



# **Avaron Emerging Europe Smaller Companies Fund MASF**

**ANNUAL REPORT FOR THE FINANCIAL YEAR 2025**

*Translation from Estonian original*

## TABLE OF CONTENTS

FUND FACTS .....	3
INVESTMENT MANAGERS' REPORT .....	4
CONFIRMATION OF ANNUAL FINANCIAL STATEMENTS OF 2025 .....	6
FINANCIAL STATEMENTS .....	7
BALANCE SHEET .....	7
STATEMENT OF INCOME AND EXPENSES .....	8
STATEMENT OF CHANGES IN NET ASSETS .....	9
STATEMENT OF CASH FLOWS .....	10
NOTES TO THE FINANCIAL STATEMENTS .....	11
NOTE 1. ACCOUNTING POLICIES AND ASSESSMENTS USED .....	11
NOTE 2. RISK MANAGEMENT .....	17
NOTE 3. CASH AND CASH EQUIVALENTS .....	21
NOTE 4. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES TO CATEGORIES AND LEVELS .....	22
NOTE 5. NET GAIN/LOSS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS .....	24
NOTE 6. RECEIVABLES AND ADVANCES .....	24
NOTE 7. TRANSACTIONS WITH RELATED PARTIES .....	24
STATEMENT OF INVESTMENTS .....	25
STATEMENT OF COMISSIONS .....	29
REPORT ON REMUNERATION OF THE FUND MANAGEMENT COMPANY .....	31
INDEPENDENT CERTIFIED AUDITOR'S REPORT .....	32

## FUND FACTS

Avaron Emerging Europe Smaller Companies Fund MASF is a public limited company and authorised as a public limited fund with variable capital (in Estonian in short: MASF) 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 Smaller Companies Fund MASF (reg. no. 16136865)
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: <a href="mailto:avaron@avaron.com">avaron@avaron.com</a> <a href="https://avaron.com/">https://avaron.com/</a>
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, Reino Pent
Fund established	5 January 2021
Start of the Fund's activities	9 December 2022
Reporting period	1 January 2025 – 31 December 2025

## INVESTMENT MANAGERS' REPORT

**Avaron Emerging Europe Smaller Companies Fund** invests in the equities of fast-growing, entrepreneurial listed companies in the Emerging Europe ex-Russia region.

**The Fund is a suitable complement to an investor's global equity portfolio**, with an recommended allocation of 10–20% of their equity holdings. Avaron Emerging Europe Smaller Companies Fund and Avaron Emerging Europe Fund complement each other within an investor's portfolio. Due to the Fund's high-risk profile, its net asset value can experience significant fluctuations. Therefore, investors should have a long-term investment horizon of 5–10 years when considering an allocation to the Fund.

**The Fund primarily invests in companies with strong, growth-oriented management teams and an entrepreneurial approach to business development.** These are often founder-led businesses or companies controlled by a strong private owner with a clear long-term growth vision. We focus on rapidly growing listed companies that can be acquired at reasonable valuation levels.

**From a sector perspective, we prefer cyclical companies that benefit from a strong economic environment.** We see attractive opportunities in retail, industrials, IT, and banking. Geographically, the Fund is primarily invested in companies from Poland, Greece, and Romania. Poland has one of the strongest economies in the region, offering significant potential driven by infrastructure investments and opportunities related to the reconstruction of Ukraine. Greece has emerged from a prolonged period of stagnation and returned to growth, with our focus primarily on export-oriented companies.

**Our strength lies in our long-term experience and deep knowledge of the companies we invest in.** Our team has been investing in listed companies in the Emerging Europe region for nearly 20 years. We regularly visit companies and engage with their management teams to understand business models, assess management quality, and analyse growth potential.

