close	-3.32%
Fidelity Active Strategy - Emerging Markets Fu..	Piraeus Financial Holdings S.A.	Close	-3.83%
Jupiter Asset Mgmt. Series Plc - Global EM Fo..	Bank of Georgia Group Plc	Close	-4.84%
Quilter Investors OEIC - Emerging Markets Eq..	Bank of Georgia Group Plc	Close	-5.14%
Jupiter Global Emerging Markets Fund	Bank of Georgia Group Plc	Close	-5.46%
Swedbank Robur Global Emerging Markets	MYTILINEOS S.A.	Close	-6.68%

Fund Weight Change

*Between 4/30/2025 and 4/30/2026

Eastern Europe: The Quiet Overweight

Section 9 of 14 · Stock Trends: Poland, Hungary & Greece Financials

The evolution of fund ownership in Polish and Hungarian Financials tells a story of selective momentum with an important divergence. OTP Bank's breakout has been remarkable — while the three major Polish Financials ran out of steam towards the middle of 2025, OTP has continued to attract new investors and today sits at its highest ownership level on record. The Greek Financial stocks mirror the earlier trajectory seen in Poland, with ownership rising strongly from 2022 through 2025 before consolidating over the last twelve months. The Greek banks have found a stable and growing investor base, even if the pace of new entrants has slowed.

Chart 16: Eastern Europe Stock Trends:

Funds invested percentage over time - Poland/Hungary Financials

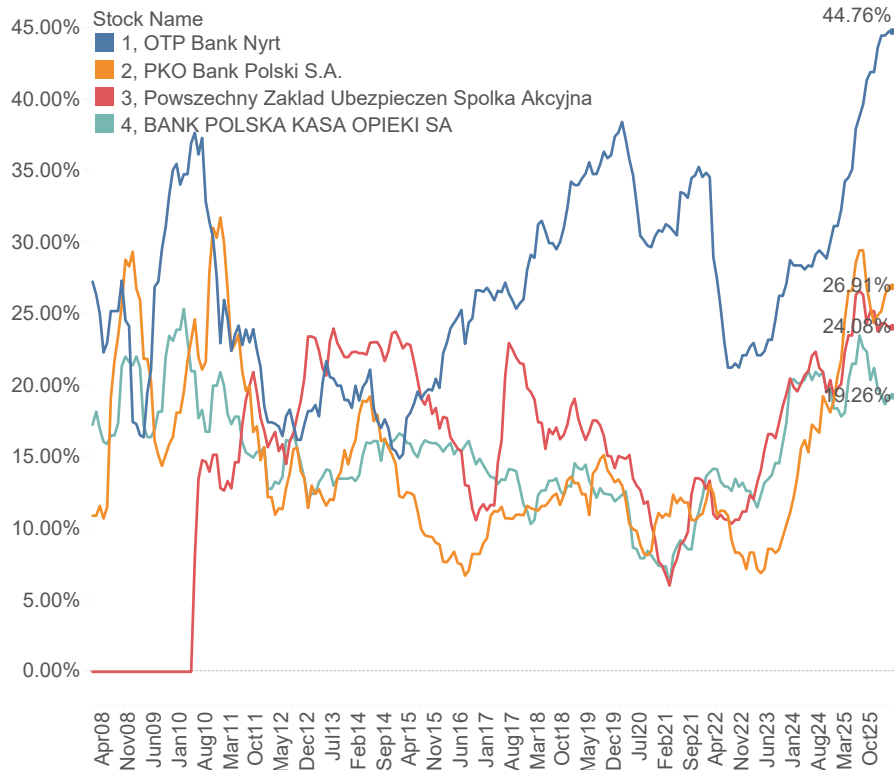
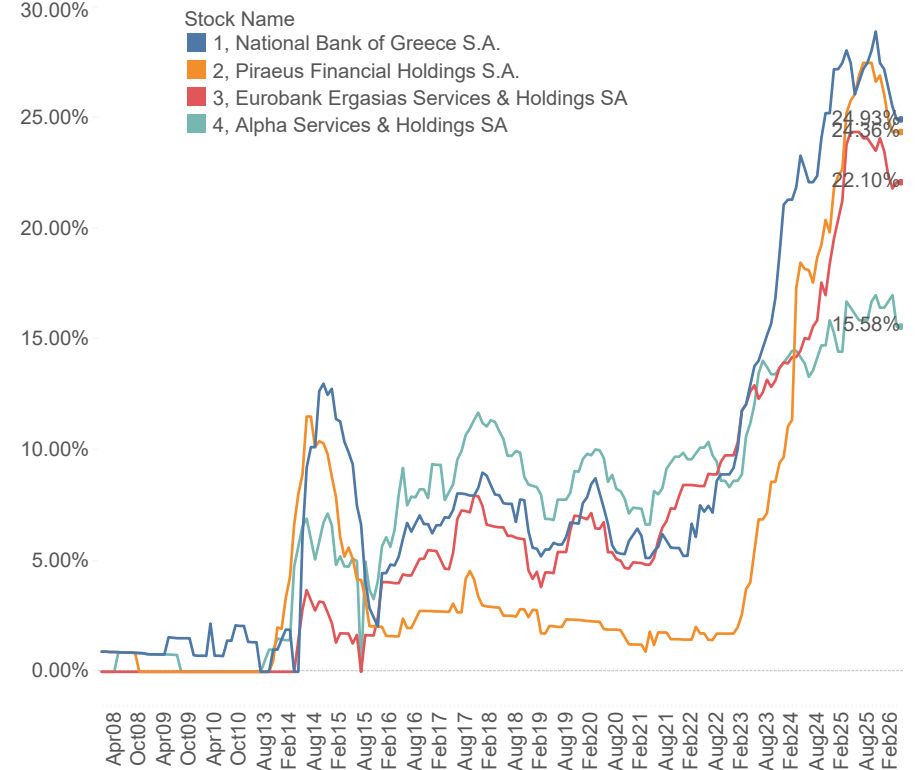


