
Audited Consolidated Financial Statements

Firebird Aurora Fund, Ltd.

Year Ended December 31, 2025

With Report of Independent Auditor



FIREBIRD MANAGEMENT LLC

Firebird Aurora Fund, Ltd.

Audited Consolidated Financial Statements

Year Ended December 31, 2025

Contents

Report of Independent Auditor	1
Audited Consolidated Financial Statements	
Consolidated Statement of Assets and Liabilities	3
Consolidated Condensed Schedule of Investments	5
Consolidated Statement of Operations	8
Consolidated Statement of Changes in Net Assets	9
Consolidated Statement of Cash Flows	10
Notes to Consolidated Financial Statements	11



Tel: +1 (345) 943-8800
Fax: +1 (345) 943-8801
Email: mail@bdo.ky
www.bdo.ky

PO Box 31118
2nd Floor - Building 3
Governors Square
23 Lime Tree Bay Avenue
Grand Cayman KY1-1205
Cayman Islands

Independent Auditor's Report

The Board of Directors
Firebird Avrova Fund, Ltd.
Grand Cayman, Cayman Islands

Opinion

We have audited the consolidated financial statements of Firebird Avrova Fund, Ltd. (the "Fund"), which comprise the consolidated statement of assets and liabilities, including the consolidated condensed schedule of investments, as of December 31, 2025, and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2025, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

BDO

April 10, 2026

Firebird Avrora Fund, Ltd.

Consolidated Statement of Assets and Liabilities
(Stated in United States Dollars)
December 31, 2025

Assets	
Investments in securities, at fair value (cost \$ 85,185,136)	\$ 169,248,991
Investments in other investment funds, at fair value (cost \$0)	273,463
Cash and cash equivalents	4,033,880
Dividends receivable	424,629
Interest receivable and other assets	125,247
Total assets	\$ 174,106,210
Liabilities	
Redemptions payable	994,756
Unrealized capital gains tax reserve	19,160
Accrued expenses and other liabilities	1,195,294
Total liabilities	2,209,210
Net Assets	\$ 171,897,000
Net asset value per share	
Class A Master series (based on 467.40 shares outstanding)	\$ 667.33
Class A February 2006 series (based on 0.65 shares outstanding)	\$ 281.25
Class A March 2006 series (based on 0.18 shares outstanding)	\$ 268.48
Class A April 2006 series (based on 1.80 shares outstanding)	\$ 264.09
Class A May 2006 series (based on 1.65 shares outstanding)	\$ 241.37
Class A June 2006 series (based on 12.84 shares outstanding)	\$ 261.50
Class A July 2006 series (based on 6.21 shares outstanding)	\$ 264.29
Class A February 2008 series (based on 22.98 shares outstanding)	\$ 193.95
Class A April 2008 series (based on 19.58 shares outstanding)	\$ 188.34
Class A May 2008 series (based on 0.23 shares outstanding)	\$ 185.49
Class A June 2008 series (based on 27.12 shares outstanding)	\$ 173.13
Class A July 2008 series (based on 14.05 shares outstanding)	\$ 178.92
Class A February 2009 series (based on 15.74 shares outstanding)	\$ 636.66
Class A 2011 Master series (based on 0.16 shares outstanding)	\$ 285.10
Class A December 2011 series (based on 83.12 shares outstanding)	\$ 391.29
Class A February 2012 series (based on 65.42 shares outstanding)	\$ 390.70
Class A 2014 Master series (based on 146.97 shares outstanding)	\$ 391.36
Class A August 2014 series (based on 2.85 shares outstanding)	\$ 487.36
Class A January 2015 series (based on 3.56 shares outstanding)	\$ 633.73
Class A May 2017 series (based on 1.70 shares outstanding)	\$ 451.19
Class A July 2017 series (based on 546.25 shares outstanding)	\$ 446.52
Class A December 2017 series (based on 9.89 shares outstanding)	\$ 662.20
Class A March 2018 series (based on 23.97 shares outstanding)	\$ 664.68
Class A October 2021 series (based on 3.18 shares outstanding)	\$ 478.14
Class A July 2023 series (based on 9.11 shares outstanding)	\$ 907.59
Class A September 2024 series (based on 9.29 shares outstanding)	\$ 835.84
Class B (based on 1,000 shares outstanding)	\$ 0.01
Class B (based on 32.20 shares outstanding)	\$ 91,345.38
Class C Master series (based on 81.91 shares outstanding)	\$ 4,445.73

See accompanying notes

Firebird Aurora Fund, Ltd.

Consolidated Statement of Assets and Liabilities (continued)
(Stated in United States Dollars)
 December 31, 2025

Net asset value per share (continued)