### Strong performance from 2025

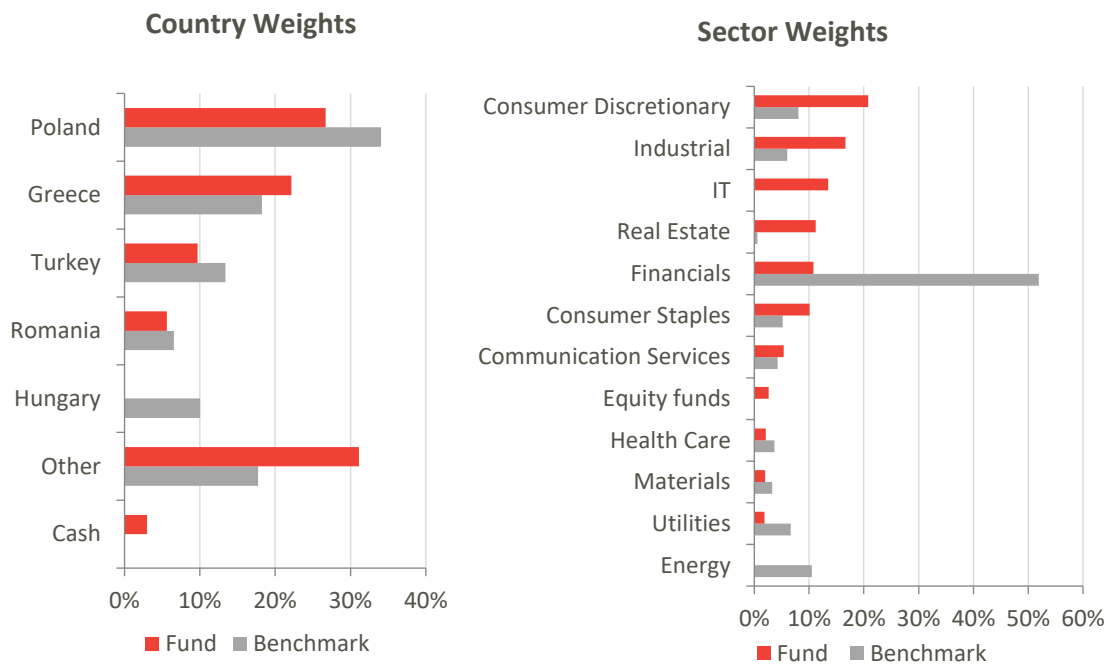
**The net asset value of the Fund's A Shares increased by 22.9% in 2025.** The Fund's strong performance was primarily driven by investments in Greece, Poland, Croatia, and Bulgaria

**Table 1.** Net return of the Fund shares, in EUR

	A Share	B Share
<b>1 year</b>	22.9%	22.9%
<b>2 years</b>	43.0%	43.0%
<b>3 years</b>	67.8%	67.8%

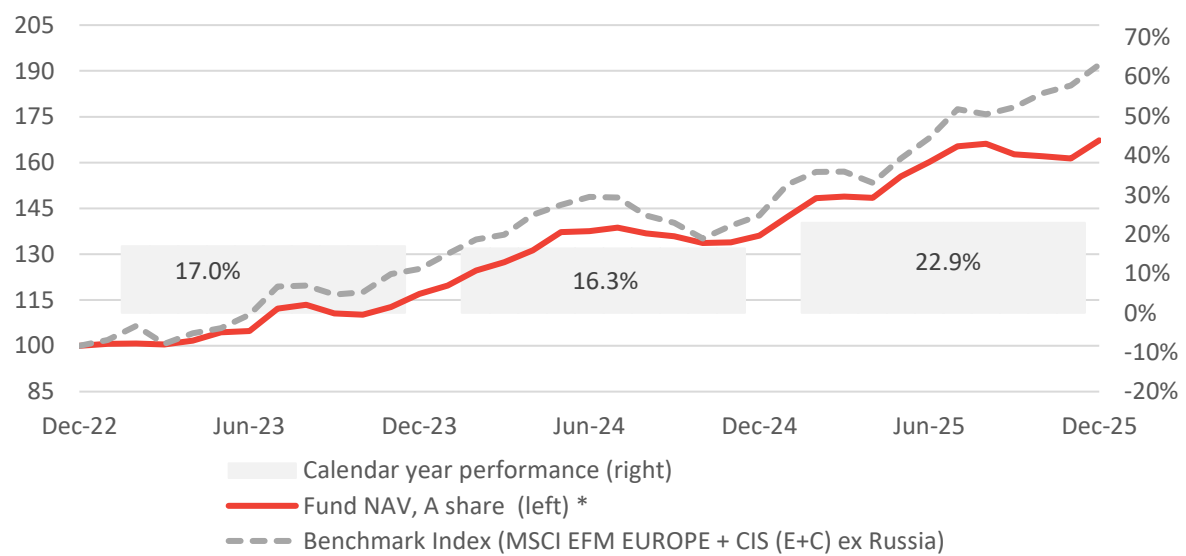
*Fund's C Share was launched in October 2025 and there is not sufficient data to calculate historical returns*

Geographically, the portfolio was predominantly allocated to Poland (27% of the portfolio) and Greece (22%), followed by Croatia, Turkey, and Estonia. These markets continue to exhibit strong economic growth, increasing investment activity, and solid corporate earnings potential. From a sector perspective, the Fund's largest allocations were in consumer-related companies (21% of the portfolio), industrials (17%), and information technology companies (14%).



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

**Graph 1.** Fund and index performance since launch and calendar year performance (2023-2025)



27 March 2026  
 Kristel Kivinurm-Priisalm  
 Member of the Management Board

## CONFIRMATION OF ANNUAL FINANCIAL STATEMENTS OF 2025

The Management Board of the Fund Management Company has prepared the annual Financial Statements of Avaron Emerging Europe Smaller Companies Fund MASF on March 27<sup>th</sup>, 2026.

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”.

