

Investment Objectives & Approach

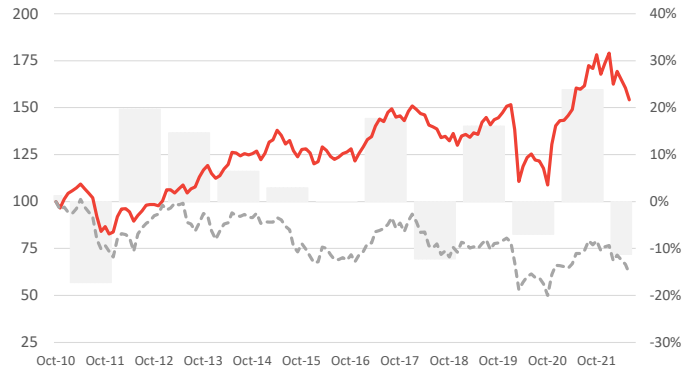
The Fund invests actively in listed equities of European Union new member states and accession countries (Emerging Europe, ex Russia). Benchmark agnostic, it emphasizes bottom-up, value oriented stock picking with a strong small and mid-cap bias. The Fund's investment objective is to maximise upside to internally set target prices, taking into account company quality, liquidity and FX outlook. By implementing our investment process we aim to outperform the market with lower volatility. The Fund typically invests in 30-40 regional companies, who generally demonstrate a competitive advantage or attractive risk/return features. It adheres to the UN Principles for Responsible Investment. Suitable for investors seeking a stock picking portfolio in Emerging Europe, it acts as medium to long term diversifier in a global Emerging Markets, European or Global Equity portfolio.

Fund Manager's Comment, June 2022

Q2 ended with a sharp correction in global equities as MSCI ACWI lost 8.6% in \$ last month. YTD the global index is down 20.9% in \$, while dollar's strength against the euro has helped limit losses for euro based investors to 14.3%. Recession fears have risen due to the squeeze on consumers from higher prices and higher borrowing. Emerging Europe equities have moved in tandem with developed Europe this year rather than emerging markets due to the ongoing war in Ukraine, reflective of the geopolitical risks and potential negative economic spill over effects. Avaron Emerging Europe Fund lost 3.9% in June, outperforming the benchmark thanks to favourable stock selection. The largest positive contributor (+0.4pp) was Istanbul headquartered regional airport operator TAV Airport Holdings that is benefitting from the strong pickup in air travel. The largest negative contributor was Czech electricity generation company CEZ (7.9% of the portfolio) with -0.5pp as its share price corrected 5% in € amid the proposal of a junior government coalition member Czech Piraty Party to impose a 25% windfall tax on electricity producers which the Prime Minister a day later commented of not implementing. In Q2 the Fund outperformed the benchmark losing 8.1% vs. -13.9% of the regional index largely thanks to strong active return from Poland, Turkey and Greece. Emerging Europe economies delivered unexpectedly strong Q1 growth of 6.8% yoy continuing the impressive post-COVID rebound. This signals certain economic resilience further into 2022 but is very likely the cyclical peak. Valuation wise the portfolio is trading at an undemanding 8.3x 2022f P/E and 7.8x on 2023 basis. Following the YTD sell-off the aggregate upside for the Fund on 2-year forward looking basis stands at 56%. Over the past 7 years this has indicated a good entry point, followed by a period of solid returns.

Please send an e-mail to funds@avaron.com to receive a more detailed fund factsheet and portfolio manager comment.

Performance, E Unit



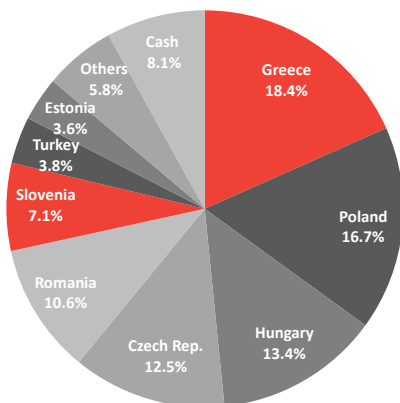
Calendar year performance (right)
Fund NAV, E Unit (left)
Benchmark Index (MSCI EFM EUROPE + CIS (E+C) ex Russia, left)
Past performance is not a guarantee or indicative of future results.



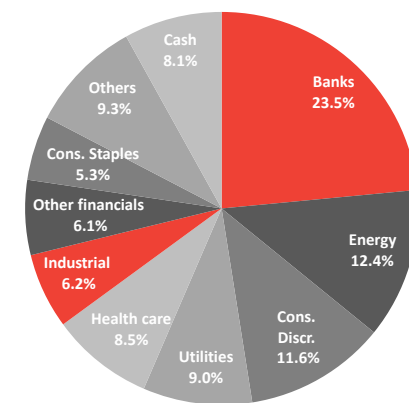
| Perf overview | E Unit return | Index return* | Year | E Unit return | Index return* |
|---------------|---------------|---------------|-------------------------------|---------------|---------------|
| 1 month | -3.9% | -7.4% | 2021 | 23.8% | 14.9% |
| 3 months | -9.0% | -13.9% | 2020 | -7.0% | -18.0% |
| 6 months | -11.3% | -18.9% | 2019 | 16.0% | 10.3% |
| YTD | -11.3% | -18.9% | 2018 | -12.2% | -18.6% |
| 1 year | -3.6% | -14.8% | 2017 | 17.7% | 25.3% |
| 3 years | 8.3% | -20.6% | CAGR of calendar years | | |
| 5 years | 8.1% | -28.2% | Years | Fund | Index* |
| 7 years | 18.0% | -29.1% | 2017-2021 | 6.7% | 1.2% |
| 8 years | 22.5% | -33.5% | 2019-2021 | 10.2% | 1.3% |
| 10 years | 66.3% | -25.5% | 2020-2021 | 7.3% | -2.9% |

