



Avaron Emerging Europe Fund

SEMI-ANNUAL REPORT FOR THE FINANCIAL YEAR 2023

UNAUDITED

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FUND FACTS

Avaron Emerging Europe Fund is a public common investment fund registered in the Republic of Estonia. The Fund complies with the requirements set out in the Directive 2009/65/EC of the European Parliament and of the Council.

Name of the Fund	Avaron Emerging Europe Fund
Fund Management Company	AS Avaron Asset Management (reg. no. 11341336)
Registered address and contact details of the Fund Management Company	Address: Narva mnt 7d, 10117 Tallinn, Estonia Phone: +372 664 4200 Facsimile: +372 664 4201 E-mail: avaron@avaron.com www.avaron.com
Depository & Custody Bank	Swedbank AS (reg. no. 10060701)
Fund Administration (NAV calculation) & Transfer Agent services	Swedbank AS (reg. no. 10060701)
Auditor	KPMG Baltics OÜ (reg. no. 10096082)
Supervisor	Estonian Financial Supervision Authority
Investment Managers	Valdur Jaht, Peter Priisalm, Rain Leesi
Fund established	3 April 2007
Start of the Fund's activities	23 April 2007
Reporting period	1 January 2023–30 June 2023

INVESTMENT MANAGERS' REPORT

General Information

Avaron Emerging Europe Fund (hereinafter: "the Fund") invests actively in listed equities of Emerging Europe ex-Russia region. 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 maximize upside to internally set target prices, taking into account company Quality Score, in-house ESG Score, liquidity and FX outlook.** By implementing our investment process we aim to outperform the market with lower volatility. The Fund typically invests in 30-45 regional companies, who generally demonstrate a competitive advantage or attractive risk/return features. It adheres to the UN Principles for Responsible Investment.

The Fund is managed by AS Avaron Asset Management (hereinafter: "Avaron"), an independent investment management boutique established in 2007 and fully owned by employees. Avaron's core activity involves investing the assets of our mutual funds and institutional investor managed accounts into Emerging Europe listed equities. We create additional value to our clients by applying active value investing principles while also adhering to the UN Principals of Responsible Investment. As at the end of June 2023 Avaron managed 240 million euros of investor assets. The firm employs 15 investment and finance specialists. Avaron holds a licence from the Estonian Financial Supervision Authority to manage investment portfolios and funds.

The Fund is a UCITS-V and SFDR Article 8 fund, registered for public sale in Estonia, France, Germany, United Kingdom, Finland, Sweden, Norway, Latvia and Lithuania. The Fund's fund administration, custody services and transfer agent services are outsourced to Swedbank AS.

Investment Philosophy: Value Investing, Stock-Picking and Responsible Investing

Our investment philosophy is based on value investing principles. Over time stock prices tend to over or underreact to market news and thus deviate from fundamental value of a company. In order to take advantage of such occurrences our portfolio construction is fully bottom-up, assessing every investment case on a standalone basis. Our idea generation is proprietary, driven predominantly by upside to internally set fair value targets. We tend to have long term holding periods but our upside oriented investment process also allows us to take advantage of short-term market volatility without losing focus of the underlying fundamental value of the company. We search for well managed companies with leading market positions, identifiable competitive advantage(s) and strong recurring revenue based business models that we understand and are able to model ourselves. Within our investment process **we put strong emphasis on company quality that is assessed by using an internal Quality Score** focusing on management team and business model quality, and financial strength of the company. Besides conventional financial and non-financial aspects **we have integrated in-house ESG Score (environmental, social, governance) into our investment process leveraging upon our bottom-up regional expertise with an aim to identify material ESG risks and value creation opportunities.** Our investment team has been following vast majority of our current listed equity universe over a decade, which serves as an important strength in assessing the companies' future potential. In order to have an extensive knowledge base of the companies in our universe we have taken a strategic decision not to outsource ESG analysis to third party providers but rather to educate our research team and develop the knowhow in-house.

Sustainability at Avaron

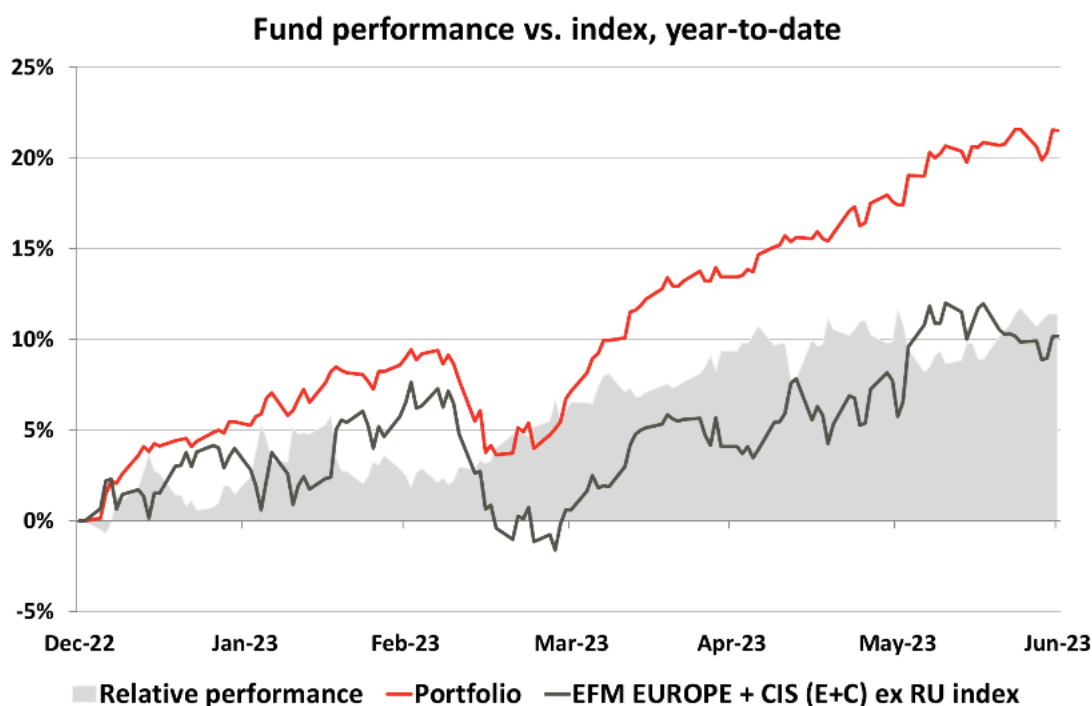
Avaron is committed to sustainable business practices, which are embedded into our corporate identity. As an asset management boutique, the largest impact we can make is via our investment decision making process. We believe that environmental, social and corporate governance (ESG) issues and stewardship activities are material to delivering strong risk-adjusted investment returns over the long-term and contribute to a more cohesive and fairer society.

Since 2011 Avaron is a signatory of the UN PRI and we have integrated ESG factors into our fundamental company research and investment decision-making processes. We take an active approach to communicating our views to the companies we invest in and seek improvements where there are shortcomings in performance. From our website’s section [Responsible Investment](#) you can download our Responsible Investment Policy, Responsible Investment Report, UN PRI Transparency and Assessment Reports, Voting Policy and Voting Records.

A key part of being an active responsible owner of listed equities is using voting rights in an informed way at company meetings. Starting from 2018 we have committed to systematically exercising our voting rights on all shareholder meetings. In 2022 we voted in 90% of the shareholders’ meetings of the companies we own in the Fund portfolio compared to 86% the year before. Starting from 2019 we are disclosing all our voting details for our publicly sellable funds, including Avaron Emerging Europe Fund, which are available in the [Responsible Investment](#) section on Avaron website.

Main Developments During H1 2023

During first six months 2023 Emerging Europe posted +10.2% performance vs. +18.4% for Europe and +1.5% for Emerging Markets. Avaron Emerging Europe Fund posted +19.8% performance, outperforming strongly the regional Emerging Europe benchmark. The main contributors to the first six month performance were Greece (+8.1ppts), Poland (+4.7ppts) and Hungary (+3.8ppts). Romania, Slovenia and the Czech Republic all contributed around 2ppts. Among sectors banks (+6.4ppts) and consumer discretionary (+3.1ppts) stood out. Year-to-date the Fund achieved 10.8% of active return, including 7.5% from allocation effect and 3.2% from selection effect.



Emerging Europe region continues to trade at a significant discount to Europe, global emerging markets and MSCI ACWI. Although the regional performance has been strong over the past 12 months, earnings growth has kept up as well and the discount remains high. We expect a solution to the Ukraine-Russia war, once it happens, to close the gap significantly as investors who are today avoiding the region are expected to return.

