

Investment Objectives & Approach

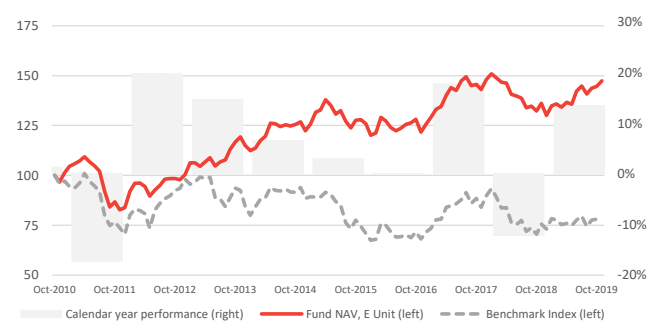
The Fund invests actively in listed equities of European Union new member states and accession countries (Emerging Europe, ex Russia). Benchmark agnostic, it emphasizes bottom-up, value oriented stock picking with a strong small and mid-cap bias. The Fund's investment objective is to maximise upside to internally set target prices, taking into account company quality, liquidity and FX outlook. By implementing our investment process we aim to outperform the market with lower volatility. The Fund typically invests in 30-40 regional companies, who generally demonstrate a competitive advantage or attractive risk/return features. It adheres to the UN Principles for Responsible Investment. Suitable for investors seeking a stock picking portfolio in Emerging Europe, it acts as medium to long term diversifier in a global Emerging Markets, European or Global Equity portfolio.

Fund Manager's Comment, November 2019

Global equities continued to head higher in November despite the conflicting news on potential US-China trade deal. Momentum in stocks remained strong throughout the month supported by easing monetary conditions across the globe. MSCI World gained 2.6% in \$, while strengthening dollar pushed the return in euros to +3.8%. Emerging Markets underperformed, down 0.2% in \$ (+1.0% in €) on the back of weakness in LatAm (MSCI EM Latin America -4.3% in \$). Emerging Europe (MSCI EFM EUROPE + CIS (E+C) ex Russia) posted 1.4% gain in € despite the weakness in Polish blue-chips (-2.8% in €). Turkey was the regional outperformer rebounding from the heavy sell-off in October, up 9.2% in €. Avaron Emerging Europe Fund delivered +1.9% return in October driven by strong contribution from Turkey and Romania. YTD the Fund is up 13.4% compared to +8.3% of the benchmark. The selection of companies in the Fund portfolio trade at 10.3x 1YR FWD P/E. We favour companies with strong balance sheets and solid sustainable free cash flow generation. The aggregate net gearing of our portfolio companies stands at 18%, cash flow yield at 10% and dividend yield at 5%+ on an average pay-out rate of 59%.

To receive detailed fund manager comment please send a request to info@avaron.com.

Performance, E Unit



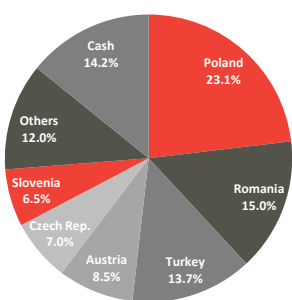
Perf overview	Net return E Unit	Index return*
1 month	1.9%	1.4%
YTD	13.4%	8.3%
3 months	4.7%	6.4%
6 months	8.6%	5.7%
1 year	8.2%	4.7%
3 years	21.2%	16.4%
5 years	16.2%	-15.7%
7 years	50.8%	-15.2%
8 years	78.1%	7.5%

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

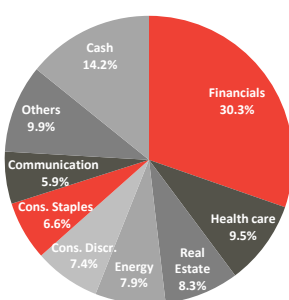
Calendar year return, E Unit

Year	Gross	Net	Index*
2018	-10.9%	-12.2%	-18.6%
2017	19.2%	17.7%	25.3%
2016	2.1%	-0.1%	1.2%
2015	6.7%	2.9%	-20.0%
2014	9.4%	6.5%	4.7%
2013	18.5%	14.6%	-13.9%
2012	21.1%	19.7%	39.3%
2011	-16.3%	-17.3%	-27.5%