Chart 17: Eastern Europe Stock Trends

Funds invested percentage over time - Greek Financials



Eastern Europe: The Quiet Overweight

Turkey's major Financials present a sharp contrast. Once a strategic allocation in many EM portfolios — with ownership levels above 30% for the leading names between 2008 and 2013 — their significance has diminished. Save for a brief attempted recovery in 2022/23, ownership remains at the bottom of the long-term range across all four major Turkish banks. Among Eastern Europe's second-tier Financials, Nova Ljubljanska Banka shows the most promising momentum, having established a small but growing investor base, while Komercni Banka has recovered from its lows but has stalled in recent months.

Chart 18: Eastern Europe Stock Trends

Funds invested percentage over time - Turkish Financials

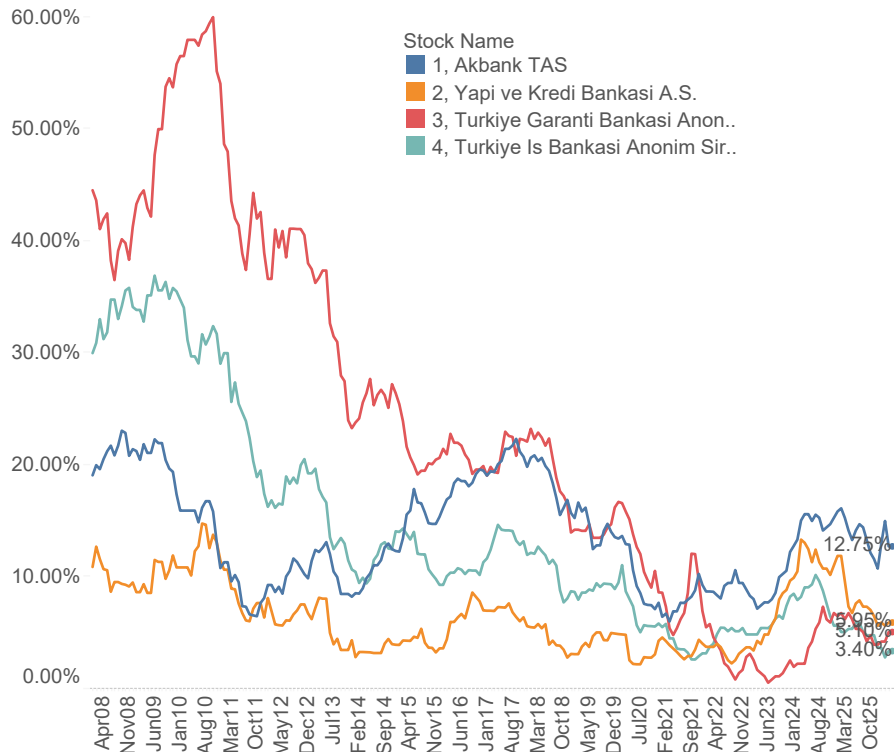
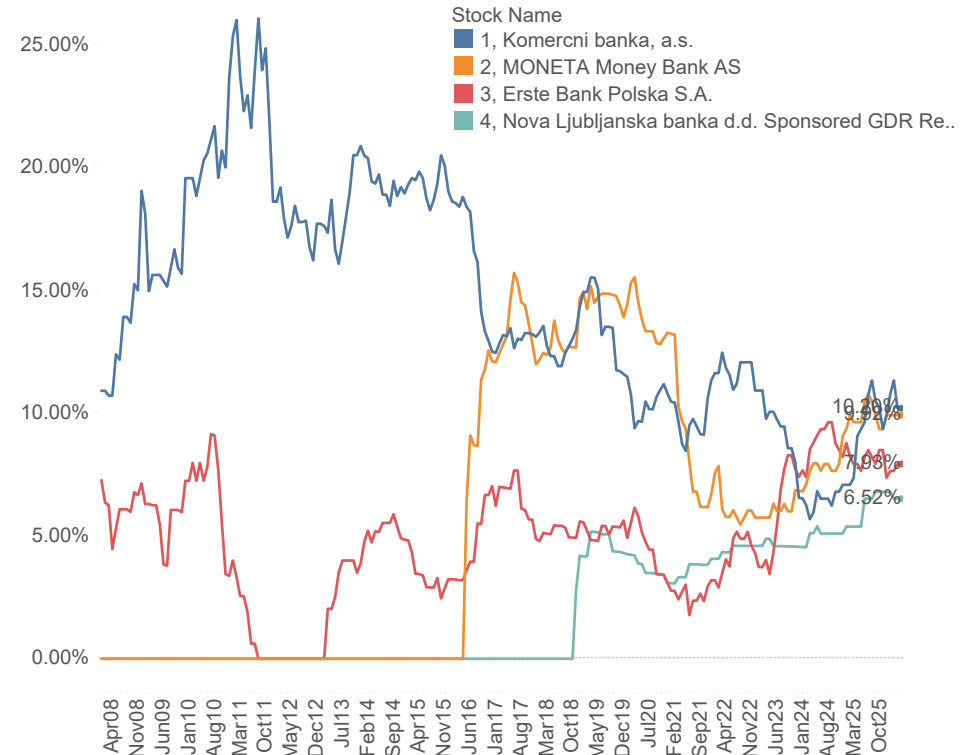


Chart 19: Eastern Europe Stock Trends

Funds invested percentage over time - 2nd tier financials



Eastern Europe: The Quiet Overweight

Section 11 of 14 · Stock Trends: Consumer, Materials & Energy

The region's main consumer stocks have struggled to sustain the positive momentum built between 2022 and 2025. All are off their highs and trending downwards, with Dino Polska suffering the most significant reversal from recent peak ownership levels. Energy stocks are faring better and appear to be in recovery mode — well below previous highs, but clearly capturing new investment from active EM managers. Tupras and PKN Orlen stand out as names regaining relevance.

