

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.

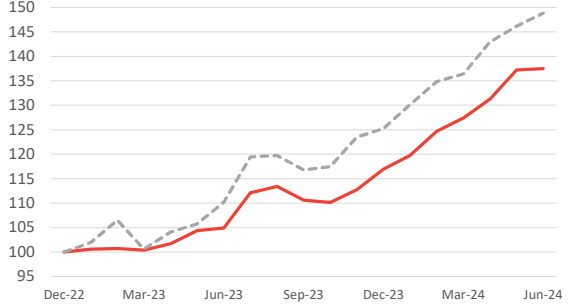
Fund Manager's Comment, June 2024

Emerging Europe equities delivered a solid +1.8% return in € in June, lagging Emerging Markets index on mixed performance across regional markets. Avaron Emerging Europe Smaller Companies Fund gained only 0.2% in June. Geographically our Romanian and Slovenian stock-picks delivered while we saw clear profit taking among smaller companies in Estonia, Greece, Bulgaria and Poland, especially in stocks that had delivered strong gains earlier this year. **The largest positive contributor was the Slovenian bank NLB Group (+0.89pp)** that together with the dividend delivered 12.9% return. Strong momentum in NLB's share price continued to be driven by the attractive valuation combined with strong fundamentals and the May announcement of a potential sizable regional acquisition. **The largest negative contributor was Shelly Group AD (-0.49pp)** as the founders and management sold 2.7% stake in the company to increase free float with the aim to get into SDAX index. The stock has run up 48.7% in the first five months this year and fell 5.9% in June.

Year-to-date the Fund NAV is up 17.5% vs. 18.8% of the index. Taking into account that Turkey accounts for over 20% of the index and with 32% gain was by far the best market in the region and we have stayed out of Turkey for macro reasons, we consider the YTD return a fairly good one.

Emerging Europe economies excluding Turkey are expected to grow 2.3% this year as the gradual rebound continues. Fall in inflation, sharp rise in real wages and pickup in private consumption, combined with selective interest rate cuts, are supporting the ongoing economic rebound. Private consumption is likely to be the key driver of the growth this year. Additionally we expect the opening of the European Union funding to Poland to boost local economy. Thus, 23% of the Fund is invested in consumer discretionary names and 20% to the IT sector. Geographically our main bets are in Poland, Greece and Romania.

Performance since inception



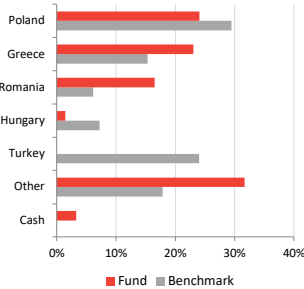
— Fund NAV
--- Benchmark Index (MSCI EFM EUROPE + CIS (E+C) ex Russia)
Past performance is not a guarantee or indicative of future results.



| Perf overview | A Share return | Index return* | Excess return |
|---------------|----------------|---------------|---------------|
| 1 month | 0.2% | 1.8% | -1.6% |
| 3 months | 7.9% | 9.1% | -1.2% |
| 6 months | 17.5% | 18.8% | -1.3% |
| YTD | 17.5% | 18.8% | -1.3% |
| 1 year | 31.1% | 35.1% | -4.0% |
| Since launch | 37.5% | 54.1% | -16.6% |

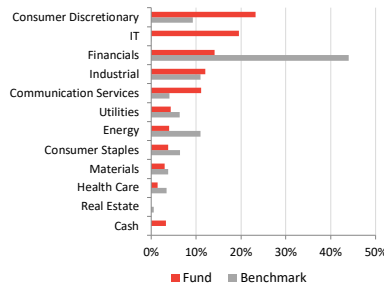
* MSCI EFM EUROPE + CIS (E+C) ex Russia

Country Weights

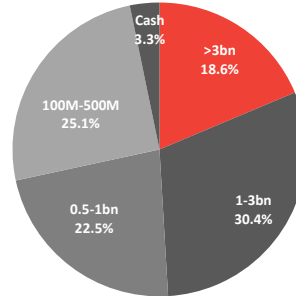


Note: Other for Avaron includes Slovenia, Estonia, Lithuania and Bulgaria. All are under Other for index as well.

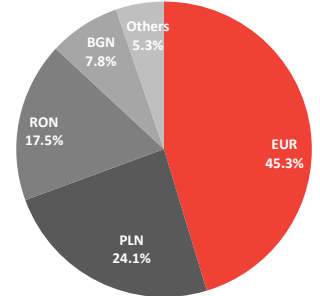
Sector Weights



Market Cap breakdown



Net currency breakdown



Country allocation

| | Jun-24 | Change | | | |
|-----------|--------|--------|-------|-------|-------|
| | | 1 mo | 3 mo | 6 mo | 12 mo |
| Poland | 24.0% | -0.7% | -1.4% | 2.2% | -1.9% |
| Greece | 23.2% | -0.6% | 5.6% | 6.5% | 5.5% |
| Romania | 16.6% | 0.9% | 2.6% | 3.1% | 4.8% |
| Slovenia | 8.3% | 0.6% | 0.5% | 0.3% | 0.6% |
| Estonia | 8.2% | -0.7% | -1.2% | -0.5% | -1.0% |
| Bulgaria | 7.8% | -0.5% | -0.4% | 1.6% | 4.4% |
| Lithuania | 7.3% | -0.8% | -1.6% | 1.0% | 1.2% |
| Hungary | 1.5% | 0.1% | -0.1% | -0.2% | -1.5% |