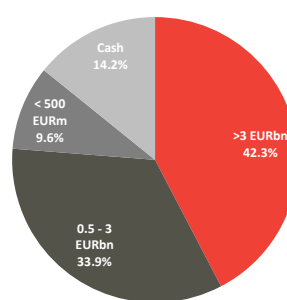
Geographic breakdown



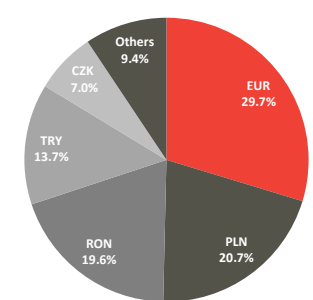
Sector breakdown



Market Cap breakdown



Net currency breakdown



Country allocation

	Change						Contribution analysis					
	Nov-19	1 mo	3 mo	12 mo	3 years	5 years	1 mo	3 mo	12 mo	YTD	3 years	5 years
Poland	23.1%	-0.9%	0.3%	3.1%	15.4%	13.0%	-0.4%	0.2%	1.8%	1.7%	5.2%	4.5%
Romania	15.0%	-4.6%	-4.7%	-5.0%	-1.0%	-0.2%	0.7%	1.1%	4.3%	7.7%	13.3%	13.7%
Turkey	13.7%	1.5%	4.4%	1.7%	-4.5%	-0.9%	1.1%	2.2%	1.0%	2.0%	-3.1%	-7.4%
Austria	8.5%	-0.5%	0.4%	1.1%	-11.7%	-8.0%	-0.2%	-0.1%	1.3%	1.6%	4.7%	9.9%
Czech Rep.	7.0%	-0.2%	-0.6%	-0.6%	-3.0%	0.8%	0.1%	-0.2%	-0.4%	-0.1%	2.7%	2.5%
Slovenia	6.5%	0.3%	0.3%	1.5%	3.1%	3.2%	0.5%	0.7%	1.3%	1.0%	2.1%	1.6%
Hungary	4.7%	0.0%	0.3%	-0.5%	3.9%	2.3%	0.2%	0.6%	0.1%	0.3%	0.4%	1.4%
Baltics	2.4%	-0.1%	-0.1%	-0.8%	0.8%	-2.0%	0.0%	0.0%	-0.1%	0.2%	0.8%	2.1%
Greece	2.0%	0.0%	0.5%	2.0%	2.0%	2.0%	0.1%	0.1%	0.3%	0.3%	0.3%	0.3%
Others	2.8%	-0.1%	-0.1%	-0.8%	0.2%	-0.6%	0.0%	0.1%	0.3%	0.4%	0.4%	1.3%

Sector allocation

	Change						Contribution analysis					
Financials	30.3%	-0.4%	3.3%	4.8%	1.8%	6.8%	0.4%	1.3%	-0.4%	0.8%	4.3%	2.8%
Health care	9.5%	0.3%	0.7%	0.6%	5.3%	4.9%	0.7%	1.3%	1.3%	1.3%	2.7%	2.7%
Real Estate	8.3%	-0.6%	-0.8%	-0.9%	-8.0%	-6.5%	-0.3%	-0.2%	1.2%	1.6%	2.7%	4.0%
Energy	7.9%	0.0%	0.0%	-1.9%	-0.3%	0.7%	0.3%	0.4%	1.7%	3.9%	6.1%	7.5%
Cons. Discr.	7.4%	0.4%	1.9%	2.0%	2.1%	0.7%	0.4%	1.1%	0.9%	1.5%	2.0%	4.2%
Consumer Staples	6.6%	0.4%	0.2%	1.6%	4.1%	3.0%	0.0%	-0.1%	1.1%	1.0%	1.8%	3.7%
Communication	5.9%	-0.1%	-0.6%	1.1%	4.8%	5.4%	0.2%	0.1%	2.1%	1.8%	1.3%	1.5%
Industrial	4.6%	0.0%	0.7%	-1.4%	2.1%	4.6%	0.2%	0.5%	-0.1%	0.5%	0.9%	0.9%
Others	5.2%	-4.7%	-4.8%	-4.0%	-6.7%	-9.9%	0.2%	0.4%	2.1%	2.6%	5.0%	2.5%