Chart 20: Eastern Europe Stock Trends
Funds invested percentage over time - Consumer Stocks

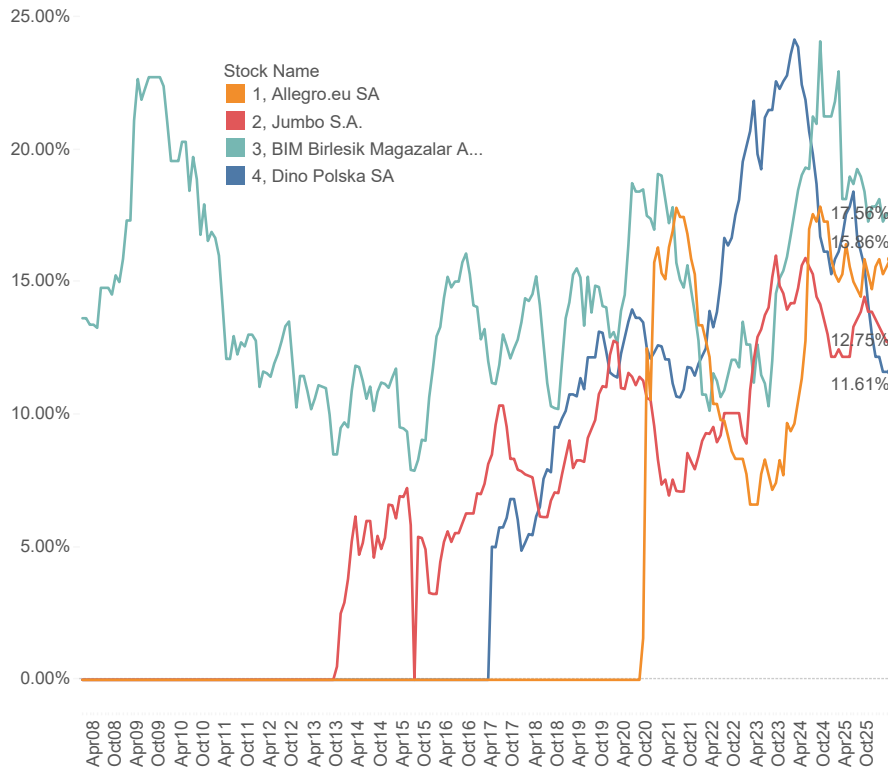
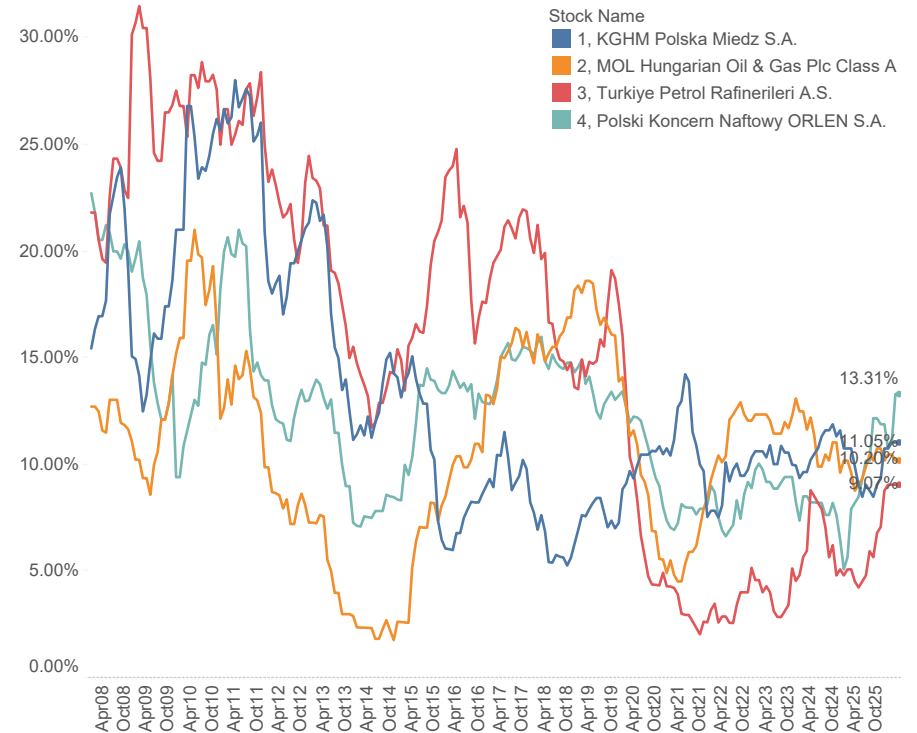


