

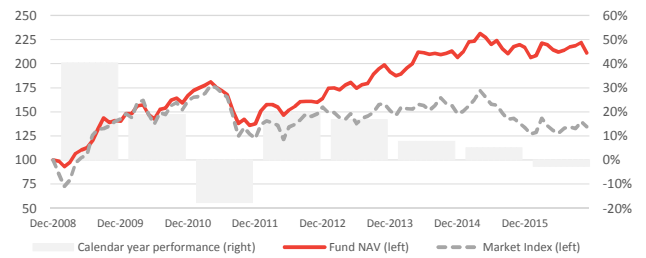
Investment Objectives & Approach

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.

Performance



Past performance is not a guarantee or indicative of future results. The Fund was launched in 2007 as a small cap fund. From 2009 it operates as an all cap fund with small and mid-cap bias.

Top 10 positions	Country	Sector	Market Cap MEUR	% of assets	Perf EUR 1 mo	Contr to return
Komerčni Banka AS	CZ	Financials	5925	6.1%	-6.5%	-0.4%
SC Fondul Proprietatea SA	RO	Utilities	1883	5.9%	-2.6%	-0.1%
Erste Group Bank	AT	Financials	11278	5.6%	-8.3%	-0.5%
OMV AG	AT	Energy	9980	3.6%	7.1%	0.2%
Immofinanz AG	AT	Real Estate	1917	3.5%	0.1%	0.0%
PKO Bank Polski SA	PL	Financials	7171	3.5%	-10.0%	-0.4%
KRKA	SI	Health Care	1640	3.4%	-14.5%	-0.6%
Atrium European Real Estate	AT	Real Estate	1458	3.4%	-0.7%	0.0%
Yapi Ve Kredi Bankasi	TR	Financials	3722	3.1%	-21.4%	-0.8%
BRD-Groupe Societe Generale	RO	Financials	1688	3.0%	-0.9%	0.0%
10 largest positions total				41.1%		-2.6%

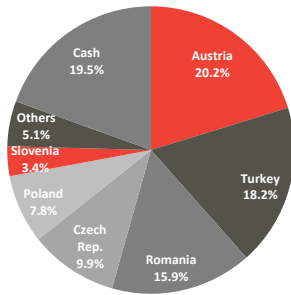
Perf overview	Fund net return	Index return*
1 month	-5.0%	-3.8%
YTD	-2.7%	0.7%
3 months	-3.0%	0.3%
6 months	-1.7%	3.0%
1 year	-4.0%	-2.6%
2 years	-1.1%	-13.9%
3 years	6.2%	-14.8%
4 years	31.9%	-8.9%
5 years	55.2%	6.0%
7 years	49.5%	-3.7%

Year	Calendar year return		
	Gross	Net	Index*
2015	6.7%	5.0%	-9.6%
2014	9.4%	7.8%	-2.1%
2013	18.5%	16.7%	-2.4%
2012	21.1%	19.2%	26.5%
2011	-16.3%	-17.6%	-24.3%
2010	20.8%	18.9%	13.4%
2009	42.6%	40.4%	42.6%

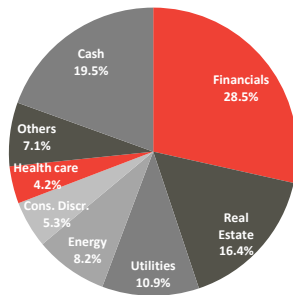
Years	CAGR of calendar years		
	Fund	Index*	
2014-2015	6.4%	-5.9%	
2013-2015	9.7%	-4.8%	
2011-2015	5.4%	-3.7%	