Class C Master D series (based on 363.77 shares outstanding)	\$	4,574.15
Class C July 2006 series (based on 90.83 shares outstanding)	\$	1,760.83
Class C T 2008 series (based on 7.13 shares outstanding)	\$	1,691.90
Class C Master 2011 series (based on 2,720.23 shares outstanding)	\$	1,846.09
Class C May 2016 series (based on 2,388.31 shares outstanding)	\$	2,436.15
Class C January 2022 series (based on 90.86 shares outstanding)	\$	1,482.98
Class C February 2022 series (based on 181.74 shares outstanding)	\$	1,591.21
Class C June 2022 series (based on 100 shares outstanding)	\$	2,728.48
Class C February 2023 series (based on 5,100 shares outstanding)	\$	2,444.85
Class C July 2023 series (based on 2,000 shares outstanding)	\$	2,194.45
Class C September 2023 series (based on 100 shares outstanding)	\$	2,026.09
Class C January 2024 series (based on 2,500 shares outstanding)	\$	1,863.84
Class C October 2024 series (based on 250 shares outstanding)	\$	1,693.87
Class C February 2025 series (based on 1,500 shares outstanding)	\$	1,578.66
Class C March 2025 series (based on 750 shares outstanding)	\$	1,507.39
Class C May 2025 series (based on 5,000 shares outstanding)	\$	1,375.70
Class C August 2025 series (based on 100 shares outstanding)	\$	1,182.35
Class C September 2025 series (based on 250 shares outstanding)	\$	1,142.33
Class M September 2012 (based on 34,276.14 shares outstanding)	\$	3,154.59
Class M January 2018-1 (based on 50.12 shares outstanding)	\$	555.80
Class M February 2022 (based on 283.52 shares outstanding)	\$	1,800.97
Class M September 2022 (based on 0.08 shares outstanding)	\$	3,385.28
Class M September 2025 (based on 22.12 shares outstanding)	\$	1,067.18
Class SS-B (based on 940.90 shares outstanding)	\$	29.70
Class SS-C Master series (based on 56.29 shares outstanding)	\$	3,489.67
Class SS-C Master D series (based on 77.54 shares outstanding)	\$	3,606.02
Class SS-C July 2006 series (based on 10.08 shares outstanding)	\$	1,382.16
Class SS-C T 2008 series (based on 0.79 shares outstanding)	\$	1,228.55
Class SS-C Master 2011 series (based on 300.03 shares outstanding)	\$	1,467.72
Class SS-C May 2016 series (based on 263.41 shares outstanding)	\$	1,936.84
Class SS-C May 2016-1 series (based on 15.14 shares outstanding)	\$	1,924.76
Class SS-C March 2021 series (based on 0.22 shares outstanding)	\$	1,499.24
Class SS-C May 2021 series (based on 0.14 shares outstanding)	\$	1,390.10
Class SS-C August 2021 series (based on 0.14 shares outstanding)	\$	1,259.80
Class SS-C January 2022 series (based on 10.02 shares outstanding)	\$	1,179.03
Class SS-C February 2022 (based on 19.98 shares outstanding)	\$	1,266.20
Class SS-M September 2012 (based on 4,671 shares outstanding)	\$	2,414.40
Class SS-M February 2022 (based on 31.47 shares outstanding)	\$	1,378.39

See accompanying notes

Firebird Avrora Fund, Ltd.

Consolidated Condensed Schedule of Investments
(Stated in United States Dollars)
December 31, 2025

	Quantity	Fair Value	Percent of Net Assets
Investment in securities, at fair value			
American depositary receipts (ADRs)			
Kazakhstan			
Telecommunications		\$ 54	0.00%
Total Kazakhstan (Cost \$64)		54	0.00
Total American depositary receipts (ADRs) (Cost \$64)		54	0.00
Common Stocks			
Armenia			
Gold		8,872	0.01
Total Armenia (Cost \$1,769,121)		8,872	0.01
Bulgaria			
Manufacturing		90,451	0.05
Pharmaceutical		5,907,672	3.44
Total Bulgaria (Cost \$3,384,925)		5,998,123	3.49
Croatia			
Manufacturing		6,530,071	3.80
Total Croatia (Cost \$3,799,352)		6,530,071	3.80
Czech Republic			
Technology		807,006	0.47
Total Czech Republic (Cost \$717,053)		807,006	0.47
Estonia			
Construction		7,765,315	4.52
Food		48,920	0.03
Real Estate		344,542	0.20
Retail		761,052	0.44
Transportation		1,190,198	0.69
Total Estonia (Cost \$5,250,260)		10,110,027	5.88
Georgia			
Banking			
Lion Finance Group PLC	240,719	30,165,184	17.55
Consumer Products		635,899	0.37
Holding Company			
Georgia Capital PLC	344,001	14,369,248	8.36
Total Georgia (Cost \$3,899,281)		45,170,331	26.28
Ireland			
Biotechnology		109,289	0.06
Total Ireland (Cost \$3,053,494)		109,289	0.06
Kazakhstan			
Banking		4	0.00
Cement		809,712	0.47
Oil & Gas		4,910,933	2.86
Telecommunications		3,493,256	2.03
Total Kazakhstan (Cost \$9,360,373)		9,213,905	5.36

Firebird Avrora Fund, Ltd.

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)
 December 31, 2025

	Quantity	Fair Value	Percent of Net Assets
Investment in securities, at fair value (continued)			
Common Stocks (continued)			
Kyrgyzstan			
Utilities		\$ 45,078	0.03%
Total Kyrgyzstan (Cost \$113,852)		<u>45,078</u>	<u>0.03</u>
Lithuania			
Banking		8,075,506	4.70
Retail		<u>2,436,711</u>	<u>1.42</u>
Total Lithuania (Cost \$3,705,597)		<u>10,512,217</u>	<u>6.12</u>
Netherlands			
Technology			
Nebius Group NV	120,584	<u>10,093,484</u>	<u>5.87</u>
Total Netherlands (Cost \$1,695,206)		<u>10,093,484</u>	<u>5.87</u>
Poland			
Consumer Products		4,070,809	2.37
Media and Entertainment		454,746	0.26
Retail		<u>1,121,268</u>	<u>0.65</u>
Total Poland (Cost \$6,296,535)		<u>5,646,823</u>	<u>3.28</u>
Romania			
Aerospace		3,411,484	1.99
Banking			
Banca Transilvania SA	2,061,699	14,365,914	8.36
Manufacturing		294,431	0.17
Oil & Gas			
OMV Petrom SA	64,774,853	14,870,672	8.65
Transportation		<u>986,594</u>	<u>0.57</u>
Total Romania (Cost \$9,716,305)		<u>33,929,095</u>	<u>19.74</u>
Russia			
Airlines		390,318	0.23
Banking		2,716,169	1.58
Food		926,097	0.54
Manufacturing		965,163	0.56
Metallurgy & Mining		1,519,461	0.88
Oil & Gas		2,626,783	1.53
Retail		31,780	0.02
Stock Exchange		840,097	0.49
Uranium		<u>16,682</u>	<u>0.01</u>
Total Russia (Cost \$22,410,338)		<u>10,032,550</u>	<u>5.84</u>
United States			
Technology		426,150	0.25
Total United States (Cost \$412,007)		<u>426,150</u>	<u>0.25</u>
Total Common Stocks (Cost \$75,583,699)		<u>148,633,021</u>	<u>86.47</u>

Firebird Aurora Fund, Ltd.