Table 1. Emerging Europe region multiples compared to other regions

	P/E		P/B		ROE %		DY %	
	2023	2024	2023	2024	2023	2024	2023	2024
MSCI ACWI	17.3	15.7	2.61	2.35	14.2	14.2	2.2	2.3
EURO STOXX 50	13.6	13.1	2.39	2.22	17.0	16.3	3.4	3.9
MSCI EM	13.2	11.1	1.52	1.20	11.4	10.7	3.0	3.2
Emerging Europe *	7.2	6.7	1.10	1.01	15.6	15.2	5.3	5.7
vs Global	-58%	-58%	-58%	-57%	10%	7%	144%	142%
vs Europe	-47%	-49%	-54%	-54%	-8%	-7%	56%	47%
vs EM	-46%	-40%	-27%	-15%	37%	42%	77%	76%

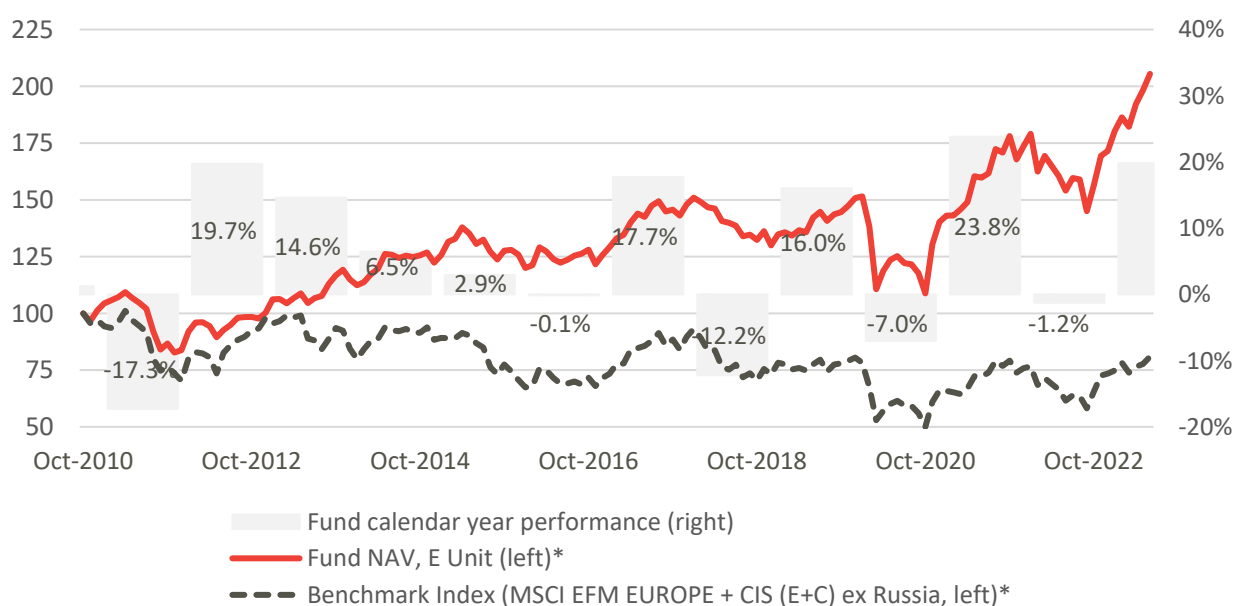
* MSCI EFM EUROPE + CIS (E+C) ex Russia index

Table 2. Cumulative rate of net return of Fund's NAV, in EUR

	2023 HY1	1 year	2 years	3 years	5 years	10 years
A unit	21.2%	33.0%	29.5%	66.6%	48.7%	100.5%
B unit	21.5%	33.7%	30.8%	69.1%	52.5%	111.2%
C unit	21.5%	33.7%	31.0%	69.6%	53.1%	104.4%
D unit	21.1%	32.7%	28.9%	65.4%	46.8%	95.4%
E unit	19.8%	33.4%	28.6%	64.1%	46.9%	96.5%
Index*	10.2%	31.5%	12.0%	31.7%	7.6%	-9.0%

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

Graph 1. Performance of Fund's NAV vs. the market (November 2010 – June 2023, E unit)



*Rebased (October 2010 = 100)

Past performance is not a guarantee or indicative of future results.

Fund Positioning and Portfolio Valuation

Despite the subdued economic environment in the region, **we maintain a tilt towards cyclical companies in our portfolio (65% of the portfolio) as the stagnation is priced in and in the long run we see better value creation opportunities there compared to non-cyclicals.** We construct our portfolios fully bottom-up, thus the changes between sectors are an outcome of our investment process. We do not make any allocation decisions geographically nor on sector basis but focus on value-oriented stock picking in our aim to deliver above benchmark returns. We have had historically similar situations where the portfolio composition might seem questionable from the 6–12-month top-down perspective but our company valuations go beyond the shorter-term cycles and we focus on what these companies are worth in normal circumstances. Today we are in a situation where cyclical segment of the market just offers more value in 3+ years horizon compared to non-cyclicals. 23% of the portfolio is invested in non-cyclicals and 12% is in cash. The cash level is above the targeted 5% but we plan to invest it in due course.

Our Fund portfolio trades at 7.8x 1YR FWD P/E assuming 7% and 5% earnings contraction for the companies in 2023-24. Higher valuation of the portfolio vs. benchmark stems from the fact that we do not hold any exposure in Turkey that accounts for 23% of the index and trades at 5.2x 1YR FWD P/E.

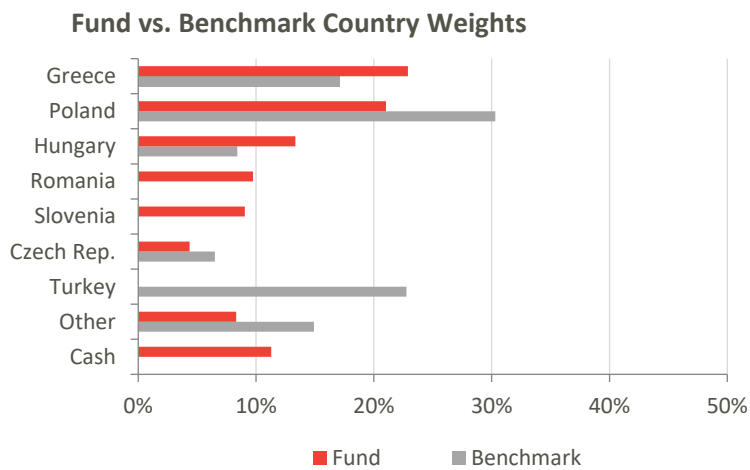
Current Fund valuation level is 22% below the long-term historical average. Non-financial companies in the portfolio are trading at 4.9x 1YR FWD EV/EBITDA, only marginally below the long-term average. The aggregate upside of the Fund on 2-year forward looking basis stands at 39%, almost on par with the long-term median level.

Table 3. Style Allocation of the Fund

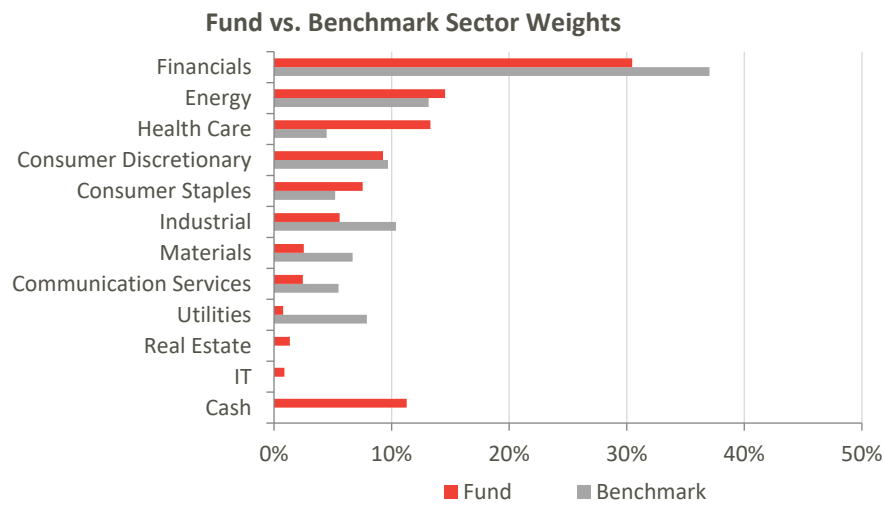
	% of the Fund	P/E adj			EPS adj growth		EV/EBITDA		Div yield	P/B
		12M	2023	2024	2023	2024	2023	2024	2022	12M
Cyclical	64.5%	5.7	6.8	7.6	-6.9%	-9.7%	4.4	4.6	5.2%	1.00
Non-cyclical	23.3%	9.9	10.9	9.2	-5.8%	18.4%	6.1	5.6	4.3%	1.71
Asset play	0.9%	-	-	-	-	-	-	-	5.4%	0.62
Total equity	88.7%	6.4	7.6	8.0	-6.7%	-4.5%	4.9	4.9	5.0%	1.12

The Fund's assets are mainly invested in Greek, Polish, Hungarian and Romanian companies. At the beginning of the year we sold out from Turkey. Our portfolio construction process is benchmark agnostic and fully bottom-up. In comparison to the benchmark the Fund is currently overweight in Greece and Hungary and strongly underweight in Poland, out of Turkey and has off-benchmark positions in Romania and Slovenia.