* MSCI EFM Central and Eastern Europe & CIS ex Russia

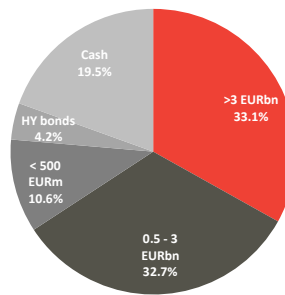
Geographic breakdown



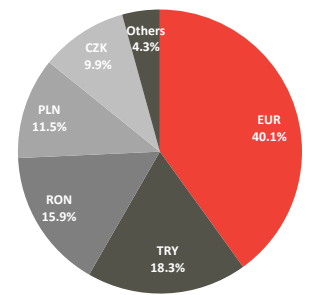
Sector breakdown



Market Cap breakdown



Net currency breakdown



Country allocation

	Change						Contribution analysis					
	Nov-16	1 mo	3 mo	12 mo	3 years	5 years	1 mo	3 mo	12 mo	YTD	3 years	5 years
Austria	20.2%	0.9%	1.9%	-1.2%	8.9%	12.4%	-0.3%	0.8%	0.7%	1.9%	2.3%	7.0%
Turkey	18.2%	-0.5%	-1.8%	6.7%	1.5%	12.3%	-2.5%	-2.7%	-2.5%	-2.2%	2.3%	8.6%
Romania	15.9%	1.9%	3.9%	-2.3%	-4.3%	-0.4%	0.0%	-0.1%	-0.5%	-0.2%	1.5%	17.0%
Czech Rep.	9.9%	-0.1%	0.3%	0.9%	1.2%	-6.3%	-0.6%	0.2%	-0.7%	-0.4%	0.4%	5.3%
Poland	7.8%	-0.3%	-1.1%	1.1%	7.8%	-3.1%	-0.7%	-0.5%	0.3%	-0.3%	0.7%	1.5%
Slovenia	3.4%	-0.3%	-0.5%	0.1%	-1.6%	-0.6%	-0.6%	-0.7%	-0.6%	-0.8%	-0.1%	1.0%
Baltics	1.7%	0.0%	0.0%	-0.8%	-5.7%	-3.5%	0.0%	0.0%	0.4%	0.3%	0.6%	3.0%
Bulgaria	1.3%	0.1%	0.1%	0.0%	-2.8%	-11.0%	0.0%	0.1%	0.3%	0.2%	1.6%	12.7%
Hungary	0.8%	0.0%	0.0%	-3.4%	-5.9%	-2.1%	0.0%	0.0%	0.0%	0.1%	1.1%	9.4%
Others	1.3%	2.0%	2.0%	1.8%	3.0%	7.0%	0.0%	0.1%	0.1%	0.1%	1.1%	1.3%

Risk metrics

	3Y risk*
Alpha	4%
Volatility & stand. deviation	10.2%
Beta	0.46
Sharpe ratio	0.21
Information ratio	0.64
Tracking error	11.2%

* MSCI EFM Central and Eastern Europe & CIS ex Russia

Sector allocation

	Change						Contribution analysis					
Financials	28.5%	-2.2%	-0.9%	-3.4%	-2.2%	-2.4%	-3.0%	-1.6%	-1.2%	-1.0%	3.4%	27.2%
Real Estate	16.4%	1.5%	0.0%	2.6%	4.8%	8.3%	-0.3%	-0.4%	-0.4%	0.1%	1.0%	12.3%
Utilities	10.9%	0.3%	1.3%	-1.8%	-4.4%	6.5%	-0.4%	-0.2%	-0.9%	-0.5%	1.1%	8.2%
Energy	8.2%	1.8%	2.9%	-1.6%	4.0%	-2.2%	0.3%	0.8%	0.4%	0.7%	0.2%	1.9%
Cons. Discr.	5.3%	-0.1%	-0.4%	0.9%	-4.4%	-8.3%	-0.3%	-0.4%	0.5%	0.5%	3.8%	10.5%
Health care	4.2%	-0.3%	-0.5%	-0.4%	0.7%	-0.1%	-0.6%	-0.6%	-0.6%	-0.7%	0.2%	2.2%
Industrial	2.6%	0.0%	-0.2%	0.7%	2.6%	-0.3%	-0.2%	0.0%	0.1%	0.1%	0.0%	1.3%
Consumer Staples	2.5%	-0.1%	-0.4%	2.5%	1.0%	-2.3%	-0.3%	-0.3%	-0.4%	-0.4%	1.3%	2.8%
Others	2.1%	1.1%	1.1%	1.6%	-0.8%	0.9%	0.0%	0.1%	0.0%	0.0%	0.6%	0.6%