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

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

<b>Name</b>	<b>Date</b>	<b>Signature</b>
<b>Kristel Kivinurm-Priisalm</b> Member of the Management Board of the Fund Management Company	27/03/2026	/Signed digitally/
<b>Valdur Jaht</b> Member of the Management Board of the Fund Management Company / Investment Manager	27/03/2026	/Signed digitally/
<b>Peter Priisalm</b> Investment Manager	27/03/2026	/Signed digitally/
<b>Reino Pent</b> Investment Manager	27/03/2026	/Signed digitally/

**FINANCIAL STATEMENTS****BALANCE SHEET**

In EUR

<b>ASSETS</b>	<b>Note</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
Cash and cash equivalents	3	189,215	73,491
<b>Financial assets at fair value through profit or loss:</b>			
Shares and units	4	2,629,238	617,612
Receivables and prepayments	4; 6	350	0
		<hr/>	
<b>TOTAL ASSETS</b>		<b>2,818,804</b>	<b>691,103</b>
<b>LIABILITIES</b>			
<b>Financial assets at fair value through profit or loss:</b>			
Payables to the depository	4	850	685
Other liabilities	5	107,680	0
		<hr/>	
<b>TOTAL LIABILITIES</b>		<b>108,530</b>	<b>685</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS</b>		<b>2,710,273</b>	<b>690,418</b>

## STATEMENT OF INCOME AND EXPENSES

In EUR

<b>INCOME</b>	<b>Note</b>	<b>01/01/2025- 31/12/2025</b>	<b>01/01/2024- 31/12/2024</b>
<b>Interest income</b>		<b>146</b>	<b>119</b>
From deposits		146	119
<b>Dividend income</b>		<b>46,414</b>	<b>22,972</b>
From shares and units		46,414	22,972
<b>Net gain/loss from financial assets at fair value through profit or loss</b>		<b>221,047</b>	<b>75,237</b>
From shares and units	5	221,047	75,237
<b>Net gain/loss from foreign exchange</b>		<b>612</b>	<b>2,866</b>
<b>TOTAL INCOME</b>		<b>268,220</b>	<b>101,194</b>
<b>OPERATING EXPENSES</b>			
Custodian fees		13,575	7,445
Transaction fees		2,150	343
Other operating expenses		483	-1,618
<b>TOTAL OPERATING EXPENSES</b>		<b>16,208</b>	<b>6,170</b>
<b>NET INCOME</b>		<b>252,012</b>	<b>95,024</b>

## STATEMENT OF CHANGES IN NET ASSETS

In EUR

	01/01/2025- 31/12/2025	01/01/2024- 31/12/2024	01/01/2023- 31/12/2023
<b>NET ASSET VALUE AT THE BEGINNING OF THE PERIOD</b>	<b>690,418</b>	<b>580,663</b>	<b>299,046</b>
Cash received for fund shares issued	1,851,065	14,731	220,000
Cash paid for fund shares redeemed	-83,222	0	0
Net result of the Fund	252,012	95,024	61,617
<b>NET ASSET VALUE AT THE END OF THE PERIOD</b>	<b>2,710,273</b>	<b>690,418</b>	<b>580,663</b>
<b>NUMBER OF SHARES IN CIRCULATION AT THE END OF REPORTING PERIOD</b>			
Number of A shares in circulation:	83,688.874	34,868.900	34,634.092
Number of B shares in circulation:	77,106.306	15,855.210	15,000.000
Number of C shares in circulation:	2,000.000	0.000	0.000
<b>NET ASSET VALUE OF A SHARE AT THE END OF REPORTING PERIOD</b>			
Net asset value of the A share:	16.7272	13.6107	11.6982
Net asset value of the B share:	16.7280	13.6124	11.7005
Net asset value of the C share:	10.2790	0.0000	0.0000
<b>TOTAL NET ASSET VALUE OF THE FUND SHARES</b>			
Total net asset value of the A shares:	1,399,879	474,590	405,156
Total net asset value of the B shares:	1,289,836	215,828	175,507
Total net asset value of the C shares:	20,558	0	0
<b>TOTAL NET ASSET VALUE</b>	<b>2,710,273</b>	<b>690,418</b>	<b>580,663</b>

## STATEMENT OF CASH FLOWS

In EUR

	<b>01/01/2025- 31/12/2025</b>	<b>01/01/2024- 31/12/2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	146	119
Dividends received	46,560	22,945
Net result from foreign exchange	-1,198	-78
Sale of investments	175,421	102,330
Purchase of investments	-1,857,234	-161,910
Operating expenses paid	-16,612	-6,858
	<b>-1,652,916</b>	<b>-43,453</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	1,851,065	14,730
Payments on redemption of shares	-83,222	0
	<b>1,767,843</b>	<b>14,730</b>
<b>TOTAL CASH FLOWS</b>	<b>114,927</b>	<b>-28,723</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the period	73,491	102,224
Effect of exchange rate fluctuations on cash and cash equivalents	797	-10
<b>Cash and cash equivalents at the end of the period</b>	<b>189,215</b>	<b>73,491</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. ACCOUNTING POLICIES AND ASSESSMENTS USED

The annual financial statements of Avaron Emerging Europe Smaller Companies Fund MASF for 2025 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 fund as established in the regulation issued pursuant to § 54(11) of the Investment Funds Act, as well as other specific provisions set out in the aforementioned Regulation 8.

