

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, October 2022

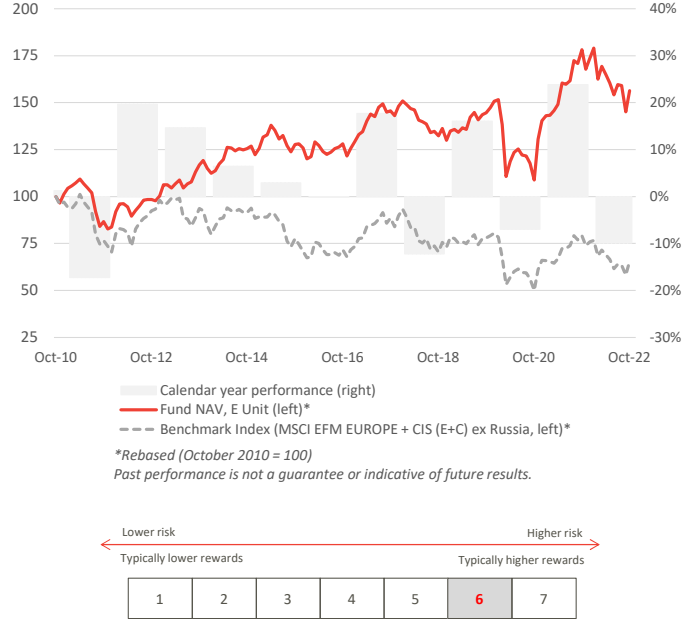
Markets made a huge comeback in October, snapping a two-month losing streak. Q3 earnings season has delivered mixed results with slowing growth and major disappointments from tech, while energy sector earnings remain exceptionally strong. Emerging Europe outperformed albeit rather mixed performance across the region with large liquid markets outperforming frontier ones. Avaron Emerging Europe Fund gained 7.9% in October, underperforming the benchmark amid strong underweight in Turkey (5.8% vs. 20.4% in the index) and overweight in regional frontier markets. Year-to-date the Fund NAV is down 9.9% vs. -13.6% for the index.

As of end-October Emerging Europe index is down 14% YTD in € terms and 19% from 2022 highs. The region's discount to GEM and European equities has widened over the year and is at levels we deem unjustified. Despite increased geopolitical risk, 20% and 47% discount levels on P/B basis to other emerging markets and developed Europe respectively remain unexplainable to us.

Our focus on higher quality companies together with value oriented stock picking leads to portfolios that have a low overlap to regional index and offer attractive combination of growth and value opportunities, enabling investors to take regional exposure with even higher potential return in mind than on index basis could be achieved. Valuation wise the Fund portfolio is trading close to historic low 1YR FWD P/E of 7.1x, which is 30% below the historic average level. Following the YTD sell-off the aggregate upside for the Fund on 2-year forward looking basis stands at 59%, 19pp over the historical median. Over the past 10 years such a level has indicated a good entry point.

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

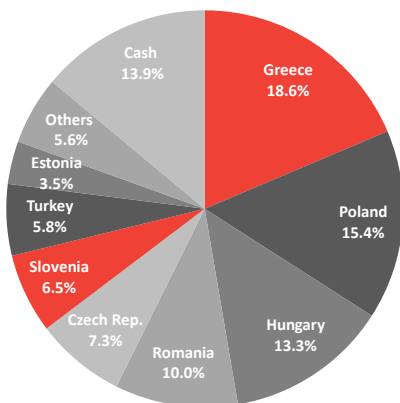
Performance, E Unit



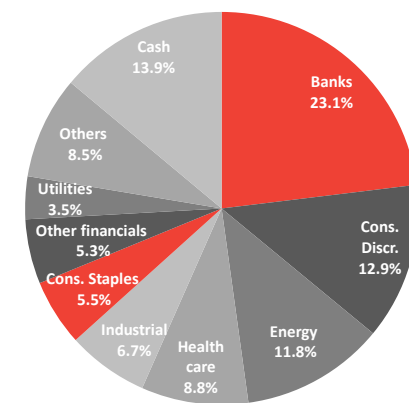
| Perf overview | E Unit return | Index return* | Year | E Unit return | Index return* |
|---------------|---------------|---------------|-------------------------------|---------------|---------------|
| 1 month | 7.9% | 12.8% | 2021 | 23.8% | 14.9% |
| 3 months | -2.0% | 2.6% | 2020 | -7.0% | -18.0% |
| 6 months | -5.2% | -4.8% | 2019 | 16.0% | 10.3% |
| YTD | -9.9% | -13.6% | 2018 | -12.2% | -18.6% |
| 1 year | -12.2% | -17.2% | 2017 | 17.7% | 25.3% |
| 3 years | 8.2% | -15.9% | CAGR of calendar years | | |
| 5 years | 7.4% | -25.9% | Years | Fund | Index* |
| 7 years | 22.6% | -15.4% | 2017-2021 | 6.7% | 1.2% |
| 8 years | 24.6% | -28.3% | 2019-2021 | 10.2% | 1.3% |
| 10 years | 59.0% | -29.1% | 2020-2021 | 7.3% | -2.9% |

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

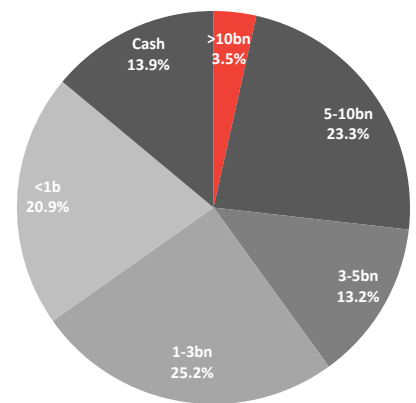
Geographic breakdown



Sector breakdown



Market Cap breakdown



| Risk metrics | 5Y risk* |
|-------------------------------|----------|
| Alpha | 5% |
| Volatility & stand. deviation | 14.6% |
| Beta | 0.61 |
| Sharpe ratio | 0.13 |
| Information ratio | 0.82 |
| Tracking error | 8.8% |