Fund statistics

Number of positions	37
Top10	41.1%
Top20	64.9%
Gross exposure	80.5%
Net exposure	80.5%
Concentration coefficient	39
Median market cap MEUR	1688
Average market cap MEUR	2722

Style allocation

	Change						Contribution analysis					
Cyclical	45.4%	1.4%	1.3%	6.3%	14.5%	3.8%	-3.0%	-1.1%	-0.3%	-0.1%	4.3%	20.1%
Non-cyclical	14.4%	-0.3%	-1.0%	-1.2%	-5.4%	-7.9%	-1.3%	-1.4%	-2.2%	-2.0%	3.2%	7.9%
Asset play	16.5%	0.5%	2.5%	-2.2%	-0.9%	-1.3%	-0.5%	-0.5%	-0.4%	0.2%	2.5%	27.2%
Convertible bonds	0.0%	0.0%	0.0%	0.0%	-12.9%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	6.9%
High yield bonds	4.2%	0.2%	0.1%	-1.7%	2.7%	-4.1%	0.0%	0.2%	0.4%	0.6%	1.7%	4.7%
FX Derivatives	0.0%	0.0%	0.0%	0.0%	-0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.6%
Cash	19.5%	-1.9%	-2.9%	-1.1%	2.5%	9.4%	-0.1%	-0.1%	0.0%	0.0%	0.0%	0.0%

Turnover

		Adj*
FY 2015	22.2%	-10.5%
FY 2014	47.9%	28.0%
FY 2013	53.2%	16.8%

*Adjusted for fund flows

Liquidity analysis*

	20%	50%
3 days	72.9%	82.2%
2 weeks	85.8%	95.4%
4 weeks	93.0%	98.1%

*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	Open-ended, UCITS-IV
Launch date	April 23, 2007
Domicile	Estonia
Currency	EUR
Dividends	reinvested
Fund size, MEUR	61.3
Strategy size, MEUR	503.1
Total AUM, MEUR	521.8

TER 2015 0.31% (excluding management and performance fees)

	ISIN Code	NAV 30-Nov 2016
A unit	EE3600090049	4.0863 EUR
B unit	EE3600090056	4.3081 EUR
C unit	EE3600102901	14.7426 EUR
D unit	EE3600108866	12.3687 EUR
E unit	EE3600108874	12.1633 EUR

A & B units only for investors who owned units as of May 30, 2009
C, D & E units for all investors

Cut-off	10am CET
NAV frequency	Daily dealing, T+3
Public offering	France, Switzerland, Germany, Finland, Sweden, Estonia, Latvia
Morningstar rating	Yes, five stars (3 years & 5 years)
Tax transparency	Germany
Supervised by	Estonian FSA
Custodian	Swedbank AS
Transfer agent	Swedbank AS
NAV calculation	Swedbank AS
External auditor	Deloitte
Internal auditor	PWC
Fund documents & prospectus	www.avaron.com/documents

Unit class	D (Retail)	C (Institutional)	E (Institutional)
Min. initial investment	-	125,000 EUR	1M EUR
Front-end load	2%	-	-
Management fee	2%	1.25%	0.85%
Performance fee (unit based)	-	10% over 12-month EURIBOR, HWM	15% over MSCI EFM CEEC ex-Russia Index, annual reset (June 30)
Back-end load	-	-	-

Bloomberg tickers

A unit: AVAEESA
 B unit: AVAEESB
 C unit: AVAEESC
 D unit: AVEMEUD
 E unit: AVEMEUE

See Lipper, TK Valoren tickers:
www.avaron.com/fundfacts_aef

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About Avaron Asset Management

Avaron Asset Management is an independent management-owned asset manager with a clear focus on Emerging Europe listed equities and fixed income. Our 8 investment professionals, in Estonia and Poland, focus on active investment management. In total 14 professionals are employed by Avaron.