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:

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

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 9 and IFRS 7 - amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026),
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

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:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027),

- Amendments to IAS 21 “The Effects of Change in Foreign Exchange Rates.” (effective for annual periods beginning on or after 1 January 2027).

The Fund has not estimated the impact on the new standards and amendments on its accounting principles and 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 depository for the funds managed by AS Avaron Asset Management on the transaction date (hereinafter referred to as the depository bid rate). This rate is based on market inputs. The assets and liabilities quoted in foreign currency are translated into EUR based on the depository 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 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.
- Debt securities for which there is no active market or for which price information is not regularly available, such as certain unlisted debt instruments, are valued on an individual basis. As a general rule, such instruments are measured at nominal value plus accrued interest. An exception applies in cases where there are objective indications that the issuer may not be able to service the bonds in accordance with the agreed terms, as a result of which investors should expect, or consider highly probable, a change in the instrument's discounted cash flows. If, in the opinion of the Management Company, it is unlikely that the debt security can be sold (in the absence of an active market) prior to its call or maturity, the bond is not valued above its call or redemption price. The Management Company assesses such instruments at least on a quarterly basis, or more frequently if circumstances arise that would result in changes to the instruments' discounted cash flows. In determining fair value, the Management Company uses various valuation techniques, including, inter alia, off-market transactions between third parties, discounted cash flow analysis, and indirect valuation based on comparable instruments.
- Currency forwards and swaps shall be valued by using valuation date spot rate and forward points, interpolated to maturity.

### *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 share holders for redeemed shares. 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 shares**

The Fund has three classes of shares which are redeemable at demand of the share holder. Different rights are attached to different share classes. All the share classes are reported as financial liabilities. Fund shares are issued on every banking day and redeemed every banking day or with 10 banking days, one month or two months prior notice depending on the redemption amount as stipulated in the Prospectus and Articles of Association. Shares can be exchanged for another class of the shares of the same Fund. The redemption price is the net asset value of the Share calculated as of the day the redemption order is received, or after the expiry of any waiting period, in accordance with the provisions set out in the Fund's prospectus.

The net asset value of a share is determined by dividing the total net asset value of a class of shares by the number of shares of that class that have been issued and not redeemed (adjusted by the number of shares from unsettled subscription and redemption orders that have been received by the Management Company).

The income of the Fund shall not be distributed to share holders but shall be reinvested. A share holder's profit or loss is reflected in the share'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 shares, 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. ˇ

### **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 Articles of Association 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.

The Fund's assets can be invested in bonds that are liquid and transferable. The credit risk of the issuer shall be thoroughly analysis shall be conducted using the financial data of the company and terms of the issue (prospectus).

The Fund had no investments in bonds as at 31 December 2025 nor 31 December 2024.

The Fund's cash and cash equivalents are held with Fund's depository Swedbank AS, which parent company Swedbank AB is rated AA- as of 23/09/2025 by Standard & Poor's, with AS SEB Bank, which parent company Skandinaviska Enskilda Banken AB is rated AA- as of 20/11/2025 (Standard & Poor's).

	<b>31/12/2025</b>	<b>% of NAV</b>	<b>31/12/2024</b>	<b>% of NAV</b>
Cash and cash equivalents	189,215	6.98%	73,491	10.64%
Receivables and prepayments	350	0.01%	0	0.00%
<b>TOTAL</b>	<b>189,565</b>	<b>6.99%</b>	<b>73,491</b>	<b>10.64%</b>

### 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.

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

	<b>Up to 3 days</b>		<b>Up to 1 month</b>	
	<b>31/12/2025</b>	<b>31/12/2024</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
Payables to the depository	-	-	850	685
Trade settlement payable	107,680	-	0	0
<b>TOTAL</b>	<b>107,680</b>	<b>-</b>	<b>850</b>	<b>685</b>

### 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 an 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 risk arises from adverse movements in foreign exchange rates relative to the fund's base currency, the euro, resulting in a decrease in the value of assets denominated in foreign currencies. Currency breakdown of Fund's assets in EUR:

	<b>31/12/2025</b>	<b>% of Fund's assets</b>	<b>31/12/2024</b>	<b>% of Fund's assets</b>
EUR	1,736,931	61.62%	379,847	54.96%
PLN	644,448	22.86%	151,205	21.88%
TRY	193,583	6.87%	0	0.00%
RON	154,678	5.49%	122,521	17.73%
GBP	44,775	1.59%	26,742	3.87%
CZK	32,698	1.16%	0	0.00%
HUF	11,691	0.41%	10,788	1.56%
<b>TOTAL</b>	<b>2,818,804</b>	<b>100.00%</b>	<b>691,103</b>	<b>100.00%</b>

*Currency risk sensitivity analysis*

Fund's net asset value would have been affected by the weakening of foreign currencies against EUR on 31 December 2025. The sensitivity analysis assumes the weakening of foreign currency rates 10% against EUR. Below table illustrates the maximum weakening of foreign currency in the magnitude of the change from the higher to lower value since December 31, 2015. The analysis assumes that all the other variables remain constant.