Graph 2. Fund vs. Benchmark Country Weights



Graph 3. Fund vs. Benchmark Sector Weights



31 August 2022
 Kristel Kivinurm-Priisalm
 Member of the Management Board

CONFIRMATION OF SEMI-ANNUAL FINANCIAL STATEMENTS OF 2023

The Management Board of the Fund Management Company has prepared the semi-annual Financial Statements of Avaron Emerging Europe Fund on 31/08/2023.

The Financial Statements have been prepared in accordance with the requirements stipulated in the regulation no 1606/2002/EU of the European Parliament and of the Council on the application of International Financial Reporting Standards (hereinafter "IFRS") as adopted by the European Commission, the Investment Funds Act, Minister of Finance Regulation no 8 of 18/01/2017 "Requirements for the reports of investment funds to be published" and no 11 of 31/01/2017 "Procedure for Determination of Net Asset Value of Investment Funds" as established on the basis of the Investment Funds Act.

It gives a true and fair view of the assets, liabilities, net asset value and performance results of Avaron Emerging Europe Fund. The Management Board considers Avaron Emerging Europe Fund to carry its activities as a going concern.

The semi-annual Financial Statements of Avaron Emerging Europe Fund have been approved by the Fund Management Company and the Investment Managers.

Name	Date	Signature
Kristel Kivinurm-Priisalm Member of the Management Board of the Fund Management Company	31/08/2023	/Signed digitally/
Valdur Jaht Member of the Management Board of the Fund Management Company / Investment Manager	31/08/2023	/Signed digitally/
Peter Priisalm Investment Manager	31/08/2023	/Signed digitally/
Rain Leesi Investment Manager	31/08/2023	/Signed digitally/

FINANCIAL STATEMENTS**BALANCE SHEET**

In EUR

ASSETS	Note	30/06/23	31/12/22
Cash and cash equivalents	3	1,600,977	5,431,569
Term deposits	3	4,267,436	-
Financial assets at fair value through profit or loss:			
Shares and units	4	43,400,275	31,600,252
Receivables and prepayments	4; 6	201,646	41,000
TOTAL ASSETS		49,470,334	37,072,821
LIABILITIES			
Other financial liabilities			
Payables to the management company	4	521,038	281,231
Payables to the depository	4	13,460	18,490
Other liabilities	4	11,137	4,769
TOTAL LIABILITIES		545,635	304,490
NET ASSETS ATTRIBUTABLE TO HOLDERS		48,924,699	36,768,331

STATEMENT OF INCOME AND EXPENSES

In EUR

	Note	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
INCOME			
Interest income		16,506	108
From deposits		16,506	108
Dividend income		1,266,026	1,170,603
From shares and units		1,266,026	1,170,603
Net gain/loss from financial assets at fair value through profit or loss		6,561,644	-4,268,350
From shares and units	5	6,561,644	-4,268,360
From derivative instruments	5	-	10
Net gain/loss from foreign exchange		876,241	-610,080
TOTAL INCOME		8,720,417	-3,707,719
OPERATING EXPENSES			
Management fees	7	242,377	197,054
Performance fees	7	476,262	333,650
Custodian fees		68,431	60,709
Transaction fees		1,382	1,805
Other operating expenses		10,628	31,585
TOTAL OPERATING EXPENSES		799,080	624,803
NET INCOME		7,921,337	-4,332,522

STATEMENT OF CHANGES IN NET ASSETS

In EUR

	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
NET ASSET VALUE AT THE BEGINNING OF THE PERIOD	36,768,331	40,109,416	49,585,817
Cash received for fund units issued	4,553,794	898,717	3,784,012
Cash paid for fund units redeemed	-318,763	-4,399,204	-13,466,624
Net result of the Fund	7,921,337	-4,332,522	6,000,322
NET ASSET VALUE AT THE END OF THE PERIOD	48,924,699	32,276,407	45,903,527
	30/06/23	30/06/22	30/06/21
NUMBER OF THE UNITS IN CIRCULATION AT THE END OF REPORTING PERIOD			
Number of A units in circulation:	104,798.988	111,232.372	111,113.414
Number of B units in circulation:	369,625.233	376,019.916	378,738.309
Number of C units in circulation:	99,584.228	41,090.944	60,756.886
Number of D units in circulation:	452,421.636	328,092.019	188,395.869
Number of E units in circulation:	1,633,678.373	1,539,115.857	2,437,173.042
NET ASSET VALUE OF AN UNIT AT THE END OF REPORTING PERIOD			
Net asset value of the A unit:	6.9093	5.1942	5.3342
Net asset value of the B unit:	7.5295	5.6322	5.7549
Net asset value of the C unit:	25.5782	19.1256	19.5223
Net asset value of the D unit:	20.5596	15.4949	15.9537
Net asset value of the E unit:	20.5479	15.4057	15.9773
TOTAL NET ASSET VALUE OF THE FUND UNITS			
Total net asset value of the A units:	724,086	577,762	592,705
Total net asset value of the B units:	2,783,108	2,117,814	2,179,609
Total net asset value of the C units:	2,547,189	785,891	1,186,117
Total net asset value of the D units:	9,301,622	5,083,761	3,005,609
Total net asset value of the E units:	33,568,694	23,711,179	38,939,487
TOTAL NET ASSET VALUE	48,924,699	32,276,407	45,903,527

STATEMENT OF CASH FLOWS

In EUR

	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	16,487	108
Interest paid	0	-110
Dividends received	1,067,411	1,058,839
Net result from foreign exchange	22,718	-24,542
Sale of investments	4,005,611	5,749,975
Purchase of investments	-8,370,686	-4,921,791
Operating expenses paid	-528,912	-300,597
	-3,787,371	1,561,882
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	4,552,302	898,717
Payments on redemption of units	-312,786	-4,399,204
	4,239,516	-3,500,487
TOTAL CASH FLOWS	452,145	-1,938,605
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	5,431,569	4,675,632
Effect of exchange rate fluctuations on cash and cash equivalents	-15,301	-13,485
Cash and cash equivalents at the end of the period	5,868,413	2,723,542

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES AND ASSESSMENTS USED

The semi-annual financial statements of Avaron Emerging Europe Fund for 2023 have been prepared in compliance with the valid Investment Funds Act as supplemented by the regulations of the Minister of Finance. The financial statements have been prepared, as stipulated in the Minister of Finance Regulation 8 of 18/01/2017 “Requirements for the reports of investment funds to be published” in accordance with the accounting policies and information presentation principles of the International Financial Reporting Standards as approved by the European Commission while taking into account the specifications of the regulation and Rules for Calculating Net Asset Value of Funds.

The financial statements have been prepared in EUR, which is also Fund’s functional and presentation currency.

The main accounting principles used when preparing the financial statements have been set out below.

The following standards and interpretations have been used for the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- IFRS 17 “Insurance Contracts” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 12 “Income Taxes” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 1 “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors” (effective for annual periods beginning on or after 1 January 2023).

The adoption of these amendments to the existing standards has not led to any significant changes in the Fund’s accounting policies.

Standards and Interpretations issued by IASB that are adopted by the EU but have not yet been implemented

At present EU has approved the following standards, amendments to the existing standards and interpretations, which were not yet applicable:

- Amendments to IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2024).

The Fund has not applied the new standards or amendments before deadline. The new standards and amendments listed above may have an impact on Fund’s effective accounting principles. The Fund measures the potential impact on its financial reports.

Standards and interpretations issued by IASB but not yet adopted by the EU

At present, the IFRS’ as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except the following standards, amendments to the existing standards and interpretations, which were not endorsed for use as at date of publication of the financial statements:

- Amendments to IAS 21 “The Effects of Change in Foreign Exchange Rates.” (effective for annual periods beginning on or after 1 January 2025),

The Fund has not estimated the impact on the new standards and amendments on its accounting principles and semi-annual report.