Consolidated Condensed Schedule of Investments (continued)
(Stated in United States Dollars)
 December 31, 2025

	Quantity	Fair Value	Percent of Net Assets
Investment in securities, at fair value (continued)			
Global Depository Receipt (GDR)			
Kazakhstan			
Airlines		\$ 973,624	0.57%
Banking			
Halyk Bank JSC - GDR	631,562	18,915,282	11.00
Uranium		321,408	0.19
Total Kazakhstan (Cost \$9,446,743)		20,210,314	11.76
Total Global Depository Receipt (GDR) (Cost \$9,446,743)		20,210,314	11.76
Investment in other investment funds			
Estonia			
Miscellaneous		273,463	0.16
Total Estonia (Cost \$0)		273,463	0.16
Total Investment in other investment funds (Cost \$0)		273,463	0.16
Preferred Stock			
Kazakhstan			
Oil & Gas		15,555	0.01
Total Kazakhstan (Cost \$24,260)		15,555	0.01
Russia			
Manufacturing		388,624	0.22
Uranium		1,423	0.00
Total Russia (Cost \$130,370)		390,047	0.22
Total Preferred Stock (Cost \$154,630)		405,602	0.23
Total Investments in securities, at fair value (Cost \$85,185,136)		\$ 169,522,454	98.62%

Firebird Aurora Fund, Ltd.

Consolidated Statement of Operations
(Stated in United States Dollars)
 Year Ended December 31, 2025

Investment income	
Interest	\$ 9,422
Dividends (net of withholding taxes of \$255,211)	9,045,555
Other income	<u>2,525</u>
Total investment income	<u>9,057,502</u>
Expenses	
Professional fees and other expenses	773,027
Management fee	569,741
Custodian fees	320,924
Interest expense	<u>1,987</u>
Total expenses	<u>1,665,679</u>
Net investment income	<u>7,391,823</u>
Net gain (loss) on investments, capital gains tax and foreign currency	
Net realized loss on investments and foreign currency transactions	<u>(641,492)</u>
Net realized loss on investments and foreign currency transactions	<u>(641,492)</u>
Net change in unrealized appreciation on investments and foreign currency transactions	66,025,058
Net change in unrealized capital gains tax reserve	<u>(5,948)</u>
Net change in unrealized capital gains tax reserve and appreciation on investments and foreign currency transactions	<u>66,019,110</u>
Net gain on investments, capital gains tax and foreign currency transactions	<u>65,377,618</u>
Net increase in net assets resulting from operations	<u>\$ 72,769,441</u>

See accompanying notes

Firebird Avrora Fund, Ltd.

Consolidated Statement of Changes in Net Assets
(Stated in United States Dollars)
 Year Ended December 31, 2025

Increase in net assets resulting from operations	
Net investment income	\$ 7,391,823
Net realized loss on investments and foreign currency transactions	(641,492)
Net change in unrealized appreciation on investments and foreign currency transactions	66,025,058
Net change in unrealized capital gains tax reserve	(5,948)
Net increase in net assets resulting from operations	<u>72,769,441</u>
Capital share transactions:	
Class C subscribed	7,600,000
Class B subscribed	12
Class M subscribed	22,209
Class A redeemed	(2,487)
Class SS-C redeemed	(34,048)
Class M redeemed	(4,600,000)
Class SS-B redeemed	(12)
Class C redeemed	(1,642,504)
Performance allocation from Class C shareholders	(2,796,509)
Performance allocation to Class B shareholders	2,796,509
Performance allocation from Class SS-C shareholders	(25,529)
Performance allocation to Class SS-B shareholders	25,529
Net increase in net assets resulting from capital share transactions	<u>1,343,170</u>
Net change in net assets	74,112,611
Net assets at beginning of year	<u>97,784,389</u>
Net assets at end of year	<u>\$ 171,897,000</u>

See accompanying notes

Firebird Aurora Fund, Ltd.

Consolidated Statement of Cash Flows
(Stated in United States Dollars)
 Year Ended December 31, 2025

Cash flows from operating activities	
Net increase in net assets resulting from operations	\$ 72,769,441
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:	
Net realized loss on investments and foreign currency	617,521
Net change in unrealized appreciation on investments and foreign currency	(66,010,895)
Purchases of investments in securities	(17,182,651)
Proceeds from sale of investments in securities	7,681,594
Changes in operating assets and liabilities:	
Redemptions receivable from investments in securities	393,965
Due from broker	4,348
Dividends receivable	(45,927)
Interest receivable and other assets	(101,349)
Due to brokers	(10,314)
Management fee payable	(37)
Unrealized capital gain tax reserve	5,948
Accrued expenses and other liabilities	1,051,810
Net cash used in operating activities	<u>(826,546)</u>
Cash flows from financing activities	
Proceeds from issuance of shares	7,622,221
Payments for redemption of shares	<u>(5,633,249)</u>
Net cash provided by financing activities	<u>1,988,972</u>
Net increase in cash and cash equivalents	1,162,426
Cash and cash equivalents	
Beginning of year	<u>2,871,454</u>
End of year	<u>\$ 4,033,880</u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	<u>\$ 849</u>
Supplemental disclosure for non cash financing activities	
Non-cash transfers	<u>\$ 4,034,770</u>

See accompanying notes

1. Organization

Firebird Avrora Fund, Ltd. (the “Fund”) was incorporated as an exempted company under the laws of the Cayman Islands on October 16, 2003, and registered under the Cayman Islands Mutual Funds Act on November 17, 2003. The Fund commenced operations on December 1, 2003. The purpose of the Fund is to invest primarily in publicly traded securities of companies operating in Eastern Europe. The Class A and Class C shares of the Fund are listed on the Bermuda Stock Exchange.

The Fund has a continuing pool (Class B, C, SS, and M shares) and a liquidating pool (Class A shares). The holdings of the Class A shares are being liquidated in an orderly manner with the proceeds paid out periodically to those investors (see Note 3 for summary of investments allocated between classes).

Leo Overseas Ltd. (“Leo”) is a wholly owned subsidiary of the Fund and was incorporated as a limited liability company under the Companies Law, Cap. 113, of Cyprus on October 3, 2003. Leo owns shares of companies operating in Russia and various Eastern European countries.

The Fund’s investment manager is Firebird Avrora Advisors LLC, a New York limited liability company (the “Manager”). Certain of the principals of the Manager are also directors of the Fund. The Manager is a registered investment advisor with the United States Securities and Exchange Commission as a “relying adviser” for which the “filing adviser” is Firebird Management LLC.