Impact on the Fund's net asset value attributable to shareholders and on its results:

	<b>31/12/2025</b>			<b>31/12/2024</b>		
	<b>Impact in EUR (-10% weakening)</b>	<b>Maximum annual currency weakening</b>	<b>Currency's % of NAV</b>	<b>Impact in EUR (-10% weakening)</b>	<b>Maximum annual currency weakening</b>	<b>Currency's % of NAV</b>
PLN	-64,445	-10%	22.86%	-15,121	-11%	21.88%
TRY	-19,358	-55%	6.87%	0	0%	0.00%
RON	-15,468	-4%	5.49%	-12,252	-4%	17.73%
GBP	-4,477	-14%	1.59%	-2,674	-23%	3.87%
CZK	-3,270	-11%	1.16%	0	0%	0.00%
HUF	-1,169	-18%	0.41%	-1,079	-18%	1.56%
<b>TOTAL</b>	<b>-108,187</b>		<b>38.38%</b>	<b>-31,126</b>		<b>45.04%</b>

*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:

	<b>31/12/2025</b>	<b>% of NAV</b>	<b>31/12/2024</b>	<b>% of NAV</b>
Consumer Discretionary	563,609	20.79%	152,422	22.07%
Industrial	450,327	16.62%	79,102	11.46%
IT	365,823	13.50%	114,759	16.62%
Real Estate	304,496	11.23%	0	0.00%
Financials	293,268	10.82%	100,741	14.59%
Consumer Staples	274,073	10.11%	26,742	3.87%
Communication Services	146,121	5.39%	59,910	8.68%
Other	71,473	2.64%	0	0.00%
Health Care	56,750	2.09%	10,358	1.50%
Materials	53,054	1.96%	15,951	2.31%
Utilities	50,244	1.85%	31,720	4.59%
Energy	0	0.00%	25,907	3.75%
<b>TOTAL</b>	<b>2,629,238</b>	<b>97.01%</b>	<b>617,612</b>	<b>89.45%</b>

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

	<b>31/12/2025</b>	<b>% of NAV</b>	<b>31/12/2024</b>	<b>% of NAV</b>
Poland	722,973	26.68%	205,473	29.76%
Greece	600,164	22.14%	190,288	27.56%
Croatia	344,498	12.71%	0	0.00%
Turkey	263,284	9.71%	0	0.00%
Estonia	217,586	8.03%	52,494	7.60%
Romania	152,370	5.62%	76,879	11.14%
Bulgaria	114,000	4.21%	50,400	7.30%
Lithuania	84,644	3.12%	31,720	4.59%
Slovenia	82,125	3.03%	0	0.00%
Latvia	47,594	1.76%	0	0.00%
Hungary	0	0.00%	10,358	1.50%
<b>TOTAL</b>	<b>2,629,238</b>	<b>97.01%</b>	<b>617,612</b>	<b>89.45%</b>

*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.

	probability	+/- possible change of Fund's NAV during year	
		31/12/2025	31/12/2024
$\sigma$	68.27%	8.42%	7.48%
$2\sigma$	95.45%	16.84%	14.97%
$3\sigma$	99.73%	25.26%	22.45%

### NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents (incl. overnight deposits) by currency

	31/12/2025	% of NAV, converted into EUR	31/12/2024	% of NAV, converted into EUR
<b>Swedbank AS</b>		<b>6.98%</b>		<b>10.64%</b>
EUR	140,702	5.19%	47,396	6.86%
RON	11,764	0.09%	112,135	3.26%
PLN	-	-	13,292	0.45%
TRY	89,037	0.07%	-	-
HUF	4,516,625	0.43%	177,114	0.06%
<b>AS SEB Pank</b>		<b>0.00%</b>		<b>0.01%</b>
	45	0.00%	45	0.01%
<b>TOTAL</b>		<b>6.98%</b>		<b>10.65%</b>

The Fund's cash and cash equivalents are held with Fund's depository Swedbank AS, which parent company Swedbank AB is rated AA- as of 23/09/2025 by Standard & Poor's, with AS SEB Bank, which parent company Skandinaviska Enskilda Banken AB is rated AA- as of 20/11/2025 (Standard & Poor's).

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

In EUR  
31/12/2025

	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
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	189,215	-	-	-	-	-
Shares and units	2,629,238	-	-	-	-	-	-	-	-
Outstanding currency exchange transaction	-	350	-	-	-	-	-	-	-
<b>LIABILITIES</b>									
Payables to the depository	-	-	-	-	-	-	-	850	-
Trade settlement payable*	-	-	-	-	-	-	-	107,680	-
<b>TOTAL</b>	<b>2,629,238</b>	<b>350</b>	<b>-</b>	<b>189,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,530</b>	<b>-</b>

\* Under trade settlement payable, purchases of securities initiated during the reporting period but not yet settled on the account are presented.