We combine top down macroeconomic and sector analysis with bottom-up research. We source investment ideas through in-house proprietary research on approximately 300 companies, backed by regular visits and meetings. We seek inefficiencies in the valuation of companies' equity and debt with the aim to invest in well managed companies with leading market positions, highly motivated and dynamic management teams and competitive edge. Our preference goes to investments with attractive risk/return.

We adhere to the *UN Principles for Responsible Investment* (PRI) and are supervised by the Estonian Financial Supervision Authority.



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 Partner, co-CIO,
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Short overview of the month

Global equities rebounded in November (MSCI World +1.3% in \$) as the US stock market and the dollar rallied post presidential elections. Investors treated the Trump victory less enthusiastically in Emerging Markets. MSCI EM lost 4.7% in \$ in November (-1.1% in €), while Emerging Europe (MSCI EFM CEEC ex-RU) plunged -3.8% in €. Amid rising expectations for faster tightening cycle by the Fed and more relaxed stance by the new Trump administration towards the Erdogan regime Turkish equities and currency became under renewed pressure. This prompted Turkish central bank to raise the policy rate by 50bp to 8% and also widen the interest rate corridor by hiking overnight lending rate to 8.5%. Alongside, the FX reserve requirement was reduced releasing \$1.5bn FX liquidity to the banking sector.

Country / Returns	1 month in local FX	1 month in euros	Year to date in euros	1 year in euros	3 years in euros	5 years in euros
US	3.4%	7.2%	10.4%	5.5%	56.3%	123.9%
Europe	0.0%	0.0%	-3.9%	-10.4%	7.3%	51.8%
Emerging Markets	-4.7%	-1.1%	11.5%	5.7%	8.8%	18.0%
Emerging Europe*	-3.8%	-3.8%	0.7%	-2.6%	-14.8%	6.0%
Poland	-0.9%	-4.2%	-7.5%	-10.5%	-34.3%	-20.5%
Czech Republic	-4.4%	-4.5%	-7.9%	-9.6%	-13.6%	-6.1%
Hungary	0.7%	-0.7%	26.5%	25.5%	53.8%	65.2%
Baltics	1.0%	1.0%	11.2%	12.0%	18.6%	46.6%
Romania	0.3%	0.5%	-2.0%	-3.5%	6.3%	55.8%
Bulgaria	5.8%	5.8%	22.1%	29.2%	20.1%	82.2%
Croatia	2.0%	1.6%	20.0%	20.4%	14.3%	14.4%
Slovenia	-7.5%	-7.5%	-0.8%	-0.4%	7.3%	12.9%
Serbia	2.5%	2.2%	6.3%	10.5%	18.7%	19.1%
Macedonia	6.2%	6.1%	20.1%	24.9%	40.7%	10.0%
Bosnia & H	-1.8%	-1.8%	-0.7%	1.2%	-8.2%	-11.6%
Turkey	-5.8%	-12.1%	-10.1%	-16.8%	-26.3%	-8.3%
Austria	1.9%	1.9%	5.1%	1.2%	-4.8%	36.4%

Source: Thomson Reuters. * MSCI EFM Central and Eastern Europe & CIS (CEEC) ex Russia