HedgeServ (Cayman) Ltd. (the “Administrator”) provides administration services to the Fund. The Harbour Trust Co. Ltd. maintains the registered office for the Fund. Seaward Management Limited provides administration and management services to Leo and maintains its registered and regional office.

2. Significant Accounting Policies

The consolidated financial statements of the Fund have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) as detailed in the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) and are stated in United States Dollars. The Fund meets the definition of an investment company and follows the accounting and reporting guidance in ASC Topic 946, *Financial Services – Investment Companies*. The following is a summary of the significant accounting and reporting policies used in preparing the consolidated financial statements.

Basis of Consolidation

The consolidated financial statements include the results of the Fund and its subsidiary, Leo, after the elimination of all intercompany balances and transactions.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents include amounts due from banks on demand and deposits with original maturities of three months or less. Substantially all of the cash and cash equivalents are held at Swedbank AS. Substantially all cash and cash equivalents are held at banks organized in Bulgaria, Estonia, Georgia, Kazakhstan and the United States.

2. Significant Accounting Policies (continued)**Cash, Cash Equivalents and Restricted Cash (continued)**

Cash and cash equivalents may be restricted if they serve as deposits for investments sold short. In addition, margin borrowings are collateralized by certain securities and cash balances held by the Fund. As of December 31, 2025, the Fund had approximately \$7,280,330 of gross restricted cash, and applied a discount of \$7,280,330, resulting in zero net restricted cash. The restricted cash represents rubles (RUB) received from dividends paid by Russian portfolio companies. In March 2022, the Central Bank of Russia introduced capital control measures in response to global sanctions. As a result, global custodians were required to open Type “S” accounts for non-residents. RUB balances in the Type “S” accounts maintained for non-residents from ‘unfriendly’ countries, which currently includes the Cayman Islands, are allowed to be maintained by the custodian but may not be used, transferred or repatriated.

Security Transactions and Related Investment Income and Expenses

Security transactions are accounted for on a trade date basis. Realized gains and losses from investment transactions are determined using the specific identification method and are recorded in the consolidated statement of operations. Interest is recorded on the accrual basis and dividends are recorded net of withholding taxes on the ex-dividend date in the consolidated statement of operations. Due to the current restrictions on cash noted above, dividends received and accrued from Russian investments will be discounted to account for the illiquidity of the rubles received and confiscation risk. As of December 31, 2025, the total discount applied to Russian dividends amounted to \$7,470,758 of which \$190,428 applies to dividends accrued and not yet received and \$7,280,330 applies to the restricted cash balance of which \$2,046,512 applies to net dividends earned in 2025 and \$5,424,246 applies to dividends earned in prior years.

Foreign Exchange Transactions

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the date of the consolidated financial statements. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains or losses are included in the consolidated statement of operations.

The Fund does not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realized and change in unrealized gains and losses on investments and foreign currency transactions.

Fair Value of Financial Instruments

The fair value of the Fund’s assets and liabilities which qualify as financial instruments under ASC Topic 825, Financial Instruments, approximates the carrying amounts presented in the consolidated financial statements.

In accordance with ASC Topic 820, Fair Value Measurement, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability under an orderly liquidation in a timely transaction with an independent buyer in the principal market or, in the absence of a principal market, the most advantageous market for the investment or liability.

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

ASC Topic 820 establishes a three-tier hierarchy to distinguish between inputs obtained from sources independent of the reporting entity that affect assumptions that market participants would use in pricing an asset or liability (observable inputs) and inputs that reflect the reporting entity's own assumptions that it thinks market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes.

The inputs are summarized in the three broad levels listed below:

- Level 1 valuations based on quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access and in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 securities. Because valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these instruments does not entail a significant degree of judgment.
- Level 2 valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 valuations based on inputs that are unobservable and significant to the overall fair value measurement. These inputs may include the Manager's own assumptions in determining the fair value of investments.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

In general, portfolio securities that are traded in an active market (in most cases a market where there has been at least one transaction in the last 15 business days and had at least 12 trading days in the recent month at sufficient volumes with reasonably consistent price levels taking into account the volatility of the market in question) are classified as Level 1. These securities are valued at their last reported sales price on the valuation date in the case of securities listed or quoted on a recognized securities exchange, the U.S. NASDAQ National Market List or any comparable foreign quotation system for securities that generally trade daily, or if no prices were quoted on such date, at the last reported sales price on the last prior date when a price was quoted for such securities.

If no such prices have been quoted in an active market, the investment is valued in good faith by the Manager, in consultation with the Administrator, and approved by the Board of Directors, according to the steps outlined in ASC Topic 820. For these Level 2 or Level 3 securities, the Manager may consult with and rely upon information provided by the Fund's custodians, market makers, brokers, and outside valuation services.

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

Level 2 securities will normally be priced using other observable information including identical or similar securities traded on other exchanges and quotations received from the counterparty, dealers, or brokers, whenever available and considered reliable. The Fund holds certain securities which are restricted under Rule 144A. Restricted securities are generally fair valued at a discount to similar publicly traded securities.

The Fund's Investment in other investment funds meets the definition of an investment company for which its net asset value or partners' capital has been measured in accordance with, or in a manner consistent with, the principles of ASC Topic 946, Financial Services – Investment Companies, are valued using the reported net asset value as a practical expedient.

The Fund's investment in other investment funds is generally valued at the reported values, provided by the administrator or management of the investment fund, after discounts for any applicable redemption charges and any lock up periods, which valuations are prepared in accordance with such investment fund's governing documents. The Manager considers this a reliable representation of fair value if the investment fund is accepting subscriptions and processing redemptions based on this reported value. However, in certain circumstances, the Manager will estimate the value of such investment based on available relevant information as it considers material.

The strategy of the other investment fund in which the Fund has a position is to invest into the Baltic region. The investment fund is a private equity fund and distributions are received as assets are liquidated.

For Level 3 securities, the Manager will value the equity securities using either a "market approach," an "income approach," or both approaches, as appropriate. The "market approach" uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The "income approach" uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted).

