

Investment Objectives & Approach

The Fund invests in public small and mid-cap companies in Emerging Europe ex-Russia region with an objective to deliver positive alpha over the period of five years. As stock exchanges in these markets are dominated by banking sector companies and state-owned enterprises, the Fund aims to limit investing into these segments, and focus on stock-picking mainly among attractively valued, privately owned, well-managed and fast growing smaller companies. The Fund is benchmark agnostic, portfolio is built fully bottom up, and the Fund has very low position overlap to regional indices. The Fund is run by seasoned investment managers Valdur Jaht and Peter Priisalm who are supported by Avaron's research team. The Fund is to complement investors' Emerging Markets portfolio.

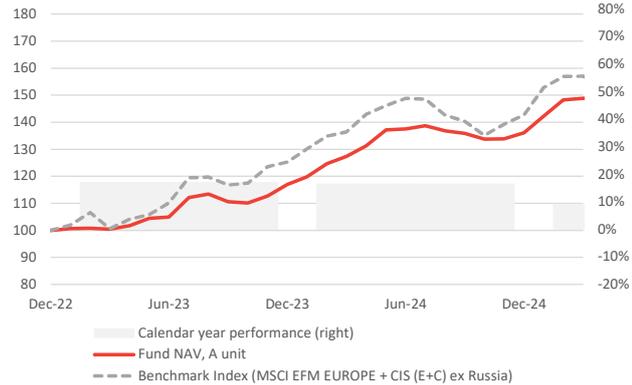
Fund Manager's Comment, April 2025

Avaron Emerging Europe Smaller Companies Fund posted -0.2% return in April, outperforming the broad regional benchmark index by 2.1pp. Emerging European index declined 2.3% in € terms, outperforming the global benchmark MSCI ACWI (-3.8% in €) thanks to the continuing weakness in the US dollar. Performance within the index was highly dispersed. Turkey was the largest drag on the regional index, falling 11.9% in €. Since mid-March, Turkey's equity market has faced pressure following the arrest of Istanbul mayor Ekrem Imamoglu and mass protests, triggering \$1.8bn in foreign outflows from equities and \$4.5bn from local currency bonds. Following the recent sell-off (MSCI Turkey down 35% in € from 2024 summer highs) we think that Turkey trades at a reasonable valuation level and warrants investing into despite increased pressure on inflation and FX reserves. The Fund has 3.5% of its assets invested in Turkey.

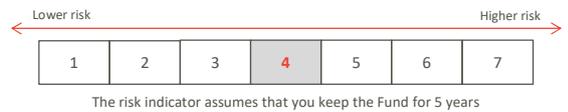
Despite the increased volatility in equities we decided not to make any changes to the portfolio last month as we feel comfortable with the current company selection and their ability to generate decent earnings growth going forward. On the Fund level the portfolio companies show +15% and +22% earnings growth for 2025 and 2026, respectively. At the same time the portfolio is trading at 10.4x 1YR FWD P/E, 6.2x EV/EBITDA while offering 14% ROE and 4% DY.

To receive full monthly comment please send your request to funds@avaron.com.

Performance since inception



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



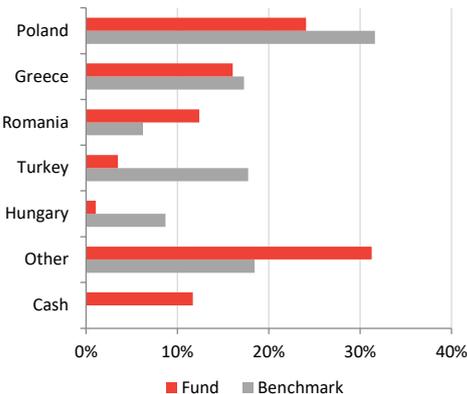
Returns*	Fund	Index	Excess
1 month	-0.2%	-2.3%	2.1%
3 months	4.4%	0.4%	4.0%
6 months	11.0%	13.6%	-2.5%
YTD	9.1%	7.5%	1.5%
1 year	13.1%	7.3%	5.8%
2 years	46.0%	47.4%	-1.4%
Since launch	48.4%	58.9%	-10.5%