Local currencies to euro	Last month	YTD	1 year	2 years	3 years	5 years	From 2008 peak
Poland	-3.4%	-4.4%	-4.1%	-5.9%	-5.6%	1.2%	-28.1%
Hungary	-1.4%	1.1%	-0.5%	-1.8%	-3.6%	-3.1%	-27.0%
Czech	-0.1%	-0.1%	0.0%	2.2%	1.2%	-6.5%	-15.1%
Romania	-0.3%	0.0%	-1.3%	-1.9%	-1.9%	-3.5%	-23.0%
Croatia	-0.5%	1.4%	1.3%	1.9%	1.3%	-0.5%	-6.3%
Serbia	-0.2%	-1.5%	-1.7%	-2.2%	-7.3%	-15.8%	-38.6%
Turkey	-6.6%	-12.9%	-15.4%	-24.0%	-24.5%	-32.4%	-53.2%

Source: Thomson Reuters

Avaron Emerging Europe Fund lost 5.0% in November, underperforming the regional index due to extremely poor performance of off-benchmark exposure in Turkey. YTD the Fund is down 2.7% vs. +0.7% of the benchmark, while in 5 years the Fund has delivered a +55.2% return vs. +6.0% for the index with significantly lower volatility (9.5% vs. 16.5% for the index), resulting in 8.7% alpha.

Initial thoughts on the new US president

Given the ambivalent nature of Donald Trump it is difficult to assess the outcome of the Trump presidency on Eastern Europe, especially as there is limited visibility on his foreign policy priorities. Or foreign policy being a priority for him at all. Since becoming the president-elect his focus seems to be more on domestic matters and he has chosen not to be regularly briefed on intelligence matters, whilst Mike Pence has taken on the latter. It also seems common thinking that the choice for the

Secretary of the State could indicate a bit on the possible foreign policy directions going forward. That position is yet to be decided.

One thing that the new president has been consistent on is the friendly attitude towards Russia. This has brought along negative market reaction in Emerging Europe on rising security and political concerns. During the campaign Trump's Vice Presidential nominee, Mike Pence, held and still holds a more hawkish stance towards Russia and its involvement in Syria, but on this matter Trump has held to his beliefs throughout. It has been reported that after the elections Trump has been in contact with Putin more than with any other head of state. On the other hand several key Republican players and intelligence people in Trump's transition team have voiced disagreement with Trump's approach to Russia. Just to point out that historically we have seen a few attempts to build relations between USSR/Russia and the US by the heads of the state being spoiled by the Congress.

For Emerging Europe the most negative scenario would be if Trump administration would go for full scale establishment of friendly relations with Russia and leave the region under the influence of Putin. This would imply much higher political risk premium in our region going forward. However, there is also the issue of the unity in Europe that, despite all of the recent, on security matters seems strong. Thus, we do not see the recreation of spheres of influence (Russia vs. the West) as a base scenario.

In regards to Turkey, the dovish tone of Trump towards Erdogan is definitely not welcome as it removes one of the most influential external factors that to some extent may have kept Erdogan on a bit shorter leash. There is an inherent conflict of interest related to the Trump-branded towers in Istanbul, a licencing deal dating back to 2014, owned by a strong proponent of Erdogan. Also, Trump named Mike Flynn, who has done consulting to the Turkish government, as a national security adviser. Thus, we would expect the more relaxed attitude from Trump administration towards Erdogan compared to the previous one.

To summarize, **we see risks related to the Trump presidency but given his ambivalence it is really hard to estimate likelihood of different scenarios.** From the equity market perspective we think that the decisions of the Fed on monetary policy and its effects on the exchange rate have significantly larger impact on Emerging Europe.

Q3 earnings review

Our portfolio companies delivered positive aggregate yoy earnings growth in Q3 in € terms after three quarters of contraction. Excluding the revaluation driven net profit of real estate names and holding structures (16.5% of the portfolio) the aggregate earnings advanced 5.2%. The growth was driven by the banks that reported 32% adjusted EPS increase in € terms, while non-financials posted earnings contraction.