In following these approaches, the types of factors that may be taken into account include, as relevant: available current market data, including relevant and applicable market trading and transaction comparables, applicable market yields and multiples, the nature and realizable value of any collateral, the issuer of the security's ability to make payments, the issuer's earnings, discounted cash flows and net asset value analysis, the markets in which the issuer does business, comparisons of financial ratios of peer public companies, recent merger and acquisition transactions for comparable public or private companies, actual and imminent capital transactions in the subject investee company and the principal market for the relevant security, among other factors.

The Manager monitors and reviews the valuation methodologies on a monthly basis. The Manager uses the latest available information to update the valuations each month. A Valuation Committee of the Manager oversees the process and procedures for the valuation of the Level 3 investments in accordance with the valuation policy approved by the Board of Directors. The Valuation Committee reports quarterly to the Fund's independent directors.

2. Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

On February 24, 2022, Russia invaded Ukraine. As a result, Western countries implemented multiple sanctions packages (both unilateral and coordinated) to impose costs on the Russian regime. During this period, the Russian government implemented capital controls, among other fiscal and monetary initiatives, to stabilize the Russian economy.

Since the early days of the war, the Moscow Stock Exchange has suspended the ability of foreigners to trade Russian shares, even though trading for Russian citizens was reopened. As a result, since February 2022, the Manager has valued all Russian stocks, listed, unlisted and illiquid according to fair value analysis. All positions are valued using the same methodology that was used before February 2022 with an additional discount.

In the last four years, Russia imposed restrictions and costs on foreign investors attempting to sell Russian local shares, beginning with a requirement that any sales be approved by a Special Committee of the Central Bank and that such sales be done at a minimum discount to the appraised value. In addition, an exit tax was imposed, to be paid by the buyer. By the end of 2025 the minimum discount was 60% and the exit tax was 35% of the transaction's value.

In October 2024, the U.S. Department of Treasury sanctioned the Moscow Exchange, which means a license is now required for any transaction through its subsidiary, the National Securities Depository.

Given all these trading restrictions, a minimum 60% discount to the Moscow Stock Exchange price is applied. In addition to the minimum 60% discount, a 20% discount is applied to reflect the exit tax. Starting with September 2025, the Manager also applied an additional 5% discount to reflect increased political risk, specifically related to increased efforts by Western governments to provide funding to Ukraine through the use of Russia's reserves which have resulted in retaliatory threats from Russian authorities. This results in a total 25% discount added to the 60% minimum discount. Due to the continuously evolving regulations both from the U.S. government and the Russian government, the methodology for discounting Russian local shares is subject to further change.

The blended discount applied as of December 31, 2025, was 70% for both publicly traded Russian securities as well as for private Russian companies and illiquid Russian securities. All Russian securities are classified as Level 3. The Manager continually reviews the sanctions lists of the U.S., U.K., and EU, and treats and values holdings as is required by the relevant authorities.

Ruble cash, which is held in "S" type accounts and subject to capital controls, is currently carried at zero to reflect the risk of confiscation, which is considered by the Manager to be higher than for shares, in retaliation for potential seizure by Western governments of Russian foreign exchange reserves held in US Dollars and Euros.

Because of the inherent uncertainty of valuation of securities and other investment funds traded in emerging market economies (see Note 10), the estimated fair values may differ significantly from values that will eventually be realized upon an actual liquidation of the portfolio, and such differences could be material.

2. Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Classification

The industry and geographic classifications reflected in the consolidated condensed schedule of investments represent the Manager's belief as to the most meaningful presentation of the classification of the principal business of the holdings in the portfolio.

Redemptions Payable

Redemptions with an effective redemption date as of prior to year-end which have not been paid are recorded as redemptions payable on the statement of assets and liabilities.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The ASU requires the annual financial statements to include income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for the Fund's annual reporting periods beginning after December 15, 2025. Adoption is either with a prospective method or a fully retrospective method of transition. Early adoption is permitted. The Fund is currently evaluating the effect that adoption of ASU 2023-09 will have on its financial statements.

Firebird Aurora Fund, Ltd.

Notes to Consolidated Financial Statements (continued)
Year Ended December 31, 2025

3. Financial Instruments

The following table presents information about the Fund's assets measured at fair value as of December 31, 2025, disaggregated by geographic region.

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value December 31, 2025
Investments in securities:				
Equities:				
Baltics:				
Estonia	\$ -	\$ 10,110,027	\$ -	\$ 10,110,027
Lithuania	8,075,507	2,436,710	-	10,512,217
Total Baltics	8,075,507	12,546,737	-	20,622,244
Central Asia:				
Kazakhstan	321,408	29,118,389	31	29,439,828
Kyrgyzstan	-	45,078	-	45,078
Total Central Asia	321,408	29,163,467	31	29,484,906
Eastern Europe:				
Armenia	-	-	8,872	8,872
Bulgaria	5,907,672	-	90,451	5,998,123
Croatia	-	6,530,071	-	6,530,071
Czech Republic	-	807,006	-	807,006
Georgia	44,534,432	-	635,899	45,170,331
Poland	5,646,823	-	-	5,646,823
Romania	-	33,634,664	294,431	33,929,095
Russia	-	-	10,422,597	10,422,597
Total Eastern Europe	56,088,927	40,971,741	11,452,250	108,512,918
Western Europe:				
Ireland	-	-	109,289	109,289
Netherlands	10,093,484	-	-	10,093,484
Total Western Europe	10,093,484	-	109,289	10,202,773
United States:				
United States	426,150	-	-	426,150
Total United States	426,150	-	-	426,150
Total equities	\$ 75,005,476	\$ 82,681,945	\$ 11,561,570	\$ 169,248,991
Total investment in Securities	<u>\$ 75,005,476</u>	<u>\$ 82,681,945</u>	<u>\$ 11,561,570</u>	<u>\$ 169,248,991</u>
Investments allocated to Class A and M interests	\$ -	\$ 22,946	\$ 744,623	\$ 767,569
Investments allocated to Class B, C and M interests	72,109,116	82,658,999	1,079,526	155,847,641
Investments allocated to Class SS-B, SS-C and SS-M interests	2,896,360	-	9,737,421	12,633,781
Total	<u>\$ 75,005,476</u>	<u>\$ 82,681,945</u>	<u>\$ 11,561,570</u>	<u>\$ 169,248,991</u>

Firebird Aurora Fund, Ltd.