Use of estimates and judgements

The preparation of the financial statements calls for the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements have been used according to the best knowledge based on prior experience and other factors that the management considers reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Financial instruments are recognized in the balance sheet at fair value taking into account the principles stipulated in the Rules for Calculating Net Asset Value of Funds approved by the Management Board. The fair value of financial instruments quoted on actively traded markets is determined by the quoted prices. If the prices in active markets are not available other valuation models are being used according to the Rules for Calculating Net Asset Value of Funds. Main risks involved with the estimates and judgements that may affect the value of the Fund’s assets and liabilities are related to measuring the fair value of financial instruments based on valuation models that use unobservable inputs.

Foreign currency transactions

Foreign currency transactions are recorded using the last bid rate established by the depositary for the funds managed by AS Avaron Asset Management on the transaction date (hereinafter referred to as the depositary bid rate). This rate is based on market inputs. The assets and liabilities quoted in foreign currency are translated into EUR based on the depositary bid rate applicable on the reporting date.

Gains and losses from foreign currency transactions are recorded in the statement of income and expenses under “Gain/ (loss) from transactions in foreign currencies” on a net basis.

Financial instruments

Financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets include cash, contractual right to receive cash or another financial assets (for example receivables) from another entity, equity instruments of another entity and contractual rights to exchange financial assets with another entity under potentially favourable conditions. Financial liabilities include contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets with another entity under potentially unfavourable conditions.

Financial assets and liabilities are initially recorded at cost, which is the fair value of the consideration paid or received to acquire the financial asset or liability. Financial instruments are later divided into three categories in accordance to the principles of IFRS 9 taking into account the measurement:

1. amortised cost (AC);
2. fair value through other comprehensive income (FVOCI);
3. fair value through profit or loss (FVTPL).

The Fund does not hold financial assets measured at fair value through other comprehensive income.

Classification

On initial recognition, the Fund classifies financial instruments at amortised cost or fair value through profit or loss. A financial instrument is measured at amortised cost if it is not designated as at FVTPL, it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). The classification and subsequent measurement depend on the business model for managing the financial assets and the contractual cash flow characteristics. The classification of financial assets is determined at initial recognition. The Fund has determined the following business models for managing financial assets:

- Held-to-collect business model, which includes financial assets that are held to collect contractual cash flows.
- Other business model, where financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent purchases and sales taking place.

Recognition

In the course of normal business activities investments into shares or units of funds, bonds and derivative instruments are recognised using the trade date accounting principles. Trade date is defined as the date when the Fund takes the obligation to buy or sell the financial instrument. Financial assets and liabilities are initially recognised at acquisition cost, which is the fair value of the consideration paid for the financial asset.

After initial recognition the financial assets and liabilities are measured at fair value in the category “At fair value through profit or loss” or at amortised cost. Gains/ (losses) from the revaluation of securities are recorded in the statement of income and expenses under “Net gain/loss from financial assets at fair value through profit or loss”.

Dividend income from the financial assets at fair value through profit or loss are recorded in the statement of income and expenses under “Dividends” at the moment when the Fund’s right to the dividend is fixed.

Fair value of financial instruments

Fair value is the price that would be received upon selling an asset or paid upon transferring a liability in an orderly transaction in the principal market (or the most advantageous market) (i.e. exit price) between market participants at the measurement date, irrespective if the price is easily traceable or shall be determined using other valuation techniques. According to the fair value hierarchy stipulated in IFRS 13 the financial instruments at fair value shall be divided into three levels depending on the rate of observable inputs used:

- level 1 – unadjusted quoted prices in active market for identical assets or liabilities,
- level 2 – inputs other than quoted prices in level 1 that are observable directly or indirectly,
- level 3 – unobservable inputs for an asset or liability.

Observable inputs are inputs that are determined based on the market data (such as publicly available information about actual events or transactions) and that reflect assumptions which market participants would use when pricing an asset or a liability. When a fair value measurement is developed using inputs from multiple levels of the fair value hierarchy, the fair value

measurement of that instrument shall fall entirely into the lowest level from which the inputs have been used.

If an instrument is traded on multiple regulated markets, based on professional judgement, the one that is most liquid and most representative is considered as the principal market.

Measuring the fair value of financial instruments is based on the Rules for Calculating Net Asset Value of Funds approved by the Management Board. General principles are the following:

- The market value of shares traded on a regulated market is determined on the basis of the official closing price on the reporting date. If the closing price is unavailable, the official mid price is used. If the mid price is also unavailable, the last official bid price is used.
- The value of a listed debt security shall be determined on the basis of the last known market quote. Avaron will determine which of the following reflects best the last known market quote representing the fair value of a debt security on the valuation date: last traded price on the regulated market or multilateral trading facility; last reported traded price based on the source of the financial data vendor currently used; mid-market price on the regulated market or multilateral trading facility; bid price on the regulated market or multilateral trading facility; mid-market price provided by sources of the financial data vendor currently used; bid price provided by sources of the financial data vendor currently used. Should market quotes for an instrument not be available or in the opinion of Avaron do not represent the actual value of a listed debt security, its value will be determined on the basis of the yield curve method. If yield curve method cannot be used due to the absence of reliable data or its low sample size, the amortized cost method shall be used.
- The value of options not traded on a regulated market is determined based on the Black & Scholes valuation model. The inputs that are necessary for the calculation are determined by the Fund Management Company after consulting with the counterparty of the option.

Derecognition

Securities are removed from the balance sheet when the Fund has lost control over the corresponding financial assets either as a result of selling them or expiry of their term. FIFO method is used in accounting for the realised gains/ (losses) from securities transactions. The line "Sales profit/ (loss)" in the statement of income and expenses indicates the difference between the sales amount of an instrument and the corresponding acquisition cost.

Offsetting

Financial assets and liabilities are offset only when the Fund has a legal right to offset the amounts and it intends to use the right.

Cash and cash equivalents and cash flows

Cash and cash equivalents comprise of the Fund's current accounts and over-night deposits that are subject to an insignificant risk of changes in their fair value.

Cash flows from operating activities are reported using the direct method.

Deposits

Deposits comprise term deposits of credit institutions given that their maturity is less than 12 months. Deposits are initially recognised at acquisition cost and subsequently measured at amortized cost using the effective interest rate method.

Receivables

Receivables include revenues calculated on the accrual basis but not yet collected, including dividend receivables and other accrued income. Miscellaneous receivables include receivables from unsettled sales transactions.

Receivables are initially recognised at fair value and subsequently recorded at amortized cost using the effective interest rate method from which any possible impairment loss has been deducted.

Other financial liabilities

Other financial liabilities include management fee and performance fee payables to the Fund Management Company; depository fee, safekeeping fee and transaction fee payables to the depository. Liabilities also include payables to Fund unit holders for redeemed units. Miscellaneous liabilities include payables for securities purchase transactions.

Other financial liabilities are initially recognised at fair value and subsequently recorded at amortized cost using the effective interest rate method.

Fund units

The Fund has five classes of units which are redeemable at demand of the unit-holder. Different rights are attached to different unit classes. All the unit classes are reported as financial liabilities. Units shall be issued, redeemed and switched on every banking day according to the Fund rules. The redemption price of a unit is equal to the net asset value of the unit as of the trade date from which the redemption fee and penalty charge may be deducted.

The net asset value of a Unit is determined by dividing the total net asset value of a class of Units by the number of Units of that class that have been issued and not redeemed (adjusted by the number of Units from unsettled subscription and redemption orders that have been received by the Management Company). The income of the Fund shall not be distributed to unit holders but shall be reinvested. A unit holder's profit or loss is reflected in the Unit's net asset value change.

Interest and dividend income

Interest income is recognised on accrual basis using the effective interest rate method. It comprises reported interest from cash and cash equivalents, deposits and debt instruments at fair value through profit or loss.

Received dividends are recorded under "Dividends" at the moment when the shareholder's right to the dividend is fixed.

Operating expenses

The operating expenses of the Fund include the management fee and performance fee payable to the management company, the depository fee payable to the Fund's depository, fund administration fees, fees to the registrar of fund units, transaction fees and other operating expenses stated in the Fund rules. Transaction fees related to security purchase and sales transactions are recorded under "Transaction fees" in the statement of income and expenses.