Our banking sector holdings in Turkey (6.1% of the portfolio) delivered the strongest results as net profit in Q3 surged roughly 2.5x yoy in lc. Earnings growth stems from the highest spreads in

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the last three years, lower general provisioning, strong CPI linker income and improving operational efficiency. Our largest holding, Yapi Kredi (3.1% of the portfolio), saw its NII up 26% yoy in 1c, while loan growth remained subdued at 6%. OPEX growth was contained at 8% yoy, while risk costs were flat pushing net earnings of the bank up 2.6x. Slightly negative was the deterioration in asset quality as NPL ratio increased 40bp over the quarter to 4.7%, while the coverage was maintained flat at 76.5%. Yapi Kredi trades below 5x 2017f P/E and 0.5x P/B with expected ROE of 11-12%. On index basis Turkish banks are trading at 5.1x 2017f earnings and the overall market at 7.3x, significantly below the 10 year average.

Romanian (15.9% of the portfolio) companies posted poor figures in Q3. Leaving aside our largest position, the closed-end restitution fund Fondul Proprietatea (5.9% of the portfolio) that posted an asset revaluation driven jump from a quarterly loss in 3Q15 to a profit this year, the other names delivered 24% yoy drop in aggregate adjusted EPS in 1c. Energy and utility names continued to suffer as net earnings contracted 25-53%, while our second largest position in Romania, the bank BRD-GSG (3.0% of the portfolio), posted 72% higher bottom line driven by improving top line trends, contained OPEX and more than 2x lower risk costs. We expect the positive developments in the banking sector to continue, while the results of upstream oil and gas names should start to recover. Distribution utilities will remain under pressure on lower tariffs that were implemented mid-2016 by the regulator.

Among the off-benchmark Vienna-listed names (20.3% of the portfolio) in both real estate companies, Immofinanz and Atrium, earnings momentum suffered due to lower rental income after disposals and asset revaluations. Rental income for both companies was down 7% yoy, while EBITDA dropped 5% and 18%, respectively for Immofinanz and Atrium. Atrium trades at 29% discount to NAV offering strong 7% DY, while Immofinanz is at 41% but also with weaker cash flow generation at the moment and DY of 3%+.

Our largest Vienna-listed holding, regional banking group Erste (5.6% of the portfolio) posted marginally weaker than expected top line, while adjusted net profit came in line with the consensus. Net interest and fee income of the bank dropped ca. 5% yoy, resulting in 10% lower operating profit as OPEX grew 3%. Risk costs on the other hand halved compared to 3Q15 pushing the bottom line up 22% yoy. We think that Erste is well positioned to take advantage of the solid regional macro environment and is reasonably valued at 10x 2017f P/E, 0.9x P/B and offers 3% DY.

Czech Komerční bank, the largest holding in the Fund (6.1% of the portfolio) delivered a rather neutral report with net profit up 22% yoy in 1c on one-off income from the sale of a subsidiary. On adjusted basis the bottom line was basically flat, whereas pre-provision operating profit was up 3% yoy on 3% lower OPEX, while banking revenues marginally increased yoy. After the recent DPS cut amid more stringent capital rules posed by the local central bank, we still view Komerční as one of the most solid

exposures in Emerging Europe. The bank trades at 13x 2017f P/E, 1.4x P/B and offers 4-5% DY. Czech macro environment has no excesses, while the koruna is seen as the Swiss franc equivalent in Emerging Europe.

A negative surprise in Q3 came from one of our long-time core holdings, Slovenian generics company Krka (3.4% of the portfolio) that reported almost 6% yoy lower top line but more importantly the weakest gross margin of 47% in history due to steep price drops in Western European markets. Gross margin was squeezed as sales in volume terms grew pushing up the COGS. The management also downgraded its earnings outlook for 2016 by 35% and guided for flat bottom line for 2017. Although, this has come as a negative surprise we do not think that the latest quarter would be representative of a new run rate of earnings. Given that the company has 15 new drug launches in the pipeline for next year we expect the profitability to somewhat bounce back. The stock took a -15% hit in November being one of largest negative contributors to the Fund performance and is now trading at 6.2x 2017f EV/EBITDA and 5%+ DY. At these levels we would rather look to increase our exposure in this name.