Notes to Consolidated Financial Statements (continued)
Year Ended December 31, 2025

3. Financial Instruments (continued)

	Level 1 Quoted Prices in Active Markets for Identical Assets	Level 2 Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Fair Value December 31, 2025
Investments in other investment funds:				
Baltics:				
Estonia	-	-	\$ 273,463	\$ 273,463
Total investment in other investment funds	-	-	\$ 273,463	\$ 273,463
Investments allocated to Class B, C and M interests	-	-	\$ 273,463	\$ 273,463

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	Equities		
	Central Asia	Eastern Europe	Total
Purchased	-	375,705	375,705
Sales	(1,740)	-	(1,740)
Transfer into Level 3	-	294,431	294,431
	Other Investments Funds		
	Baltics		
Purchases	-		
Sales	(13,682)		
	(13,682)		

Notes to Consolidated Financial Statements (continued)
Year Ended December 31, 2025**3. Financial Instruments (continued)**

A quantitative disclosure of the unobservable inputs and assumptions for Level 3 securities has been provided in the table below.

Asset Class	Geographic Region	Fair Value as at December 31, 2025	Valuation Techniques	Unobservable Inputs	Ranges (Weighted Averages)
Equities	Eastern Europe	\$ 1,975,868	Market comparable companies	Price/Book ratio	1.1 – 4.4 (1.7)
				Enterprise Value/Sales ratio	0.6 – 7.6 (5.7)
				Discount	(75.4%) – (10.0%)
		7,530,853	Discounted last market price	Price/Earnings Transaction multiple	1
		1,936,657		Price/Book Transaction multiple	0.2
	8,872	Discounted last market price	Discount to Market Price	70.00%	
	31		Enterprise Value/EBITDA ratio	29.2	
	Central Asia		Last transaction price	Discount to Market Price	70.00%
	Western Europe	\$ 109,289			
Other investment funds	Baltics	\$ 273,463	Quarterly net asset valuation	Lock up discount	10.00%

4. Due from/to Brokers and Concentration of Credit Risk

Due from/to brokers generally includes amounts receivable or payable for securities transactions that have not been settled at the date of the consolidated financial statements and cash held at brokers for settled trades. The majority of publicly traded investments are held with Swedbank AS. The Fund periodically monitors the credit standing of the brokers and does not expect any material losses as a result of default by brokers.

5. Share Capital

The authorized share capital of the Fund is \$50,000 divided into 4,900,000 Class A, C, and M non-voting shares and 100,000 Class B voting shares each having a par value of \$0.01 per share. Outstanding Class A, C, M, and Class B shares will participate in the assets of the Fund upon liquidation ratably in proportion to their respective redemption values. Each Class B shareholder is entitled to one vote for each share held on any matter presented to a meeting of shareholders. Firebird Avrora Holdings LLC, an affiliate of the Manager, is the Class B shareholder.

Class A shares are redeemed and converted and Class C shares are issued, redeemed and converted in accordance with the Memorandum and Articles of Association.

5. Share Capital (continued)

New series of Class C shares will be issued to all subscribing investors at the offering price of US \$1,000 per share in order to permit the performance allocation to be calculated separately with respect to each share of each series. Accordingly, each series may have a different net asset value per share for each share class.

As of April 30, 2022, the Russian securities held by the Fund were designated as Special Investments. A proportionate number of Special Investment Shares were issued to each holder of the Fund's Class B, Class C and Class M shares with a corresponding redemption of a proportionate number of shares from each of the holders thereof.

Only holders of the series of Special Investment Shares will share in the subsequent appreciation or depreciation of such Special Investments. Upon any sale or other disposition of all or a portion of a Special Investment, the Special Investment shares will be redeemed and the net proceeds, net of cash reserve for the class' expected expenses, thereof will be either distributed to the holders of such series of Special Investment Shares or reinvested in Class C Shares on behalf of such holders. When it is determined the Special Investments should no longer be treated as Special Investments, the Special Investment Shares will be redeemed and new Class C shares having the same aggregate Net Asset Value will be issued to the holders of such Special Investment Shares.

The aggregate value of the Special Investment Shares at December 31, 2025 was \$12,857,391.

Class M shares are only offered to employees of the Manager, its affiliates and related persons, and are subject to the same rights, terms and conditions as the Class C shares except that Class M shares will not be subject to any management fee or performance fee allocation.

Share transactions for the year ended December 31, 2025, were as follows:

	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class M</u>	<u>Class SS-B</u>	<u>Class SS-C</u>	<u>Class SS-M</u>
Shares outstanding at December 31, 2024	1,503.63	1,032.18	16,293.15	35,573.61	990.14	871.13	5,423.28
Shares issued	-	-	7,600.00	22.12	-	-	-
Shares redeemed	(7.73)	-	(422.69)	(1,662.04)	(0.85)	(10.85)	-
Shares transferred	-	0.02	104.32	698.29	(48.39)	(106.50)	(720.81)
Shares outstanding at December 31, 2025	<u>1,495.90</u>	<u>1,032.20</u>	<u>23,574.78</u>	<u>34,631.98</u>	<u>940.90</u>	<u>753.78</u>	<u>4,702.47</u>

6. Management Fees

Pursuant to the Memorandum and Articles of Association and the Management Agreement with effect from April 30, 2009 and the supplement dated May 1, 2022 the Fund pays the Manager a management fee at an annual rate of 1.75% of the Class A and 1.5% of the Class C and Class SS net asset value calculated and payable quarterly in advance based on the Class A, Class C and Class SS share of the Fund's net asset value (before accrual for performance allocation) as of the last business day of the preceding quarter. For the year ended December 31, 2025, the Fund recorded \$569,741 in management fees, none of which was payable at December 31, 2025.

6. Management Fees (continued)

Management fees are not charged to the Class B and M shareholders. The Manager may, in its discretion, waive all or a portion of the management fee with respect to any shareholder.

7. Performance Allocation

Pursuant to the Memorandum and Articles of Association, Investment Advisory Management Agreement and the supplement dated May 1, 2022, Class B Shares receive a performance allocation annually equal in the aggregate to 15% of the net increase each year in the net asset value of each outstanding Class A and Class C share. This calculation is inclusive of net unrealized gains and losses and is subject to a loss carry forward. Class SS shares are subject to the same performance allocation as Class C shares but any performance allocation earned will not be crystallized until there is a realization event for the SS assets.