Related parties

Parties that are considered as related parties to the Fund are the Management Company AS Avaron Asset Management, other investment funds managed by the management company, all the group companies, the Management Board of the Fund Management Company and their related parties. According to the Fund rules the Fund pays management fees to the Management Company on a monthly basis.

NOTE 2. RISK MANAGEMENT

Short Overview of Investment and Risk Management Techniques

Avaron focuses on Emerging Europe listed equity asset class with an objective to deliver positive risk adjusted return to our clients over the market cycle. This is achieved by constructing a portfolio of companies that maximises the aggregate upside to internally set target prices of individual companies in our investment universe taking into account the quality and ESG profile of a company, liquidity of an instrument and where relevant also FX outlook.

Our investment philosophy is based on value investing principles. Over time stock prices tend to over or underreact to market news and thus deviate from fundamental value of a company. In order to take advantage of such occurrences our portfolio construction is fully bottom-up, assessing every investment case on a standalone basis. Our idea generation is proprietary, driven predominantly by upside to internally set fair value targets. We tend to have long term holding periods but our upside oriented investment process also allows us to take advantage of short-term market volatility without losing focus of the underlying fundamental value of the company. We search for well managed companies with leading market positions, identifiable competitive advantage(s) and strong recurring revenue based business models that we understand and are able to model ourselves.

Within our investment process we put strong emphasis on company quality that is assessed by using an internal Quality Score focusing on management team and business model quality, and financial strength of the company. Besides conventional financial and non-financial aspects we have integrated ESG analysis into our investment process leveraging upon our bottom-up regional expertise with an aim to identify material ESG risks and value creation opportunities. Our investment team has been following vast majority of our current listed equity universe over a decade, which serves as an important strength in assessing the companies' future potential. In order to have an extensive knowledge base of the companies in our universe we have taken a strategic decision not to outsource ESG analysis to third party providers but rather to educate our research team and add an ESG specific layer within our investment process.

Portfolio liquidity analysis and diversification among sectors, countries, currencies and instruments are the main risk management tools used. In addition, the Fund Management Company may use derivatives to hedge or take directional exposure in currencies. The Fund Management Company actively follows financial results of companies and makes relevant changes in the Fund's portfolio based on the Fund Manager's views of the economy and attractiveness of each financial instrument.

The Fund Management Company has established procedures for internal risk management in order to identify, monitor, measure and hedge the risks associated with the Fund's investments. The Fund Management Company regularly examines that the Fund is in compliance with its investment restrictions.

Credit risk

Credit risk refers to the risk that the issuer of a security where the Fund has invested or the counterparty to a transaction on account of the Fund fails to perform its obligations either fully or partially (e.g. an issuer fails to redeem the issued debt obligations, a counterparty to a trade does not deliver the securities or cash during the settlement, a counterparty defaults on a loan granted by the Fund), causing damage to the Fund.

Maximum exposure to credit risk as of the end of the period in EUR (detailed overview regarding cash and cash equivalents presented in Note 3):

	30/06/2023	% of NAV	31/12/2022	% of NAV
Cash and cash equivalents	1,600,977	3.27%	5,431,569	14.77%
Term deposits	4,267,436	8.72%	0	0.00%
Receivables and prepayments	201,646	0.41%	41,000	0.11%
TOTAL	6,070,059	12.40%	5,472,569	14.88%

The Fund's assets can be invested in bonds that are liquid and transferable. In case of debt securities with investment grade rating by S&P (or Moody's equivalent) of BBB- or higher a basic financial analysis and a study of terms of the issue (prospectus) is conducted. In case of debt securities with no rating / non-investment grade rating, higher due diligence requirements apply.

The Fund had no investments in bonds as at 30 June 2023 nor 31 December 2022.

The Fund's cash and cash equivalents are held with Fund's depository Swedbank AS, which parent company Swedbank AB is rated A+ as of 26/06/2023 by Standard & Poor's, with AS SEB Bank, which parent company Skandinaviska Enskilda Banken AB is rated A+ as of 28/06/2023 (Standard & Poor's).

Liquidity risk

Liquidity risk refers to the risk that due to low liquidity a financial instrument cannot be sold at the desired time, at the desired price or there is no market (buyer) at all. Liquidity risk is particularly relevant in case of investing into small cap companies and instruments not traded on a regulated securities market.

Liquidity risk is managed through regular liquidity analysis and limitations on estimated exit times from positions and analysis of aggregate ownership in share capital and free float. Regular liquidity stress tests are performed to assess the adequacy of the Fund's liquidity profile.

The Fund maintains a credit line of 3,000,000 EUR that can be accessed to meet short-term liquidity needs. These resources have not been used as of 30/06/2023.

Maximum exposure of financial liabilities according to the maturity as of the end of the period in EUR:

	Up to 3 days		Up to 1 month		Over 1 month	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Payables to the management company	-	-	521,038	281,231	-	-
Payables to the depository	-	-	13,460	18,490	-	-
Payables for redeemed units	5,977	-	-	-	-	-
Other liabilities	-	-	-	-	5,160	4,769
TOTAL	5,977	-	534,498	299,721	5,160	4,769

Positions that may take more than 11 business days to liquidate based on six months average trading volume (30% of trading volume).

Instrument	Country	Sector	% of NAV	
			30/06/2023	31/12/2022
KRKA	Slovenia	Health Care	5.86%	-
BRD-GROUPE SOCIETE GENERALE	Romania	Financials	2.81%	2.98%
NOVA LJUBLJANSKA BANKA DD	Slovenia	Financials	2.70%	-
SPHERA FRANCHISE GROUP SA	Romania	Consumer Discretionary	1.34%	1.39%
ARENA HOSPITALITY GROUP DD	Croatia	Consumer Discretionary	0.99%	1.12%
BULGARIA REAL ESTATE FUND	Bulgaria	Real Estate	0.88%	1.12%
TALLINNA SADAM AKTSIA	Estonia	Industrial	0.83%	1.10%
DIGI COMMUNICATIONS NV	Romania	Communication Services	0.81%	0.69%
FIRST INVESTMENT BANK	Bulgaria	Real Estate	0.66%	0.80%
TALLINK GRUPP	Estonia	Industrial	-	1.05%
TOTAL			16.87%	10.25%

Market risk

Market risk refers to the risk of suffering losses due to adverse price movements at a specific securities market or a market for other assets. Adverse price movements may be caused by a country's weak economic indicators, poor financial results of a business sector, volatile securities market, investors' behaviour and psychology and other factors. Diversification among sectors, countries, currencies and instruments are the main risk management tools used by the Fund to address market risk.

Currency risk

The Fund is open to foreign currency risk. Currency breakdown of Fund's assets in EUR:

	30/06/2023	% of Fund's assets	31/12/2022	% of Fund's assets
EUR	19,717,051	39.85%	11,690,109	31.53%
PLN	10,286,178	20.79%	6,697,872	18.07%
HUF	7,938,758	16.05%	5,241,065	14.14%
RON	4,944,536	9.99%	4,142,246	11.17%
GBP	3,688,934	7.46%	1,817,902	4.90%
CZK	2,130,023	4.31%	3,744,977	10.10%
BGN	764,854	1.55%	717,401	1.94%
TRY	0	0.00%	2,609,934	7.04%
HRK	0	0.00%	411,315	1.11%
TOTAL	49,470,334	100.00%	37,072,821	100.00%

Currency risk sensitivity analysis

Fund's net asset value would have been affected by the weakening of foreign currencies against EUR on 30 June 2023. The sensitivity analysis assumes the weakening of foreign currency rates against EUR in the magnitude of the change from the higher to lower value from 2007 onwards. The analysis assumes that all the other variables remain constant. Analysis for 31 December 2022 has been made using the same assumptions.

The impact on net assets attributable to holders and net income:

	30/06/2023			31/12/2022		
	Impact in EUR (-10% weakening)	Maximum annual currency weakening	Currency's % of NAV	Impact in EUR (-10% weakening)	Maximum annual currency weakening	Currency's % of NAV
PLN	-1,028,618	-35%	20.79%	-669,787	-35%	18.07%
HUF	-793,876	-28%	16.05%	-524,107	-28%	14.14%
CZK	-213,002	-22%	4.31%	-374,498	-22%	10.10%
RON	-494,454	-20%	9.99%	-414,225	-20%	11.17%
GBP	-368,893	-25%	7.46%	-181,790	-25%	4.90%
BGN	-76,485	0%	1.55%	-71,740	0%	1.94%
TRY	0	0%	0.00%	-260,993	-55%	7.04%
HRK	0	0%	0.00%	-41,132	-6%	1.11%
TOTAL	-2,975,328		60.15%	-2,538,271		68.48%

Instrument's price risk

Price risk is closely related to market risk but mainly affects a specific security or investment. Price risk is the risk of suffering losses due to adverse price movements of a specific stock or another investment. The price of a specific security is affected by developments in the issuer's financial results, changes in the competitive environment, analyst estimates and commentaries, etc.