Contribution analysis

| | 1 mo | 3 mo | 6 mo | 12 mo | YTD |
|--|-------|------|------|-------|------|
| | -0.6% | 0.9% | 1.3% | 5.2% | 1.3% |
| | -0.3% | 1.2% | 3.3% | 4.1% | 3.3% |
| | 1.0% | 4.4% | 6.2% | 10.9% | 6.2% |
| | 1.0% | 1.5% | 4.1% | 5.8% | 4.1% |
| | -0.4% | 0.1% | 0.2% | 0.7% | 0.2% |
| | -0.5% | 0.3% | 3.3% | 6.7% | 3.3% |
| | 0.1% | 0.2% | 0.2% | -0.1% | 0.2% |
| | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Fund statistics

| | |
|-----------------------------|-------|
| Number of positions | 27 |
| Top10 | 54.6% |
| Top20 | 62.3% |
| Gross exposure | 96.7% |
| Net exposure | 96.7% |
| Concentration coefficient | 23 |
| Median market cap MEUR | 985 |
| Average market cap MEUR | 2157 |
| Share of cyclical companies | 78.9% |
| Share of non-cyclicals | 17.8% |

Sector allocation

| | | Change | | | |
|------------------|-------|--------|-------|-------|-------|
| | | 1 mo | 3 mo | 6 mo | 12 mo |
| Cons. Discr. | 23.3% | 0.1% | -0.1% | 4.6% | 5.2% |
| IT | 19.4% | -0.8% | -0.3% | 2.1% | 5.1% |
| Financials | 14.2% | 0.5% | -0.1% | 6.2% | 6.5% |
| Industrial | 12.0% | -0.9% | 5.1% | 3.0% | 0.1% |
| Communication | 11.1% | -0.3% | 0.3% | -0.3% | 1.6% |
| Utilities | 4.4% | -0.8% | -1.3% | -1.9% | -1.7% |
| Energy | 4.1% | 0.3% | 0.2% | 0.5% | -1.7% |
| Consumer Staples | 3.8% | 0.1% | 0.0% | 0.1% | -0.1% |
| Materials | 3.0% | 0.1% | 0.2% | 0.1% | -1.4% |
| Health care | 1.5% | 0.1% | -0.1% | -0.2% | -1.5% |

Contribution analysis

| | 1 mo | 3 mo | 6 mo | 12 mo | YTD |
|--|-------|------|------|-------|------|
| | 0.2% | 2.5% | 3.8% | 6.9% | 3.8% |
| | -0.6% | 1.5% | 5.9% | 11.5% | 5.9% |
| | 0.8% | 1.3% | 3.9% | 5.5% | 3.9% |
| | -0.4% | 0.0% | 0.2% | 1.1% | 0.2% |
| | -0.3% | 1.2% | 1.5% | 2.9% | 1.5% |
| | 0.1% | 0.3% | 0.2% | -0.1% | 0.2% |
| | 0.3% | 0.8% | 1.4% | 2.6% | 1.4% |
| | 0.1% | 0.4% | 0.9% | 0.7% | 0.9% |
| | 0.1% | 0.5% | 0.6% | 1.9% | 0.6% |
| | 0.1% | 0.1% | 0.2% | 0.3% | 0.2% |

Turnover (adjusted for fund flows)

| | |
|---------|------|
| FY 2023 | 7.0% |
|---------|------|

Liquidity analysis*

| | |
|---------|--------|
| 3 days | 100.0% |
| 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 | Cut-off | 10am CET |
| Fund type | UCITS | Shares issued every business day | |
| Launch date | December 09, 2022 | Shares redeemed once a month | |
| Domicile | Estonia | | |
| Currency | EUR | NAV frequency | Daily |
| Dividends | reinvested | Supervised by | Estonian FSA |
| Fund size, MEUR | 0.68 | Custodian | Swedbank AS |
| Total AUM, MEUR | 240+ | Transfer agent | Swedbank AS |
| | | NAV calculation | Swedbank AS |
| | | External auditor | KPMG |
| | | Internal auditor | PWC |

| Share class | A Share | B Share |
|--------------------------------------|--|---------|
| Min. initial investment | - | - |
| Front-end load | - | - |
| Management fee | 0.85% | 1.15% |
| Performance fee (share based) | 15% over MSCI EFM EUROPE + CIS (E+C) ex Russia Index | - |
| Back-end load | - | - |

| | | |
|------------|--------------------|------------------|
| NAV | 30-Jun-2024 | ISIN code |
| A share | 13.7489 EUR | EE3600001772 |
| B share | 13.7517 EUR | EE3600001780 |

Fund documents & prospectus www.avaron.com/documents

| | |
|---------|-------------------------|
| | Bloomberg ticker |
| A share | AVASMCA |
| B share | AVASMCB |

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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 240M+ 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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Signatory of:



Important Legal Information

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