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

| Fund statistics | |
|---------------------------|-------|
| Number of positions | 42 |
| Top10 | 40.7% |
| Top20 | 62.5% |
| Gross exposure | 86.1% |
| Net exposure | 86.1% |
| Concentration coefficient | 40 |
| Median market cap MEUR | 1436 |
| Average market cap MEUR | 2810 |

| Liquidity analysis* | 30% |
|---------------------|-------|
| 3 days | 78.1% |
| 2 weeks | 92.6% |
| 4 weeks | 95.2% |

* 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 | 32.7 | External auditor | KPMG |
| Total AUM, MEUR | 133.5 | Internal auditor | PWC |

| | | |
|---|--------------------|------------------|
| NAV | 31-Oct-2022 | ISIN code |
| B unit | 5.6697 EUR | EE3600090056 |
| C unit | 19.2597 EUR | EE3600102901 |
| D unit | 15.5588 EUR | EE3600108866 |
| E unit | 15.6427 EUR | EE3600108874 |
| TER (2021) 0.47% + unit class management fee | | |

| | |
|--|---|
| Public offering | France, Germany, United Kingdom, Finland, Sweden, Estonia, Latvia, Lithuania, Norway (units C, E) |
| Tax transparency | Germany |
| Platforms & execution | Euroclear FundSettle, 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 |

| 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 | - | - | - |

Contact Information

Avaron Asset Management
Narva mnt 7D, 10117 Tallinn, ESTONIA
Phone: +372 66 44 205
Fax: +372 66 44 201
E-mail: info@avaron.com
www.avaron.com

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.



Kristel Kivimurm-Prisalm
Managing Partner,
CEO & Investor Relations



Peter Priisalm
Partner, co-CIO,
Investment Manager



Valdur Jaht
Partner, co-CIO,
Investment Manager



Rain Leesi, CFA
Investment Manager

Signatory of:



**RESPONSIBLE
BUSINESS INDEX
GOLD LEVEL 2022**



Important Legal Information

For All Investors: This material has been drawn up by AS Avaron Asset Management (hereafter: Avaron), a fund management company registered in Estonia which is authorised and supervised by the Estonian Financial Supervision Authority. The contact details of Avaron are as follows: address Narva mnt 7D, 10117 Tallinn, Estonia; phone +372 6644 205; fax +372 6644 201; e-mail invest@avaron.com. This material is the copyright property of Avaron, unless noted otherwise, and all rights are reserved. This material contains data and facts on investments and funds managed by Avaron, which are provided for information and marketing purposes. No investment advice is offered or given by Avaron to persons using this material. This material is complimentary to and not a substitute for independent professional advice from a person qualified to provide it in your home country. Reliance on this material for the purpose of buying the securities to which this material relates may expose a person to a significant risk of losing all of the property or other assets invested. The information herein is, to the best of the knowledge of Avaron, in accordance with the facts. However, Avaron, none of its affiliates, directors or officers accept any liability in respect of the accuracy or completeness of any information herein, or omitted to be included herein, or any information provided, or omitted to be provided, by any third party. All information and expressions of opinion contained in this material are subject to change without notice. Subscription of Avaron funds should be made on the basis on the funds' prospectus and key investor information, the relevant fund rules and the latest available annual or semi-annual reports. These documents can be obtained from Avaron. Past performance is not indicative of future results. The value of investments and any income derived from the funds may fall as well as rise and investors may not get back the amount invested. An investment in the funds entails risks, some of which are described in the prospectuses of the funds. Investors should be aware of the high risks associated with investments in emerging markets such as Emerging Europe. This material may include forward looking statements which are based on Avaron's current opinions, expectations and projections. We undertake no obligation to update or revise any forward looking statements. Actual results could differ materially from those anticipated in the forward looking statements. Any dispute, controversy or claim arising out of or in connection with the information provided in this material shall be settled in accordance with Estonian law exclusively in Estonian courts. This material does not constitute or form part of a distribution or an offer or solicitation to buy or sell any securities (in particular, shares or units in any of Avaron funds) to any person in any jurisdiction in which such distribution, offer or solicitation would be contrary to local law or regulation.

For US Investors: The information herein is not for distribution, and does not constitute an offer to sell or buy, or the solicitation of any offer to sell or buy, any securities in the United States of America or to or for the benefit of United States persons (within the meaning of Regulation S under the Securities Act of 1933).

For German Investors: The German Information Agent is Zeidler Legal Services, Bettinastrasse 48, 60325 Frankfurt, Germany. The Prospectus, the Fund Rules, the Key Investor Information Documents (KIIDs), the financial reports and further information can be obtained free of charge from the Information Agent. The last unit prices can be found on www.avaron.com. Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of units.

For UK Investors: The United Kingdom Facilities Agent is Zeidler Legal Services (UK) Limited, Aldgate Tower, 4th Floor, 2 Leman Street London E1 8FA, United Kingdom. The Prospectus, the Fund Rules, the Key Investor Information Documents (KIIDs), the financial reports and further information can be obtained free of charge from the Facilities Agent. The last unit prices can be found on www.avaron.com, as well by the Facilities Agent. Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of units.