Key changes in the portfolio

In November we added Turkish software development company Logo into the portfolio and added to the upstream driven Romanian integrated oil and gas company Petrom. Logo is the 2nd largest enterprise application software (e.g. accounting, payroll, HR, CRM, business analytics etc.) provider in Turkey with ca. 25% market share. We see significant potential in Turkish IT sector as IT spending to GDP there is more than 2x lower than the global average. On top of that only 7% of the total IT spending in Turkey is software compared to 19% worldwide. We expect the company to show strong double-digit growth underpinned by the increasing penetration. Logo trades at 16.6x 2017f P/E and 11.5x EV/EBITDA.

Outlook

Eurozone leading indicators continued to improve in November. Composite flash PMI rose to a 11-month high on rising order books that forced firms to add staff at the fastest rate since 2008. One thing to note is that the prices charged by the firms also increased, indicating the strongest inflationary pressures over the past five years. European Commission economic sentiment data (ESI) for Eurozone also showed improvement in November.

In Emerging Europe November leading indicators were mixed. In Poland the manufacturing PMI rebounded from 25-month low of 50.2 in October to 51.9 driven by the rise in incoming orders. Inflationary pressures also picked up suggesting that the official CPI figure will turn positive over coming months. In the Czech Republic and Hungary we witnessed a slight deterioration in manufacturing PMI in November on lower output and new orders. However, the PMI remains close to or above the historical run rate in both countries suggesting the continuation of solid growth environment. Turkey's manufacturing PMI slid slightly in November and remained below the 50.0 no-change level as output and new orders declined, while new export business and

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employment actually increased. Depreciation of the currency has put additional pressure on prices with input prices accelerating in November. In Romania the robust business conditions remain as November ESI rose.

Positioning

At the end of November the cash position in the Fund stood at 19%, slightly down vs. October on purchases. In terms of positioning the portfolio remains largely unchanged. **We maintain our relatively constructive view on Turkey** despite high uncertainty on the economic and currency outlook as the valuations of certain companies start to reflect significant economic slowdown. We think that the market has priced in already a significant part of the potential negatives, however, we do not expect the political headwinds to subside soon. Nevertheless, as we see decent value in Turkish banks and increasingly among non-financials, and we are likely to add to the existing exposure.

We maintain our conviction towards Romanian investments on solid valuations and optimistic macro outlook but remain constrained by the relative illiquidity. **In Poland we are invested predominantly in financials**, while overall the valuations are demanding. Among **Austrian-listed companies** we hold businesses focused on Emerging Europe real estate, banking and oil & gas sectors, which **offer attractive valuations and high liquidity**. In the Czech Republic and Hungary we find only a very select list of attractive names in banking, energy, pharma and manufacturing.

The selection of companies in the Fund portfolio trades at 10.1x 2017f P/E, below the 11.0x of the regional benchmark index, and 4.8x 2017f EV/EBITDA. Our value driven bottom-up approach favours companies with strong balance sheets and solid sustainable dividend pay-out capacity. The aggregate net gearing of our portfolio companies stands at 23% and sustainable dividend yield at 4%+.

	% of the Fund	P/E adj			EPS adj growth		EV/EBITDA		Div yield	P/NAV	P/B
		12M	2016	2017	2016	2017	2016	2017	2015	12M	12M
Cyclical	45.4%	9.0	10.4	9.6	-15.2%	9.0%	4.8	4.4	4.2%	-	0.97
Non-cyclical	14.4%	12.7	13.5	12.4	-24.1%	8.9%	5.7	5.4	5.6%	-	0.86
Asset play	16.5%	-	-	-	-	-	-	-	5.3%	0.62	0.65
Total equity	76.3%	9.7	11.0	10.1	-17.1%	9.0%	5.2	4.8	4.7%	-	0.86
		CY*	YTM**								
Bonds	4.2%	5.9%	4.5%								

* CY - Current yield, ** YTM - Yield to maturity

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