Chart 21: Eastern Europe Stock Trends
Funds invested percentage over time - Energy & Materials



Eastern Europe: The Quiet Overweight

Section 12 of 14 · Stock Trends: Industrials & Communication Services

In Industrials and Healthcare, Aselsan Elektronik is making meaningful inroads, owned by a record 10.5% of funds and now the most widely held Industrial in the region. Gedeon Richter continues to hold a solid investor base in the 16-22% ownership range and sits towards the top of that range today. In Communication Services, there is rotation underway — Magyar Telekom and Turk Telekom are gaining ownership while Turkcell and Hellenic Telecom have seen closures.

Chart 22: Eastern Europe Stock Trends

Funds invested percentage over time - Industrials & Healthcare

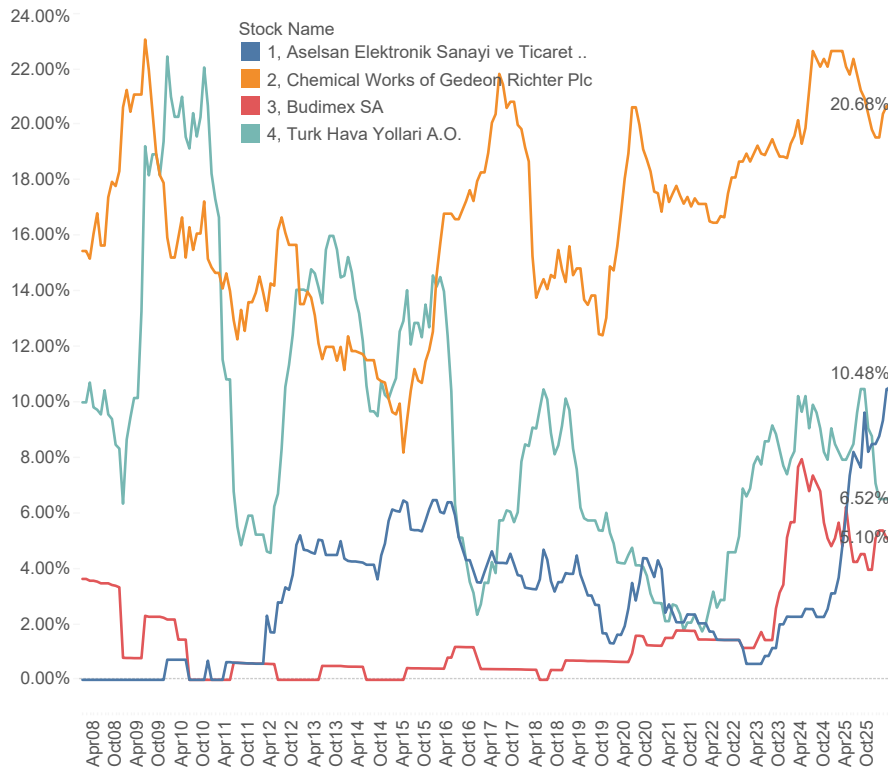
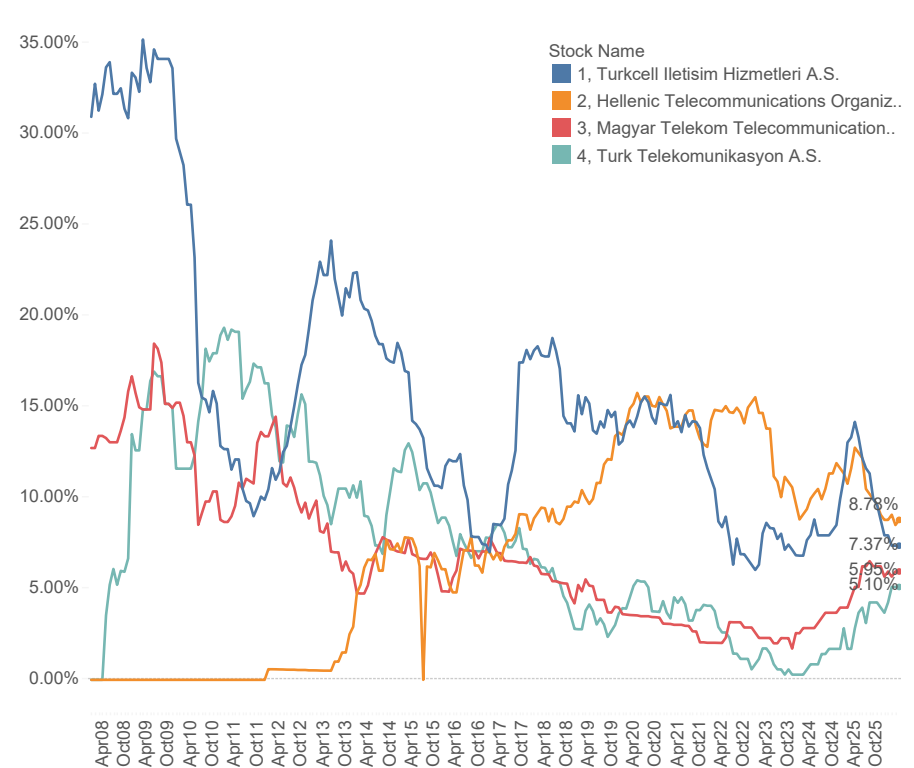


Chart 23: Eastern Europe Stock Trends

Funds invested percentage over time - Communication Services



Eastern Europe: The Quiet Overweight

Applying our standard screen to identify Rising Stars — companies at the top end of their ownership range but still below 20% of funds — highlights four names worth watching. Alpha Services & Holdings is the standout, alongside the previously mentioned Aselsan Elektronik and Nova Ljubljanska Banka. These are companies where conviction is building from a low base, and where the ownership trajectory suggests further growth in the investor base is plausible rather than just speculative. The Fallen Angels list is a reminder of how dramatically the regional landscape has changed. Garanti Bank, CEZ and Isbank were once well-known and widely-held EM companies — names that commanded a meaningful footprint in active EM portfolios — and have since almost entirely disappeared. Orange Polska and Turkcell follow a similar path.

Chart 24: Eastern Europe Rising Stars

Record Positioning - held by more than 5% and less than 20% of funds. Funds Invested %