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  
31/12/2024

	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
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	73,491	-	-	-	-	-
Shares and units	617,612	-	-	-	-	-	-	-	-
<b>LIABILITIES</b>									
Payables to the depository	-	-	-	-	-	-	-	685	-
<b>TOTAL</b>	<b>617,612</b>	<b>-</b>	<b>-</b>	<b>73,491</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>685</b>	<b>-</b>

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

	01/01/2025- 31/12/2025	01/01/2024- 31/12/2024
<b>Net gain/loss from financial assets at fair value through profit or loss</b>		
<b>From shares and units</b>		
Sales profit/(-loss)	53,883	32,060
Unrealised profit /(-loss)	167,164	43,177
<b>Total net gain/(-loss )</b>	<b>221,047</b>	<b>75,237</b>

## NOTE 6. RECEIVABLES AND ADVANCES

In EUR

	31/12/2025	31/12/2024
Outstanding currency exchange transaction	350	0
<b>TOTAL</b>	<b>350</b>	<b>0</b>

## 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 market value of Avaron Emerging Europe Smaller Companies Fund MASF shares owned by the Fund Management Company and shares belonging to other group entity:

	31/12/2025	31/12/2024
Fund Managemnent Company owns	229,653	170,144
Other group companies own	292,733	238,202
<b>TOTAL</b>	<b>522,386</b>	<b>408,346</b>

**STATEMENT OF INVESTMENTS**

In EUR as of 31/12/2025

Name	ISIN	Emitent country	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
<b>SHARES</b>								
ATLANTIC GRUPA	HRATGRRRA0003	HR	EUR	44.43	137,731	46.80	145,080	5.35%
SPAN DD	HRSPANRA0007	HR	EUR	53.52	120,692	63.60	143,418	5.29%
NOVAL PROPERTY REAL ESTATE INV	GRS824003008	GR	EUR	2.68	111,780	2.84	118,263	4.36%
SHELLY GROUP AD	BG1100003166	BG	EUR	23.29	46,574	57.00	114,000	4.21%
PROFILE SYSTEMS and SOFTWARE	GRS472003011	GR	EUR	5.07	68,428	8.03	108,405	4.00%
METLEN ENERGY METALS PLC	GB00BTQGS779	GR	EUR	41.20	101,762	43.80	108,186	3.99%
ONE UNITED PROPERTIES SA	ROJ8YZPDHWW8	RO	RON	4.58	82,919	5.84	105,706	3.90%
WIRTUALNA POLSKA HOLDING SA	PLWRTPL00027	PL	PLN	18.42	130,769	14.39	102,162	3.77%
CARS MOTORCYCLES AND MARINE	GRS488003005	GR	EUR	2.55	102,860	2.52	101,808	3.76%
LHV GROUP SHARE	EE3100102203	EE	EUR	3.59	100,471	3.58	100,100	3.69%
FOURLIS SA	GRS096003009	GR	EUR	4.17	88,764	4.26	90,632	3.34%
AUTO PARTNER SA	PLATPRT00018	PL	PLN	4.30	97,715	3.94	89,326	3.30%
LPP SA	PLLPP0000011	PL	PLN	3,257.88	58,642	4,933.03	88,795	3.28%
COCA-COLA ICECEK AS	TRECOLA00011	TR	TRY	0.94	67,986	1.17	84,218	3.11%
NOVA LJUBLJANSKA BANKA DD	SI0021117344	SI	EUR	77.12	34,702	182.50	82,125	3.03%
MURAPOL SA	PLMURPL00190	PL	PLN	9.09	78,200	9.36	80,526	2.97%
INPOST SA	LU2290522684	PL	EUR	10.53	78,980	10.47	78,525	2.90%
COOP PANK SHARE	EE3100007857	EE	EUR	1.95	58,649	2.12	63,450	2.34%
DIAGNOSTYKA SA	PLDGNST00012	PL	PLN	29.57	41,398	40.54	56,750	2.09%
KONCAR-ELEKTROINDUSTRIJA DD	HRKOEIRA0009	HR	EUR	651.14	52,091	700.00	56,000	2.07%
MAVI GIYIM SANAYI VE TICARET A	TREMAVI00037	TR	TRY	0.86	54,002	0.87	54,108	2.00%
ASTOR TRANSFORMATOR ENERJI	TREASTR00013	TR	TRY	2.33	53,678	2.33	53,486	1.97%
GRUPA KETY SA	PLKETY000011	PL	PLN	175.88	43,091	216.55	53,054	1.96%
IGNITIS GRUPE AB	LT0000115768	LT	EUR	20.69	49,044	21.20	50,244	1.85%
ELEVING GROUP	LU2818110020	LV	EUR	1.70	47,470	1.70	47,594	1.76%
SPHERA FRANCHISE GROUP SA	ROSGPACNOR4	RO	RON	3.79	23,853	7.41	46,663	1.72%
COCA-COLA HBC AG	CH0198251305	GR	GBP	30.38	30,867	44.07	44,775	1.65%
CYFROWY POLSAT SA	PLCFRPT00013	PL	PLN	3.32	50,413	2.89	43,959	1.62%
GRUPA PRACUJ SA	PLGRPRC00015	PL	PLN	13.63	53,841	10.98	43,353	1.60%
AMREST HOLDINGS SE	ES0105375002	PL	PLN	4.36	47,937	3.18	34,941	1.29%
PREKYBOS AB APRANGA PVA	LT0000102337	LT	EUR	3.00	30,043	3.44	34,400	1.27%
TALLINNA SADAM AKTSIA	EE3100021635	EE	EUR	1.28	32,543	1.30	33,048	1.22%
POZNANSKA KORPORACJA BUDOWLA	PLPKBEX00072	PL	PLN	4.16	44,079	2.70	28,645	1.06%
ATHENS INTERNATIONAL AIRPORT	GRS536003007	GR	EUR	7.89	20,632	10.74	28,096	1.04%
FABRYKI MEBLI FORTE SA	PLFORTE00012	PL	PLN	6.16	25,247	5.59	22,937	0.85%
TALLINK GRUPP	EE3100004466	EE	EUR	0.61	21,889	0.58	20,988	0.77%
<b>SHARES TOTAL</b>					<b>2,289,742</b>		<b>2,557,766</b>	<b>94.37%</b>