* Fund A unit, Index is MSCI EFM EUROPE + CIS (E+C) ex RU

Returns*	Fund	Index	Excess
2025 YTD	9.1%	7.5%	1.5%
2024	16.3%	13.9%	2.4%
2023	17.3%	25.2%	-7.9%

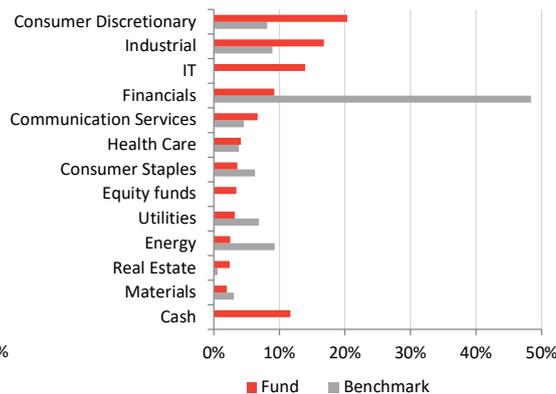
CAGR/Years*	Fund	Index
2023-2024	16.8%	19.4%

Country Weights

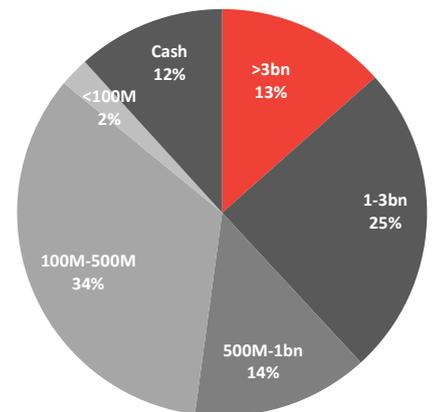


Note: Other for Avaron includes Slovenia, Estonia, Lithuania and Bulgaria. All are under Other for index as well.

Sector Weights



Market Cap breakdown



Fund statistics

Number of positions	32
Top10	41.2%
Top20	68.5%
Gross exposure	88.3%
Net exposure	88.3%
Concentration coefficient	35
Median market cap MEUR	676
Average market cap MEUR	2061
Share of cyclical companies	70.0%
Share of non-cyclicals	18.3%

Risk metrics

Risk metrics	2Y risk*
Alpha	9%
Volatility & stand. deviation	9.6%
Beta	0.44
Sharpe ratio	1.79
Information ratio	-0.05
Tracking error	10.7%

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

Turnover (adjusted for fund flows)

FY 2024	16.1%
FY 2023	7.0%

Liquidity analysis*

3 days	99.7%
2 weeks	100.0%
4 weeks	100.0%

*Turning portfolio into cash, based on 6 month average trading volume accounting for 30% of trading volume

Fund Facts - Avaron Emerging Europe Smaller Companies Fund

Investment Manager	AS Avaron Asset Management
Fund type	UCITS
Launch date	December 09, 2022
Domicile	Estonia
Currency	EUR
Dividends	reinvested
Fund size, MEUR	1.04
Total AUM, MEUR	250+

Cut-off 10am CET
Shares issued every business day
Shares redeemed once a month

NAV frequency	Daily
Supervised by	Estonian FSA
Custodian	Swedbank AS
Transfer agent	Swedbank AS
NAV calculation	Swedbank AS

External auditor	KPMG
Internal auditor	PWC

Fund documents & prospectus www.avaron.com/documents

Unit class	A	B
ISIN	EE3600001772	EE3600001780
Min. initial investment	-	-
Front-end load	-	-
Management fee	0.85%	1.15%
Performance fee	15% over MSCI Emerging Europe index	-
Back-end load	-	-
Bloomberg RIC	AVASMCA LP68743380	AVASMCB LP68743381
WKN code	A3ERGX	A3ET9C
NAV as of 30-Apr-2025	14.8447 EUR	14.8459 EUR

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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 16 professionals (including 8 in the investment team), based in Estonia and Poland, takes care of 250M+ 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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Investment Manager

Signatory of:



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