The Manager may waive all or part of the performance allocation for certain investors. The performance allocations are recorded on the final day of the calendar year in which the fees are charged to investors and in the month following crystallization of performance fees due to a redemption. The performance allocation to Class B and Class SS-B shares for the year ended December 31, 2025, was \$2,822,038. The performance allocation can be withdrawn at any time by the holder of the Class B and Class SS-B shares by way of dividend or redemption.

8. Taxation

There is currently no taxation imposed on income or profits of the Fund by the Government of the Cayman Islands. If any form of taxation were to be enacted, the Fund has been granted an exemption therefrom until September 14, 2043.

The Fund is not subject to United States Federal, state or local taxation. The Fund reports tax information to its U.S. resident shareholders on the accrual basis. The Fund has elected to be treated as a partnership for U.S. Federal income tax purposes.

ASC Topic 740, Income Taxes, provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the consolidated financial statements. ASC Topic 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Fund's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. The Fund has adopted ASC Topic 740 and its impact is reflected in these consolidated financial statements.

The Fund recognizes interest and penalties, if any, as capital gains tax expense in the consolidated statement of operations. During the year, the Fund did not accrue any interest or penalties.

As at December 31, 2025, the Manager has identified one investment holding in Georgia which, under the current tax regulation in this jurisdiction, would be subject to capital gains tax on the investment gains realized for the period since purchase of the investment holding to the date of realization. As such, the Manager has accrued a capital gains tax payable of \$19,160 with regard to such investment holding, which is disclosed in the unrealized capital gains tax reserve in the consolidated statement of assets and liabilities.

8. Taxation (continued)

Should the fair value of the investment holdings identified change prior to the realization of the investment then the accrued capital gains tax payable would be adjusted accordingly.

Tax accruals are calculated in local currencies. The effective rate to the Fund can exceed or be less than the applicable rates if the local currency has appreciated or depreciated against the US Dollar during the period of investment.

Tax legislation in all of the jurisdictions in which the Fund invests is subject to varying interpretations and changes, which can occur unexpectedly. The Manager's interpretation of such legislation as applied to transactions and activities of the Fund and its subsidiaries since inception may be challenged by the relevant regional and federal authorities. It is not practical to determine the amount of unasserted claims that may manifest themselves, if any, or the likelihood of any unfavorable outcome thereof.

9. Related Party Transactions

In accordance with ASC Topic 850, *Related Party Disclosures*, related parties include principal ownership (defined to include investments where the Fund combined with funds under common control hold interests greater than 10%), associated companies (defined as investments where the Fund combined with funds under common control hold interests less than 10% and have members on the Board of Directors), and Affiliates. Affiliates are defined as other investment funds managed by the Manager and related parties of the Manager.

Transactions with these entities during the year ended December 31, 2025, were as follows:

	Principal Ownership		Associated Companies		Affiliates
Purchases of investments	\$	-	\$	-	\$
Sales of investments		-		22,927	-
Realized loss		-		(5,891,735)	-

Included in related parties are the following entities in which the Fund and Affiliates have a greater than 10% aggregate interest in the entity and/or a Director(s) seat is held.

Name of Company	2025 Ownership by the Fund and Affiliates		2025 Investments Held by the Fund	Industry
Amber Trust	3.01%	\$	273,463	Miscellaneous
Arco Vara AS	3.67%		344,542	Real Estate
Georgian Beverages Holdings	7.54%		201,647	Consumer Products
Global Gold Corp	35.05%		8,872	Gold
PR Foods	58.92%		48,920	Food

All investments in the above companies are carried at fair value, as discussed in Note 2.

10. Investment Risks

The Fund's investments are based principally in the emerging economies of Russia, the other former Soviet Republics and certain other European countries (the "Target Region"). Therefore, they are subject to the risks inherent in those economies including, but not limited to:

- **Political Risk** Changes in government policy of countries in the Target Region (such as nationalization, expropriation or confiscatory taxation, currency blockage, political changes, government regulation, social instability or diplomatic developments) could adversely affect the economies of the countries in the Target Region. In addition, geopolitical conflicts between countries in the Target Region, or between such countries and Western countries, could lead to sanctions or other restrictions that could adversely affect existing and potential investment opportunities for the Fund;
- **Legal Risk** Many of the laws that govern private and foreign investment, securities transactions, creditors' rights and other contractual relationships in countries in the Target Region are relatively untested and not fully developed. As a result, the Fund may be subject to a number of unusual risks, including contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets, and lack of enforcement of existing regulations. There can be no assurance that difficulties in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. Laws and regulations of countries in the Target Region could change quickly and unpredictably and may impose restrictions or approvals that do not exist in countries with more developed market economies;
- **Market Risk** Stock prices are volatile and are affected by the real or perceived impacts of such factors as economic conditions and political events. The stock market tends to be cyclical, with periods when stock prices generally rise and periods where stock prices generally decline. Any given stock market segment may remain out of favor with investors for a short or long period of time, and stocks as an asset class may underperform bonds or other asset classes during some period.
- **Exchange and Currency Risk** At present, some of the currencies of countries in the Target Region are not freely and fully convertible into other currencies or traded internationally. Currency exchange values are also subject to direct and indirect government controls. Such internal exchange markets can therefore be said to be neither liquid nor competitive. Historically, many currencies in the Target Region have experienced sharp devaluations relative to the U.S. dollar and other Western currencies. The value of investments in the Fund will be affected by fluctuations in the value of local currencies against the U.S. dollar or by changes in local exchange control regulations, tax laws, withholding taxes, and economic or monetary policies. Additionally, since several of the countries in the Target Region are either Eurozone members or have local currencies pegged to the Euro, fluctuations in the Euro's value against the U.S. dollar will affect the Fund. Adverse fluctuations in currency exchange rates can result in a decrease in net return and in a loss of capital. Accordingly, investors must recognize that the value of Class A, C, M, B, SS-B, SS-C and Class SS-M shares can fall as well as rise for this reason;
- **Investments through Subsidiaries** The Fund may make investments in portfolio companies through wholly-owned or jointly-owned subsidiaries under certain circumstances, for example to minimize exposure to certain taxes, to facilitate future sales of portfolio companies, or to facilitate an initial offering of stock of the holding company on an international stock exchange. These subsidiaries may have