Style allocation

	Change						Contribution analysis					
Cyclical	52.0%	0.2%	5.9%	3.4%	6.5%	18.2%	1.5%	3.6%	2.8%	7.4%	11.6%	10.5%
Non-cyclical	23.4%	0.5%	0.3%	2.8%	9.0%	2.5%	0.8%	1.2%	3.9%	3.7%	8.1%	9.2%
Asset play	10.4%	-5.3%	-5.6%	-4.3%	-6.0%	-5.5%	-0.1%	0.0%	3.1%	3.9%	6.7%	7.6%
Convertible bonds	0.0%	0.0%	0.0%	0.0%	0.0%	-5.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High yield bonds	0.0%	0.0%	0.0%	0.0%	-4.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	2.5%
FX Derivatives	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Cash	14.2%	4.6%	-0.6%	-1.9%	-5.3%	-9.6%	0.0%	0.0%	0.0%	0.0%	-0.5%	-0.5%

Risk metrics

	5Y risk*
Alpha	5%
Volatility & stand. deviation	9.2%
Beta	0.46
Sharpe ratio	0.36
Information ratio	0.62
Tracking error	10.3%

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

Fund statistics

Number of positions	41
Top10	45.8%
Top20	67.1%
Gross exposure	85.8%
Net exposure	85.8%
Concentration coefficient	34
Median market cap MEUR	1902
Average market cap MEUR	3115

Turnover

	Adj*
FY 2018	20.7%
FY 2017	28.5%
FY 2016	17.7%

*Adjusted for fund flows

Liquidity analysis*

	20%	50%
3 days	67.8%	76.5%
2 weeks	80.0%	91.9%
4 weeks	92.4%	98.8%

*Proportion of portfolio that can be turned into cash based on past 6 month average trading volume if fund accounted for 20% & 50% of trading volume

Fund Facts - Avaron Emerging Europe Fund

Investment Manager	AS Avaron Asset Management
Fund type	UCITS V, public common investment fund
Launch date	April 23, 2007
Domicile	Estonia
Currency	EUR
Dividends	reinvested
Fund size, MEUR	61.0
Total AUM, MEUR	370+

TER 2018 0.37% (excluding management and performance fees)

	NAV	TER 2018	TER 2018
	30-Nov-2019	excl. perf fee	incl. perf fee
B unit	5.1901 EUR		
C unit	17.5773 EUR	1.58%*	1.67%*
D unit	14.5606 EUR	2.37%	2.37%
E unit	14.7368 EUR	1.22%	1.46%

* C unit management fee lowered to 1.15% and performance fee cancelled as of 06.09.2018

Cut-off	10am CET
NAV frequency	Daily dealing, T+3
Public offering	France, Switzerland, Germany, United Kingdom, Finland, Sweden, Estonia, Latvia
Morningstar rating	Yes, four stars (5 years)
Tax transparency	Germany, Switzerland
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

	ISIN code	WKN code	Bloomberg ticker	Reuters RIC	Telekurs ID
C unit	EE3600102901	AOPEFO	AVAEESC ET	LP68063797	CH10799792
D unit	EE3600108866	A1W7P0	AVEMEUD ET	LP68083763	CH12407332
E unit	EE3600108874	A113GN	AVEMEUE ET	LP68083764	CH12414216

Unit class	D (Retail)	C (Institutional)	E (Institutional)
Min. initial investment	-	500,000 EUR	500,000 EUR
Front-end load	-	-	-
Management fee	2%	1.15%	0.85%
Performance fee (unit based)	-	-	15% over MSCI EFM EUROPE + CIS (E+C) ex RU index, annual reset (June 30)
Back-end load	-	-	-

Contact Information

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

About Avaron Asset Management

Avaron Asset Management (founded in 2007) is an independent management-owned investment manager with a clear focus on stock-picking (bottom-up) and value investing in Emerging Europe region. We aim to deliver positive risk-adjusted return to our clients over the market cycle. Our portfolios are long-only and invest in listed stocks.