Concentration of risk of Fund's investments based on sectors as of the end of the period in EUR:

	30/06/23	% of NAV	31/12/22	% of NAV
Financials	14,905,488	30.47%	11,099,841	30.19%
Energy	7,120,694	14.55%	4,575,031	12.44%
Health Care	6,507,260	13.29%	2,988,787	8.13%
Consumer Discretionary	4,534,967	9.27%	4,580,904	12.46%
Consumer Staples	3,688,934	7.54%	1,810,561	4.92%
Industrial	2,728,235	5.58%	2,373,952	6.46%
Materials	1,242,206	2.54%	869,880	2.37%
Communication Services	1,197,978	2.45%	1,381,132	3.76%
IT	658,867	1.35%	375,864	1.02%
Real Estate	432,796	0.88%	412,187	1.12%
Utilities	382,850	0.78%	1,132,113	3.08%
TOTAL	43,400,275	88.71%	31,600,252	85.94%

Concentration of risk of Fund's investments based on emitent's geographic location as of the end of the period in EUR:

	30/06/23	% of NAV	31/12/22	% of NAV
Greece	13,597,122	27.80%	7,880,982	21.44%
Poland	9,415,832	19.25%	4,944,822	13.45%
Romania	5,060,106	10.34%	2,177,674	5.92%
Slovenia	4,423,879	9.05%	2,307,965	6.28%
Hungary	2,886,387	5.88%	4,777,703	12.97%
Czech Rep.	2,130,023	4.35%	2,835,902	7.71%
Estonia	1,260,700	2.58%	1,209,192	3.29%
Austria	1,187,330	2.43%	418,600	1.14%
Belgium	947,426	1.94%	869,880	2.37%
Luxembourg	870,346	1.78%	647,284	1.76%
Bulgaria	754,898	1.54%	707,447	1.92%
Croatia	483,376	0.99%	411,315	1.12%
Lithuania	382,850	0.78%	361,380	0.98%
Turkey	0	0.00%	2,050,106	5.59%
TOTAL	43,400,275	88.71%	31,600,252	85.94%

Instrument's price risk sensitivity analysis

Sensitivity analysis is based on standard deviation of the Fund since launch, whereas the Fund's risk profile has been calculated based on normal distribution. The analysis assumes that all the other variables remain constant. Analysis as per 31 December 2022 has been made with using the same assumptions.

	probability	+/- possible change of Fund's NAV during year	
		30/06/2023	31/12/2022
σ	68.27%	13.65%	13.75%
2σ	95.45%	27.29%	27.51%
3σ	99.73%	40.94%	41.26%

NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents by credit institution and currency

	30/06/2023	% of NAV, converted into EUR	31/12/2022	% of NAV, converted into EUR
Swedbank AS		3.27%		12.66%
EUR	-	-	1,606,582	4.37%
CZK	-	-	21,970,528	2.47%
PLN	-	-	3,692,521	2.14%
TRY	-	-	11,198,379	1.52%
HUF	528,199,855	2.88%	185,131,424	1.26%
RON	888,879	0.37%	1,541,592	0.85%
BGN	19,469	0.02%	19,469	0.03%
GBP	-	-	6,494	0.02%
AS SEB Pank		0.00%		2.12%
EUR	457	0.00%	776,494	2.12%
TOTAL		3.27%		14.78%

Deposits in EUR

	30/06/2023	% of NAV	31/12/2022	% of NAV
Overnight deposit, Swedbank AS	4,267,436	8.72%	0	0.00%
TOTAL	4,267,436	8.72%	0	0.00%

The Fund's cash and cash equivalents are held with Fund's depository Swedbank AS, which parent company Swedbank AB is rated A+ as of 26/06/2023 by Standard & Poor's, with AS SEB Bank, which parent company Skandinaviska Enskilda Banken AB is rated A+ as of 28/06/2023 (Standard & Poor's).

NOTE 4. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES TO CATEGORIES AND LEVELS

In EUR
30/06/23

	Measured at fair value through profit or loss			Financial assets at amortised cost			Financial liabilities at amortised cost		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
ASSETS									
Cash and cash equivalents	-	-	-	1,600,977	-	-	-	-	-
Term deposits	-	-	-	4,267,436	-	-	-	-	-
Shares and units	43,400,275	-	-	-	-	-	-	-	-
Dividend receivable	-	-	-	-	200,154	-	-	-	-
Receivables for units subscribed	-	-	-	-	1,492	-	-	-	-
LIABILITIES									
Payables to the management company	-	-	-	-	-	-	-	521,038	-
Payables to the depository	-	-	-	-	-	-	-	13,460	-
Payments on redemption of units*	-	-	-	-	-	-	-	5,977	-
Other liabilities*	-	-	-	-	-	-	-	5,160	-
TOTAL	43,400,275	-	-	5,868,413	201,646	-	-	545,635	-

* Liabilities are carried in the balance sheet under "Other liabilities"

According to the estimates of the Fund Management Company the carrying value of financial assets and liabilities at amortised cost amounts approximate fair value.

There have been no transfers of the assets designated as at fair value from one level to another as of the end of the period.

In EUR
31/12/22

	Measured at fair value through profit or loss			Financial assets at amortised cost			Financial liabilities at amortised cost		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
ASSETS									
Cash and cash equivalents	-	-	-	5,431,569	-	-	-	-	-
Shares and units	31,600,252	-	-	-	-	-	-	-	-
Dividend receivable	-	-	-	-	6,000	-	-	-	-
Other receivable	-	-	-	-	35,000	-	-	-	-
LIABILITIES									
Payables to the management company	-	-	-	-	-	-	-	281,231	-
Payables to the depository	-	-	-	-	-	-	-	18,490	-
Other liabilities*	-	-	-	-	-	-	-	4,769	-
TOTAL	31,600,252	-	-	5,431,569	41,000	-	-	304,490	-

* Liabilities are carried in the balance sheet under "Other liabilities"

According to the estimates of the Fund Management Company the carrying value of financial assets and liabilities at amortised cost amounts approximate fair value.

There have been no transfers of the assets designated as at fair value from one level to another as of the end of the period.

NOTE 5. NET GAIN/LOSS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In EUR

	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
Net gain/loss from financial assets at fair value through profit or loss		
From shares and units		
Sales profit/(-loss)	2,107,390	1,057,980
Unrealised profit /(-loss)	4,454,254	-5,326,340
From derivative instruments		
Sales profit/(-loss)	-	10
Total net gain/(-loss)	6,561,644	-4,268,350

NOTE 6. RECEIVABLES AND PREPAYMENTS

In EUR

	30/06/2023	31/12/2022
Dividend receivable	200,154	6,000
Receivables for units subscribed	1,492	0
Other receivables	0	35,000
TOTAL	201,646	41,000

NOTE 7. TRANSACTIONS WITH RELATED PARTIES

In addition to the Fund Management Company, companies belonging to the same group, other investment funds managed by the Management Company and shareholders of the management company are considered to be related parties to the Fund.

The transactions with related parties were in EUR as follows:

	01/01/2023- 30/06/2023	01/01/2022- 30/06/2022
Fund Management Company		
Paid management and performance fees	718,639	530,704
TOTAL	718,639	530,704

Avaron Emerging Europe Fund

The balances outstanding with related parties were as follows in EUR:

	30/06/2023	31/12/2022
Fund Management Company		
Management and performance fee payable	521,038	281,231

The market value of Avaron Emerging Europe Fund units owned by the shareholders of the Fund Management Company amounted to 73,919 EUR as of 30/06/2023 (31/12/2022: 60,829 EUR).