10. Investment Risks (continued)

different depositaries, administrators and/or auditors than the Fund, or may have no such depositary, administrator or auditors. Therefore, the use of these subsidiaries may subject the Fund to additional risks that would not have been incurred if investments were made directly;

- **Illiquidity of Investments** Securities held by the Fund may be subject to greater price volatility than is usually the case with stocks in more developed markets, in some cases to a substantial degree. A limited number of issuers often represent a disproportionately large percentage of market capitalization and trading value in markets in the Target Region. Also, the Fund may invest in securities that are acquired from companies in offerings that are not registered under U.S. or other securities laws. Such securities may be illiquid, may not be actively and widely traded, may only be traded by a limited number of institutional investors, or may not be traded at all. Registered securities may also be “deregistered” after they are acquired by the Fund;
- **Settlement Risk** The clearing, settlement and registration systems through which transactions are executed and settled in certain countries in the Target Region are significantly less developed than those in more mature world markets. This can result in significant delays and other material difficulties in settling trades and in registering transfers of securities. It is currently prohibited for the Fund to transact on the Moscow Stock Exchange;
- **Custody Risk** As a result of sanctions imposed upon Russia, Western banks have reduced or exited their operations in Russia. Banks that are custodians of Russian securities, such as the custodians used by the Fund, may choose to withdraw fully from Russia or refuse to continue to custody any Russian securities. In this case, it could be difficult or impossible to obtain a substitute custodian, which could result in losses for the Fund;
- **Confiscation Risk** Given ongoing hostilities between Russia and “unfriendly” foreign countries, which includes the countries where the Fund and the Manager are domiciled, there is a risk that Russian assets owned by the Fund could be confiscated by the Russian government. This risk is heightened in the case of ruble cash held in “S” accounts;
- **Quality of Information** Investors in the Target Region often have access to less reliable or less detailed information, including both general economic data and information concerning the operations, financial results, capitalization and financial obligations, earnings and securities of specific enterprises. The quality and reliability of information available to the Fund may, therefore, in some cases, be less than in respect of investments in Western countries. Russian companies have since, the imposition of sanctions in response to the invasion of Ukraine, been subject to Russian government restrictions on the amount and quality of financial information they may provide;
- **Taxation in Target Region** Investments by the Fund in the Target Region will have differing tax consequences. Not all jurisdictions in the Target Region have tax treaties providing relief from capital gains or other taxes. Consequently, the Fund may be subject to substantial taxation in certain jurisdictions. In order to minimize the tax consequences of investments, the Fund may invest through the Subsidiary or create investment vehicles in other jurisdictions or make investments directly. Tax laws and administration in certain countries in the Target Region, however, are fluid and often capricious, and there can be no

10. Investment Risks (continued)

assurance that the Fund will be able to anticipate all taxes or will be able to create a structure to minimize taxes in any particular jurisdiction;

- **Accounting Practices** Accounting standards in many nations in the Target Region frequently do not correspond to international accounting standards or generally accepted accounting practices in all material respects. In addition, auditing requirements and standards may differ from those generally accepted in the international capital markets and, consequently, information available to investors in developed capital markets is not always obtainable in respect of companies in the Target Region;
- **Criminality** Organized crime and corruption, including extortion and fraud, remain common in many countries in the Target Region. Threats or incidents of crime may cause or force the Fund to cease or alter certain activities or liquidate certain investments, which may cause losses or otherwise have a material adverse effect on the Fund;

The above risks are not unique in the context of emerging markets investing.

The Fund could be affected, for the foreseeable future, by these risks and their consequences, and the effects could be significant. The accompanying consolidated financial statements do not include any adjustments that may result from the future clarification of these uncertainties. Such adjustments, if any, will be reported in the Fund's consolidated financial statements in the period when they become known and estimable.

11. Indemnifications

The Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

12. Financial Highlights

Financial highlights for the year ended December 31, 2025, were as follows:

	Class A	Class C	Class SS - C
Total return before performance allocation	19.49%	73.77%	40.06%
Performance allocation	<u>0.00%</u>	<u>(4.94)%</u>	<u>(1.33)%</u>
Total return after performance allocation	<u>19.49%</u>	<u>68.83%</u>	<u>38.73%</u>
Ratios to average net assets			
Total expenses before performance allocation	(7.07)%	(2.26)%	(2.60)%
Performance allocation	<u>0.00%</u>	<u>(7.85)%</u>	<u>(1.75)%</u>
Total expenses after performance allocation	(7.07)%	(10.11)%	(4.35)%
Net investment income (expense)	<u>(9.85)%</u>	<u>5.59%</u>	<u>(16.97)%</u>

Shares are issued within classes to each investor by series. These series are permanent and will remain outstanding until the investor fully redeems. As a result, the Fund presents financial highlights consistent with those presented for a partnership, which are ratios to average net assets and total return, but not per share data.

13. Credit Facilities

As of December 31, 2025, the Fund had a credit agreement (“Credit Facility”) with Swedbank AS, pursuant to which the Fund has granted security over its assets held at Swedbank AS in order to have access to funds on a short-term basis to fulfill redemption requests in limited circumstances, as determined by the Manager. Pursuant to the terms of the Credit Facility, the Fund can borrow up to approximately \$1,303,540. This line of credit is at market rates and as at December 31, 2025, there were no outstanding amounts due.

14. Subsequent Events

Management has evaluated events subsequent to year end through April 10, 2026, the date the consolidated financial statements were available to issue. During this period the Fund recorded \$100,000 Class C subscriptions, \$21,697 Class SS-C redemptions and \$2,000,000 Class M redemptions subsequent to the year end.

In February 2026, Citibank, N.A. completed the sale of its Russian subsidiary, AO Citibank, to JSC RenCap Bank “RenCap”. Following the completion of this transaction, RenCap has assumed the role of local sub custodian for the Fund’s Russian publicly-traded investments. There has been no change to the overall custody chain structure, or to the process by which the Fund’s assets are held.