* MSCI EFM EUROPE + CIS (E+C) ex Russia

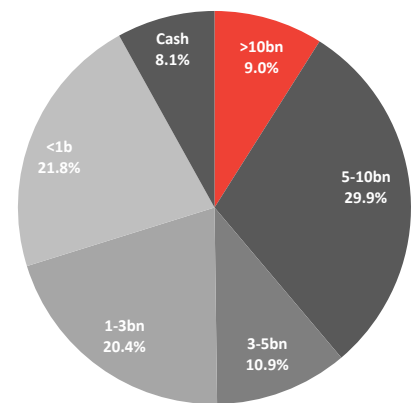
Geographic breakdown



Sector breakdown



Market Cap breakdown



| Risk metrics | 5Y risk* |
|-------------------------------|----------|
| Alpha | 6% |
| Volatility & stand. deviation | 14.2% |
| Beta | 0.60 |
| Sharpe ratio | 0.14 |
| Information ratio | 0.91 |
| Tracking error | 8.7% |

* MSCI EFM EUROPE + CIS (E+C) ex Russia

| Fund statistics | |
|---------------------------|-------|
| Number of positions | 42 |
| Top10 | 45.4% |
| Top20 | 68.5% |
| Gross exposure | 91.9% |
| Net exposure | 91.9% |
| Concentration coefficient | 33 |
| Median market cap MEUR | 1275 |
| Average market cap MEUR | 2912 |

| Liquidity analysis* | 30% |
|---------------------|-------|
| 3 days | 82.1% |
| 2 weeks | 94.5% |
| 4 weeks | 96.4% |

* Proportion of portfolio that can be turned into cash based on past 6 month average trading volume if Fund accounted for 30% of trading volume

| Turnover | |
|----------|-------|
| FY 2021 | 13.1% |

* Adjusted for fund flows

Fund Facts - Avaron Emerging Europe Fund

| | | | |
|---------------------------|----------------------------|-------------------------|--------------------|
| Investment Manager | AS Avaron Asset Management | Cut-off | 10am CET |
| Fund type | UCITS V | NAV frequency | Daily dealing, T+3 |
| Launch date | April 23, 2007 | Supervised by | Estonian FSA |
| Domicile | Estonia | Custodian | Swedbank AS |
| Currency | EUR | Transfer agent | Swedbank AS |
| Dividends | reinvested | NAV calculation | Swedbank AS |
| Fund size, MEUR | 32.3 | External auditor | KPMG |
| Total AUM, MEUR | 132.0 | Internal auditor | PWC |

| Unit class | D (Retail) | C (Institutional) | E (Institutional) |
|-------------------------------------|------------|-------------------|--|
| Min. initial investment | - | 500,000 EUR | 500,000 EUR |
| Front-end load | - | - | - |
| Management fee | 2% | 1.15% | 0.85% |
| Performance fee (unit based) | - | - | 15% over MSCI EFM EUROPE + CIS (E+C) ex RU index |
| Back-end load | - | - | - |

| NAV | 30-Jun-2022 | ISIN code | TER 2021 |
|--------|-------------|--------------|------------------------------|
| B unit | 5.6322 EUR | EE3600090056 | 1.72% |
| C unit | 19.1256 EUR | EE3600102901 | 1.62% |
| D unit | 15.4949 EUR | EE3600108866 | 2.47% |
| E unit | 15.4057 EUR | EE3600108874 | 3.23% (incl. Perf fee 1.91%) |

Public offering France, Germany, United Kingdom, Finland, Sweden, Estonia, Latvia, Lithuania, Norway (units C, E)

Tax transparency Germany

Platforms & execution Allfunds, MFEX, Clearstream AFS, SIX SIS AG, RBC Investor Services, IFSAM

Morningstar rating Yes, four stars (3 and 5 years)

SFDR classification Article 8, light green product

Fund documents & prospectus www.avaron.com/documents

| | WKN code | Telekurs ID | Bloomberg ticker | Refinitiv RIC |
|--------|----------|-------------|------------------|---------------|
| C unit | A0PEF0 | CH10799792 | AVAEESC ET | LP68063797 |
| D unit | A1W7P0 | CH12407332 | AVEMEUD ET | LP68083763 |
| E unit | A113GN | CH12414216 | AVEMEUE ET | LP68083764 |

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About Avaron Asset Management

Avaron Asset Management (founded in 2007) is an independent management-owned investment manager with a clear focus on stock-picking (bottom-up) and value investing in Emerging Europe region. We aim to deliver positive risk-adjusted return to our clients over the market cycle. Our portfolios are long-only and invest in listed stocks. Investment ideas are generated through in-house proprietary research of approximately 300 Emerging Europe companies, backed by regular on the ground visits and meetings. Our stock selection is primarily driven by the upside to internally set target prices on single company level. We invest only in business models that we understand and can model ourselves focusing on companies with leading market positions and strong recurring revenue streams. In addition, we have integrated ESG analysis into our investment process and adhere to the UN Principles for Responsible Investment (UN PRI). Our team of 18 professionals (including 8 in the investment team), based in Estonia and Poland, takes care of 130M+ euros of mainly professional investor assets. We adhere to the *UN Principles for Responsible Investment* (PRI) and are supervised by the Estonian Financial Supervision Authority.



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Partner, co-CIO,
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Rain Leesi, CFA
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Principles for Responsible Investment



RESPONSIBLE BUSINESS INDEX
GOLD LEVEL 2021



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