STATEMENT OF INVESTMENTS

In EUR as of 30/06/2023

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
SHARES										
SHARES LISTED ON STOCK EXCHANGE:										
COCA-COLA HBC AG	CH0198251305	CH	S&P	BBB+	GBP	22.89	3,094,590	27.29	3,688,934	7.54%
RICHTER GEDEON NYRT	HU0000123096	HU			HUF	18.09	2,927,344	22.50	3,641,016	7.44%
KRKA	SI0031102120	SI			EUR	77.96	1,926,437	116.00	2,866,244	5.86%
OMV PETROM SA (RON)	ROSNPPACNOR9	RO			RON	0.07	1,660,767	0.10	2,339,814	4.78%
KOMERCNI BANKA	CZ0008019106	CZ	S&P	A	CZK	30.59	2,330,829	27.95	2,130,023	4.35%
POLSKI KONCERN NAFTORNY ORLEN	PLPKN0000018	PL			PLN	14.13	1,850,687	14.50	1,899,401	3.88%
OTP BANK SHARE	HU0000061726	HU	S&P	BBB	HUF	30.62	1,720,810	32.41	1,821,525	3.72%
JUMBO SA	GRS282183003	GR			EUR	14.73	1,054,351	25.20	1,804,270	3.69%
POWSZECHNY ZAKLAD UBEZP SHARE	PLPZU0000011	PL	S&P	A-	PLN	6.04	1,226,836	8.87	1,801,808	3.68%
BANK PEKAO SA	PLPEKAO00016	PL	S&P	BBB+	PLN	14.36	977,091	24.94	1,696,856	3.47%
MOTOR OIL (HELLAS) SA	GRS426003000	GR			EUR	14.07	849,501	23.20	1,400,630	2.86%
BRD Gr Societe Generale SA RON	ROBRDBACNOR2	RO	Fitch	BBB+	RON	2.38	1,227,590	2.67	1,376,663	2.81%
NOVA LJUBLJANSKA BANKA DD	SI0021117344	SI	S&P	BBB	EUR	58.48	1,050,148	73.60	1,321,635	2.70%
ERSTE GROUP BANK AG	AT0000652011	AT	S&P	A+	EUR	29.29	1,083,627	32.09	1,187,330	2.43%
BANK HANDLOWY W WARSZAWIE	PLBH00000012	PL	Fitch	A-	PLN	15.96	895,077	19.45	1,090,566	2.23%
MOL HUNGARIAN OIL AND GAS PLC	HU0000153937	HU	S&P	BBB-	HUF	5.64	751,791	7.98	1,064,861	2.18%
TITAN CEMENT INTERNATIONAL SA	BE0974338700	BE	S&P	BB	EUR	11.25	623,222	17.10	947,426	1.94%
ALLEGRO.EU SA	LU2237380790	LU			PLN	8.21	991,627	7.20	870,346	1.78%
AEGEAN AIRLINES S.A.	GRS495003006	GR			EUR	6.39	508,924	10.80	859,669	1.76%
MYTILINEOS SA	GRS393503008	GR	S&P	BB-	EUR	5.17	131,334	32.34	821,436	1.68%
WIRTUALNA POLSKA HOLDING SA	PLWRTPL00027	PL			PLN	16.27	504,325	25.93	803,804	1.64%
PKO BANK POLSKI	PLPKO0000016	PL			PLN	8.33	759,640	8.14	741,944	1.52%
WARSAW STOCK EXCHANGE	PLGPW0000017	PL			PLN	9.40	808,298	8.57	736,645	1.51%
FOURLIS SA	GRS096003009	GR			EUR	3.68	570,442	4.66	722,300	1.48%
EPSILON NET SA	GRS498003003	GR			EUR	5.65	460,356	8.08	658,867	1.35%
SPHERA FRANCHISE GROUP SA	ROSGFPACNOR4	RO			RON	4.89	880,260	3.64	654,676	1.34%
ARENA HOSPITALITY GROUP DD	HRARNTRA0004	HR			EUR	57.97	755,350	37.10	483,376	0.99%
SANTANDER BANK POLSKA SA	PLBZ000000044	PL	Fitch	BBB+	PLN	72.26	365,069	87.57	442,390	0.90%
TALLINK GRUPP	EE3100004466	EE			EUR	0.78	577,812	0.59	439,098	0.90%
ENEFIT GREEN AKTSIA	EE3100137985	EE			EUR	2.90	276,689	4.36	415,988	0.85%
TALLINNA SADAM AKTSIA	EE3100021635	EE			EUR	1.77	503,328	1.42	405,614	0.83%
DIGI COMMUNICATIONS NV	NL0012294474	NL	S&P	BB-	RON	8.04	458,027	6.92	394,173	0.81%
IGNITIS GRUPE AB	LT0000115768	LT	S&P	BBB+	EUR	21.07	400,317	20.15	382,850	0.78%
FIRST INVESTMENT BANK	BG1100106050	BG	Fitch	B	BGN	0.82	244,721	1.07	322,102	0.66%
TITAN CEMENT INTERNATIONAL GRE	BE0974338700	BE	S&P	BB	EUR	11.69	198,761	17.34	294,780	0.60%
NOVA LJUBLJANSKA BANKA GDR	US66980N2036	SI	S&P	BBB	EUR	12.17	194,678	14.75	236,000	0.48%
GRUPA PRACUJ SA	PLGRPRC00015	PL			PLN	11.21	179,317	12.65	202,418	0.41%
SHARES TOTAL							35,019,971		42,967,479	87.83%

Avaron Emerging Europe Fund

Statement of investments as of 30/06/2023 (continued)

Name	ISIN	Fund country	Fund Management Company	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
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FUNDS:

CLOSED-END FUNDS LISTED ON STOCK EXCHANGE:

BULGARIA REAL ESTATE FUND	BG1100001053	BG	REAL ESTATE MANAGEMENT LTD	BGN	0.93	375,450	1.07	432,796	0.88%
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CLOSED-END FUNDS TOTAL						375,450		432,796	0.88%
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SHARES AND FUNDS TOTAL						35,395,421		43,400,275	88.71%
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Credit Institution	Deposit type	Credit Institution's country	Rating agency	Rating	FX	Interest rate	Start date	Maturity	Average acquisition cost	Total market value	Share of market value of fund's net assets
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DEPOSITS*

Swedbank AS	Deposit	EE		A+ (Swedbank /EUR		1.8620%	30/06/23	01/07/23	0	4,267,436	8.72%
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DEPOSITS TOTAL										0	4,267,436	8.72%
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*Accrued interest in the amount of 220.71 EUR has been added to the value of deposits

Name	ISIN	Credit Institution's country	Credit Institution	FX	Interest rate	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
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CASH

CURRENT ACCOUNT		EE	SEB	EUR			457		457	0.00%
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CURRENT ACCOUNT		EE	Swedbank	RON			179,210		179,210	0.38%
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CURRENT ACCOUNT		EE	Swedbank	BGN			9,955		9,955	0.02%
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CURRENT ACCOUNT		EE	Swedbank	HUF			1,411,355		1,411,355	2.88%
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CURRENT ACCOUNT TOTAL							1,600,977		1,600,977	3.27%
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INVESTMENTS TOTAL							41,263,835		49,268,689	100.70%
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Avaron Emerging Europe Fund

Statement of investments as of 30/06/2023 (continued)

Name	ISIN	Credit Institution's country	Credit Institution	FX	Interest rate	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
OTHER ASSETS										
DIVIDEND RECEIVABLE				EUR					200,154	0.41%
RECEIVABLE FOR SUBSCRIBED SHARES				EUR					1,492	0.00%
OTHER ASSETS TOTAL									201,646	0.41%
TOTAL ASSETS OF THE FUND							41,263,835		49,470,334	101.11%
LIABILITIES									-545,635	-1.11%
NET ASSETS OF THE FUND									48,924,699	100.00%