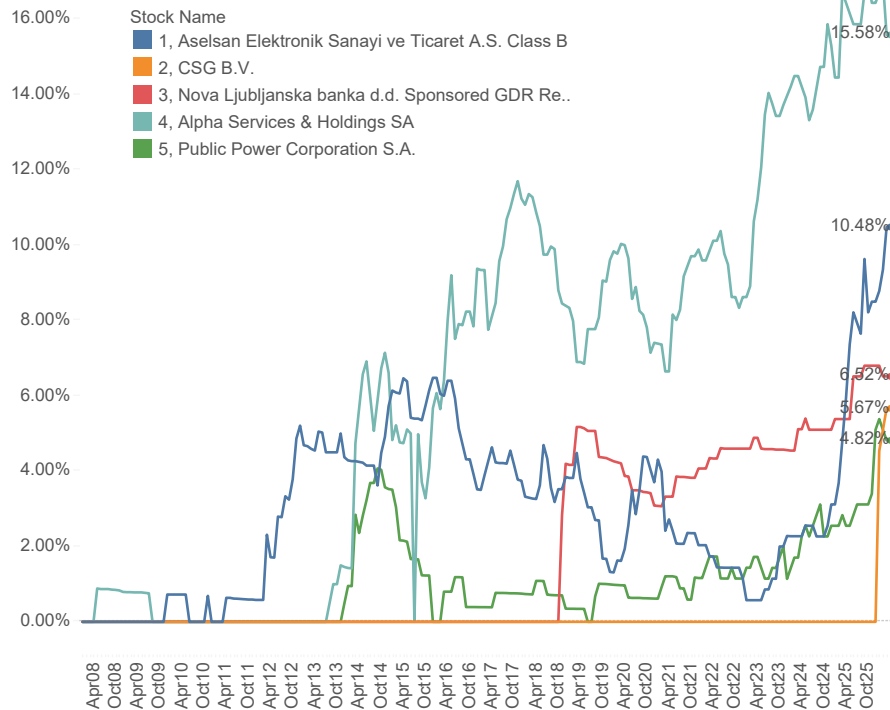
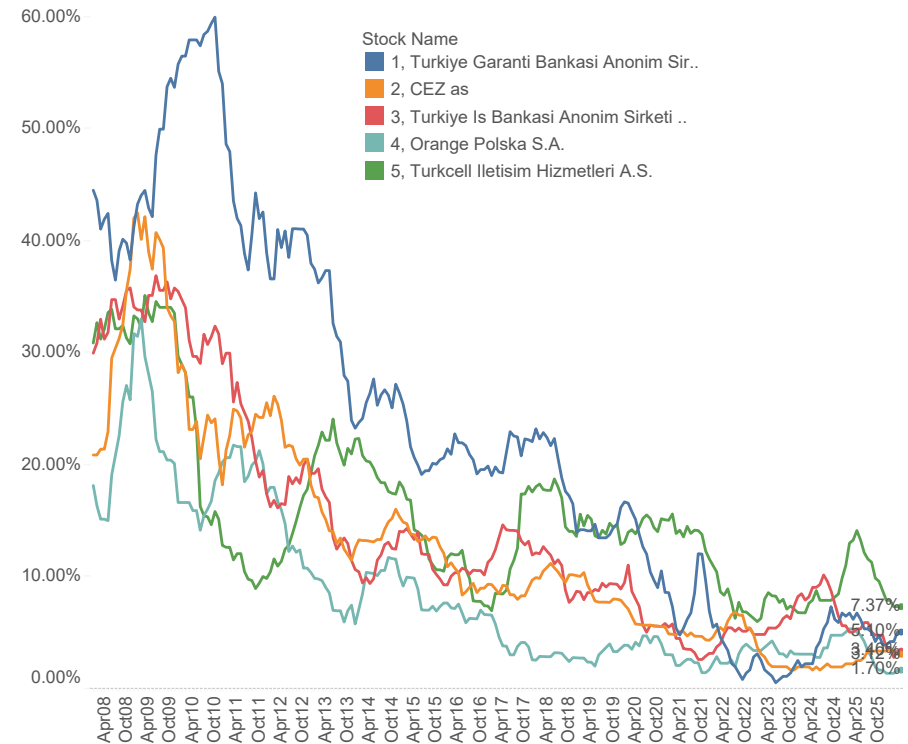


Chart 25: Eastern Europe Fallen Angels

Largest Declines from Max Ownership. Funds Invested %



Eastern Europe: The Quiet Overweight

Our data confirms that Eastern Europe has quietly risen to become a consensus overweight among active EM managers. The fact that 60% of managers are overweight at an average 0.84% above benchmark reflects a genuine directional view on the region, but the gross weight of just 3.3% is hardly a ringing endorsement of its strategic importance within the broader EM opportunity set.