In EUR as of 31/12/2024

Name	ISIN	Emitent country	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
<b>SHARES</b>								
<b>SHARES LISTED ON STOCK EXCHANGE:</b>								
NOVA LJUBLJANSKA BANKA DD	SI0021117344	SI	EUR	77.12	34,702	127.5	57,375	8.31%
SPHERA FRANCHISE GROUP SA	ROSFPGACNOR4	RO	RON	3.79	23,853	8.09	50,973	7.38%
SHELLY GROUP AD	BG1100003166	BG	EUR	13.45	20,182	33.6	50,400	7.30%
PROFILE SYSTEMS and SOFTWARE LPP SA	GRS472003011	GR	EUR	4.8	43,173	5.25	47,250	6.84%
IGNITIS GRUPE AB	PLLP0000011	PL	PLN	3158.98	31,590	3,634.28	36,343	5.26%
COCA-COLA HBC AG	LT0000115768	LT	EUR	20.43	33,090	19.58	31,720	4.59%
OMV PETROM SA (RON)	CH0198251305	CH	GBP	27.63	22,377	33.02	26,742	3.87%
FOURLIS SA	ROSNPPACNOR9	RO	RON	0.09	15,917	0.14	25,907	3.75%
SIAULIU BANKAS PVA	GRS096003009	GR	EUR	4.33	29,869	3.71	25,599	3.71%
METLEN ENERGY METALS SA	LT0000102253	LT	EUR	0.7	20,330	0.82	23,896	3.46%
DIGI COMMUNICATIONS NV	GRS393503008	GR	EUR	35.55	24,888	33.52	23,464	3.40%
CYFROWY POLSAT SA	NL0012294474	NL	RON	7.14	12,848	12.85	23,128	3.35%
TALLINK GRUPP	PLCFRPT00013	PL	PLN	3.33	22,333	3.3	22,142	3.21%
ATHENS INTERNATIONAL AIRPORT	EE3100004466	EE	EUR	0.61	21,889	0.58	20,880	3.02%
LHV GROUP SHARE	GRS536003007	GR	EUR	8.17	20,632	8	20,208	2.93%
AMREST HOLDINGS SE	EE3100102203	EE	EUR	3.54	21,254	3.25	19,470	2.82%
ASSECO SOUTH EASTERN EUROPE SA	ES0105375002	ES	PLN	5.55	23,854	4.35	18,693	2.71%
GRUPA KETY SA	PLASSEE00014	PL	PLN	11.06	16,524	11.45	17,109	2.48%
WIRTUALNA POLSKA HOLDING SA	PLKETY000011	PL	PLN	129.76	12,976	159.51	15,951	2.31%
TALLINNA SADAM AKTSIA	PLWRTPL00027	PL	PLN	23.4	18,724	18.3	14,640	2.12%
AUTO PARTNER SA	EE3100021635	EE	EUR	1.39	16,006	1.06	12,144	1.76%
RICHTER GEDEON NYRT	PLATPRT00018	PL	PLN	4.12	9,479	4.63	10,643	1.54%
FABRYKI MEBLI FORTE SA	HU0000123096	HU	HUF	22.88	9,382	25.26	10,358	1.50%
GRUPA PRACUJ SA	PLFORTE00012	PL	PLN	5.73	9,168	6.36	10,171	1.47%
	PLGRPRC00015	PL	PLN	12.54	2,257	13.37	2,406	0.35%
<b>SHARES TOTAL</b>					<b>517,298</b>		<b>617,612</b>	<b>89.45%</b>