In EUR as of 31/12/2022

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
SHARES										
SHARES LISTED ON STOCK EXCHANGE:										
KOMERCNI BANKA	CZ0008019106	CZ	S&P	A	CZK	30.59	2,330,829	27.10	2,065,169	5.62%
OMV PETROM SA	ROSNPPACNOR9	RO			RON	0.07	1,660,767	0.08	1,971,405	5.36%
COCA-COLA HBC AG	CH0198251305	GR	S&P	BBB+	GBP	22.45	1,822,261	22.30	1,810,561	4.92%
RICHTER GEDEON NYRT	HU0000123096	HU			HUF	15.99	1,292,792	20.77	1,679,259	4.57%
POWSZECHNY ZAKLAD UBEZP SHARE	PLPZU0000011	PL	S&P	A-	PLN	6.04	1,226,836	7.55	1,533,598	4.17%
OTP BANK SHARE	HU0000061726	HU	S&P	BBB	HUF	30.62	1,720,810	25.30	1,422,091	3.87%
MOTOR OIL (HELLAS) SA	GRS426003000	GR			EUR	14.07	849,501	21.82	1,317,317	3.58%
KRKA	SI0031102120	SI			EUR	59.09	841,088	92.00	1,309,528	3.56%
JUMBO SA	GRS282183003	GR			EUR	14.73	1,054,351	15.98	1,144,136	3.11%
BRD Gr Societe Generale SA RON	ROBRDBACNOR2	RO	Fitch	BBB+	RON	2.36	984,949	2.63	1,094,968	2.98%
BANK HANDLOWY W WARSZAWIE	PLBH00000012	PL	Fitch	A-	PLN	15.96	895,077	16.12	903,693	2.46%
MOL HUNGARIAN OIL AND GAS PLC	HU0000153937	HU	S&P	BBB-	HUF	5.64	751,791	6.51	868,604	2.36%
BANK PEKAO SA	PLPEKAO00016	PL	S&P	BBB+	PLN	12.56	578,032	18.44	848,846	2.31%
TOFAS TURK OTOMOBIL FABRIKA	TRATOASO91H3	TR			TRY	2.91	285,378	8.28	811,800	2.21%
MAGYAR TELEKOM RT	HU0000073507	HU			HUF	1.08	1,027,762	0.85	807,749	2.20%
NOVA LJUBLJANSKA BANKA DD	SI0021117344	SI	S&P	BBB	EUR	52.74	672,788	62.40	796,037	2.17%
CESKE ENERGETICKE ZAVODY AS	CZ0005112300	CZ	S&P	A-	CZK	22.33	540,151	31.86	770,733	2.10%
MAVI GIYIM SANAYI VE TICARET A	TREMAVI00037	TR			TRY	2.38	263,968	6.61	732,046	1.99%
TITAN CEMENT INTERNATIONAL SA	BE0974338700	BE	S&P	BB	EUR	11.25	623,222	12.00	664,860	1.81%
WARSAW STOCK EXCHANGE	PLGPW0000017	PL			PLN	9.40	808,298	7.57	651,064	1.77%
ALLEGRO.EU SA	LU2237380790	LU			PLN	8.21	991,627	5.36	647,284	1.76%
PKO BANK POLSKI	PLPKO0000016	PL			PLN	8.33	759,640	6.46	588,740	1.60%
MYTILINEOS SA	GRS393503008	GR	S&P	BB-	EUR	5.17	131,334	20.30	515,620	1.40%
SPHERA FRANCHISE GROUP SA	ROSGFPACNOR4	RO			RON	4.89	880,260	2.83	509,323	1.39%
TAV HAVALIMANLARI HOLDING	TRETAVH00018	TR			TRY	1.89	204,677	4.67	506,259	1.38%
AEGEAN AIRLINES S.A.	GRS495003006	GR			EUR	6.39	508,924	5.29	421,079	1.15%
ERSTE GROUP BANK AG	AT0000652011	AT	S&P	A+	EUR	27.23	381,158	29.90	418,600	1.14%
ENEFIT GREEN AKTSIA	EE3100137985	EE			EUR	2.90	276,689	4.38	417,705	1.14%
ARENA HOSPITALITY GROUP DD	HRARNTRA0004	HR			HRK	57.97	755,350	31.57	411,315	1.12%
TALLINNA SADAM AKTSIA	EE3100021635	EE			EUR	1.77	503,328	1.42	405,613	1.10%
TALLINK GRUPP	EE3100004466	EE			EUR	0.78	577,812	0.52	385,874	1.05%
EPSILON NET SA	GRS498003003	GR			EUR	5.03	293,832	6.44	375,864	1.02%
IGNITIS GRUPE AB	LT0000115768	LT	S&P	BBB+	EUR	21.07	400,317	19.02	361,380	0.98%
FOURLIS SA	GRS096003009	GR			EUR	3.80	379,666	3.25	325,000	0.88%

Statement of investments as of 31/12/2022 (continued)

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
WIRTUALNA POLSKA HOLDING SA	PLWRTPL00027	PL			PLN	11.58	171,327	21.53	318,580	0.87%
FIRST INVESTMENT BANK	BG1100106050	BG	Fitch	B	BGN	0.82	244,721	0.98	295,261	0.80%
SANTANDER BANK POLSKA SA	PLBZ00000044	PL	Fitch	BBB+	PLN	72.26	365,069	55.30	279,374	0.76%
DIGI COMMUNICATIONS NV	NL0012294474	RO	S&P	BB-	RON	8.51	340,418	6.37	254,803	0.69%
TITAN CEMENT INTERNATIONAL GRE	BE0974338700	BE	S&P	BB	EUR	11.69	198,761	12.06	205,020	0.56%
NOVA LJUBLJANSKA BANKA GDR	US66980N2036	SI	S&P	BBB	EUR	12.17	194,678	12.65	202,400	0.55%
GRUPA PRACUJ SA	PLGRPRC00015	PL			PLN	11.21	179,317	8.72	139,507	0.38%
SHARES TOTAL							28,969,554		31,188,065	84.82%

Name	ISIN	Fund country	Fund Management Company	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
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FUNDS:

CLOSED-END FUNDS LISTED ON STOCK EXCHANGE:

BULGARIA REAL ESTATE FUND	BG1100001053	BG	REAL ESTATE MANAGEMENT LTD	BGN	0.93	375,450	1.02	412,187	1.12%	
CLOSED-END FUNDS TOTAL								375,450	412,187	1.12%

SHARES AND FUNDS TOTAL								29,345,004	31,600,252	85.94%
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Name	ISIN	Credit Institution's country	Credit Institution	FX	Interest rate	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
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CASH

CURRENT ACCOUNT		EE	Swedbank	PLN			787,184		787,184	2.14%
CURRENT ACCOUNT		EE	SEB	EUR			776,494		776,494	2.11%
CURRENT ACCOUNT		EE	Swedbank	EUR			1,606,582		1,606,582	4.37%
CURRENT ACCOUNT		EE	Swedbank	RON			311,748		311,748	0.85%
CURRENT ACCOUNT		EE	Swedbank	CZK			909,075		909,075	2.47%
CURRENT ACCOUNT		EE	Swedbank	BGN			9,954		9,954	0.03%
CURRENT ACCOUNT		EE	Swedbank	HUF			463,362		463,362	1.26%
CURRENT ACCOUNT		EE	Swedbank	TRY			559,829		559,829	1.52%
CURRENT ACCOUNT TOTAL							5,431,569		5,431,569	14.77%

INVESTMENTS TOTAL							34,776,573		37,031,821	100.71%
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Statement of investments as of 31/12/2022 (continued)

Name	ISIN	Credit Institution's country	Credit Institution	FX	Interest rate	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
OTHER ASSETS										
DIVIDEND RECEIVABLE				EUR					6,000	0.02%
OTHER RECEIVABLE				EUR					35,000	0.09%
OTHER ASSETS TOTAL									41,000	0.11%
TOTAL ASSETS OF THE FUND							34,776,573		37,072,821	100.82%
LIABILITIES									-304,490	-0.82%
NET ASSETS OF THE FUND									36,768,331	100.00%

STATEMENT OF COMMISSIONS

In EUR

01/01/2023-30/06/2023

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
Regulated securities market transactions*				
Shares				
Patria Finance A.S.	10	3,815,942	2,089	0.05%
Wood and Company Financial Services a.s.	11	2,451,798	1,613	0.07%
Interkapital vrijednosni papiri d.o.o.	10	1,823,089	2,694	0.15%
Santander Biuro Maklerskie	6	1,655,338	993	0.06%
Erste Group Bank AG	2	702,469	491	0.07%
Eurobank Equities Investment Firm S.A	3	190,776	191	0.10%
Third country securities market transactions				
Shares				
OYAK Yatirim Menkul Degerler A.S.	3	1,748,834	872	0.05%
TOTAL	45	12,388,246	8,942	0.07%

* Contracting Party to the EEA Agreement (European Economic Area countries)

In EUR

01/01/2022-30/06/2022

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
Regulated securities market transactions*				
Shares				
Patria Finance A.S.	13	2,967,688	1,586	0.05%
Wood and Company Financial Services a.s.	9	2,300,483	1,322	0.06%
Santander Biuro Maklerskie	10	1,767,008	1,060	0.06%
Interkapital vrijednosni papiri d.o.o.	12	720,420	1,153	0.16%
Erste Group Bank AG	2	697,875	836	0.12%
Eurobank Equities Investment Firm S.A	4	328,608	328	0.10%
AS SEB Pank	3	104,092	156	0.15%
Third country securities market transactions				
Shares				
OYAK Yatirim Menkul Degerler A.S.	4	1,172,386	586	0.05%
OTC trades				
Corporate actions	2	907,273	-	-
TOTAL	59	10,965,832	7,028	0.06%

* Contracting Party to the EEA Agreement (European Economic Area countries)