The core tension in the Eastern European story is between the directional conviction and the structural shallowness of the investment. The region is overweight, but it is almost entirely a Financials trade concentrated in a handful of companies. Chart 26 makes the structural limitation clear - Eastern Europe is invested across only 149 companies in total, comparable to non-benchmark Developed Europe and dramatically behind the EM Big Four's 2,336. The investable universe is simply thin, particularly outside of Financials.

Chart 27 offers a tentative glimpse of where that might change. Among EM small and mid-cap specialists — a small and admittedly limited sample — the ownership picture looks somewhat different from the broader universe. Piraeus Financial Holdings leads with 36% of small/mid-cap funds invested, followed by Nova Ljubljanska Banka, Optima Bank, Bank of Georgia, Astor Enerji, Mavi Giyim and GEK Terna — companies that barely register in the broader fund universe. Even here, though, ownership levels remain modest, and the sample size warrants caution in drawing firm conclusions.

What the small/mid-cap picture perhaps hints at is that Eastern Europe has more investable depth than the large-cap dominated view implies. Whether generalist EM managers eventually follow that path, or whether Eastern Europe remains a concentrated, Financials-led overweight for the foreseeable future, may ultimately depend less on manager appetite and more on the continued development of the regional corporate landscape itself.

Chart 26: Number of Companies Invested per Sub-Region and Sector
 # of invested companies

	Africa	ASEAN	DM Europe	Eastern Europe	EM Big Four	LATAM	MENA	Grand Total
Communication Services	8	19	8	8	86	15	15	159
Consumer Discretionary	13	41	27	15	323	33	15	467
Consumer Staples	10	66	16	12	141	35	10	290
Energy	3	29	8	9	43	13	11	116
Financials	31	76	18	36	268	52	55	536
Health Care	3	16	6	3	205	11	13	257
Industrials	4	52	26	29	451	37	36	635
Information Technology	2	21	13	7	463	13	9	528
Materials	21	39	21	12	231	33	23	380
Real Estate	7	43	1	6	63	22	15	157
Utilities	2	18	5	12	62	35	4	138
Grand Total	104	420	149	149	2,336	299	206	3,663

Chart 27: Eastern Europe Popular Stock Holdings - Small/Midcap Funds Only
 Aggregate Stock Ownership Data [ranked by most widely held]

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs ..	Fund AUM \$
TPEIR-GR	Piraeus Financial Holdings S.A.	36.36%	0.45%	0.36%	\$39M
OPTIMA-GR	Optima Bank SA	27.27%	0.54%	0.54%	\$18M
NLB-GB	Nova Ljubljanska banka d.d. Spons..	27.27%	0.76%	0.76%	\$51M
MAVI.E-TR	Mavi Giyim Sanayi ve Ticaret A.S.	27.27%	0.19%	0.19%	\$15M
BGEO-GB	Bank of Georgia Group Plc	27.27%	0.34%	0.34%	\$21M
ASTOR.E-TR	Astor Enerji A.S.	27.27%	0.92%	0.92%	\$43M
ZAB-PL	Zabka Group	18.18%	0.20%	0.18%	\$33M
RICHT-HU	Chemical Works of Gedeon Richter ..	18.18%	0.24%	0.19%	\$22M
GEKTERNA..	GEK Terna Holding Real Estate Co..	18.18%	0.24%	0.24%	\$52M
DIA-PL	Diagnostyka S.A.	18.18%	0.20%	0.20%	\$3M