**Statement of investments as of 31/12/2024 (continued)**

Name	ISIN	Credit Institution's country	Credit Institution	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
<b>CASH</b>									
CURRENT ACCOUNT		EE	SEB	EUR		45		45	0.01%
CURRENT ACCOUNT		EE	Swedbank	PLN		3,107		3,107	0.45%
CURRENT ACCOUNT		EE	Swedbank	RON		22,513		22,513	3.27%
CURRENT ACCOUNT		EE	Swedbank	EUR		47,396		47,396	6.86%
CURRENT ACCOUNT		EE	Swedbank	HUF		430		430	0.06%
<b>CURRENT ACCOUNT TOTAL</b>						<b>73,491</b>		<b>73,491</b>	<b>10.65%</b>
<b>INVESTMENTS TOTAL</b>						<b>590,789</b>		<b>691,103</b>	<b>100.10%</b>
<b>TOTAL ASSETS OF THE FUND</b>								<b>691,103</b>	<b>100.09%</b>
LIABILITIES								-685	-0.09%
<b>NET ASSETS OF THE FUND</b>								<b>690,418</b>	<b>100.00%</b>

## STATEMENT OF COMISSIONS

In EUR

01/01/2025-31/12/2025

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
<b>Regulated securities market transactions*</b>				
<b>Shares</b>				
Erste Group Bank AG	2	78,980	39	0.05%
Eurobank Equities Investment Firm S.A	12	375,665	375	0.10%
Interkapital vrijednosni papiri d.o.o.	17	474,434	766	0.16%
LHV PANK AS	7	231,427	231	0.10%
ODDO BHF SCA	6	109,791	139	0.13%
Patria Finance A.S.	1	10,684	6	0.06%
Santander Biuro Maklerskie	20	513,103	396	0.08%
Swedbank AS	3	42,987	43	0.10%
Swiss Capital S.A.	4	29,166	58	0.20%
Wood and Company Financial Services a.s.	3	90,524	57	0.06%
<b>Third country securities market transactions</b>				
<b>Shares</b>				
OYAK Yatirim Menkul Degerler A.S.	1	67,986	34	0.05%
Tera Yatirim Menkul Degerler A.S.	2	107,680	54	0.05%
Wood and Company Financial Services a.s.	1	8,490	4	0.05%
<b>TOTAL</b>	<b>79</b>	<b>2,140,916</b>	<b>2,203</b>	<b>0.10%</b>

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

In EUR

01/01/2024-31/12/2024

	<b>Number of transactions</b>	<b>Volume of transactions</b>	<b>Total commissions paid</b>	<b>Weighted average fee</b>
<b>Regulated securities market transactions*</b>				
<b>Shares</b>				
Eurobank Equities Investment Firm S.A	5	79,430	77	0.10%
AS SEB Pank	3	54,189	81	0.15%
Santander Biuro Maklerskie	2	31,591	19	0.06%
Euroxx Securities SA	1	24,888	38	0.15%
Interkapital vrijednosni papiri d.o.o.	2	24,648	38	0.15%
LHV PANK AS	1	5,628	6	0.10%
<b>OTC trades</b>				
<b>Corporate actions</b>	2	48,180	28	0.06%
<b>TOTAL</b>	<b>16</b>	<b>268,554</b>	<b>286</b>	<b>0.11%</b>

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

## REPORT ON REMUNERATION OF THE FUND MANAGEMENT COMPANY

The remuneration principles of all Avaron employees including investment managers and risk-takers are set in the Company's Remuneration Policy. The remuneration of Avaron employees consists of fixed and variable remuneration. The total remuneration is based on local labour market conditions, and is designed so as to achieve a reasonable balance between the fixed and variable components of the salary.

Avaron employees receive a fixed salary, which reflects relevant professional experience and organisational responsibility as set out in the employee's job description. Variable remuneration depends on the performance of the employee, the business unit concerned and Avaron's overall results. The assessment of the performance is set in a three-year framework, to ensure, that the assessment process is based on longer-term performance taking into account the business cycle of the Company and its business risks. After awarding a bonus to the employees the Company has a three-year period during which it has the right to reduce the bonus, stop the payments of the announced bonus or even require partial or full repayment. The full Remuneration Policy of AS Avaron Asset Management can be downloaded here [www.avaron.com/documents](http://www.avaron.com/documents).

The Fund Management Company employed 16 specialists as at the end of 2025 (end-2024: 15 specialists). Total remuneration amounted to:

In EUR

	<b>2025</b>	<b>2024</b>
Wages and salaries	610,030	266,310
Social tax and unemployment insurance contributions	196,102	161,588
<b>Total</b>	<b>806,132</b>	<b>427,898</b>
incl. Bonus program cost with applicable taxes	93,410	93,587

The Members of the Management Board did not receive extra remuneration for participating in the work of the managing bodies. Supervisory Board members did not receive any payments in the financial year of 2025.

No remuneration has been paid by the Fund.

## INDEPENDENT CERTIFIED AUDITOR'S REPORT

*Independent auditor's report is available in Estonian at Avaron's website:*

<https://avaron.ee/dokumendid/>