Investment ideas are generated through in-house proprietary research of approximately 250 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 17 professionals (including 11 in the investment team), based in Estonia and Poland, takes care of around 400 million 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.

Signatory of:



Principles for Responsible Investment



RESPONSIBLE BUSINESS INDEX
GOLD LEVEL 2019



Kristel Kivimägi-Priisalm
Managing Partner,
CEO & Investor Relations



Peter Priisalm
Partner, co-CIO,
Investment Manager



Valdur Jaht
Partner, co-CIO,
Investment Manager



Rain Leesi, CFA
Investment Manager

Important Legal Information

For All Investors: This material has been drawn up by AS Avaron Asset Management (hereafter: Avaron), a fund management company registered in Estonia which is authorised and supervised by the Estonian Financial Supervision Authority. The contact details of Avaron are as follows: address Narva mnt 7D, 10117 Tallinn, Estonia; phone +372 6644 205; fax +372 6644 201; e-mail avaron@avaron.com. This material is the copyright property of Avaron, unless noted otherwise, and all rights are reserved. This material contains data and facts on investments and funds managed by Avaron, which are provided for information purposes only. No investment advice is offered or given by Avaron to persons using this material. This material is complimentary to and not a substitute for independent professional advice from a person qualified to provide it in your home country. Reliance on this material for the purpose of buying the securities to which this material relates may expose a person to a significant risk of losing all of the property or other assets invested. The information herein is, to the best of the knowledge of Avaron, in accordance with the facts. However, Avaron, none of its affiliates, directors or officers accept any liability in respect of the accuracy or completeness of any information herein, or omitted to be included herein, or any information provided, or omitted to be provided, by any third party. All information and expressions of opinion contained in this material are subject to change without notice.

Subscription of Avaron funds should be made on the basis on the funds' prospectus and key investor information, the relevant fund rules and the latest available annual or semi-annual reports. These documents can be obtained from Avaron. Past performance is not indicative of future results. The value of investments and any income derived from the funds may fall as well as rise and investors may not get back the amount invested. An investment in the funds entails risks, some of which are described in the prospectuses of the funds. Investors should be aware of the high risks associated with investments in emerging markets such as Emerging Europe. This material may include forward looking statements which are based on Avaron's current opinions, expectations and projections. We undertake no obligation to update or revise any forward looking statements. Actual results could differ materially from those anticipated in the forward looking statements. Any dispute, controversy or claim arising out of or in connection with the information provided in this material shall be settled in accordance with Estonian law exclusively in Estonian courts.

This material does not constitute or form part of a distribution or an offer or solicitation to buy or sell any securities (in particular, shares or units in any of Avaron funds) to any person in any jurisdiction in which such distribution, offer or solicitation would be contrary to local law or regulation.

For Swiss Investors: The Swiss representative is Carnegie Fund Services S.A., 11, rue du Général-Dufour, 1204 Geneva. The Swiss paying agent is Banque Cantonale de Genève, 17, quai de l'île, 1204 Geneva, Switzerland. The Prospectus, the Fund Rules, the Key Investor Information Documents (KIIDs), the financial reports and further information can be obtained free of charge from the Swiss representative. The last unit prices can be found on www.fundeye.com. For the units of the Fund distributed to non-qualified investors in and from Switzerland and for units of the Fund distributed to qualified investors in Switzerland, the place of jurisdiction is Geneva. Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of units.

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

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

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