

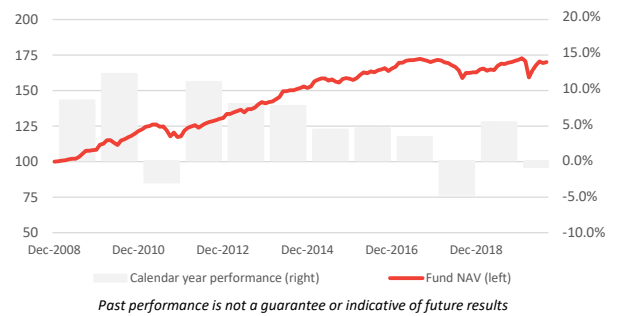
Investment Objectives & Approach

The Fund is targeted to private individuals and corporate investors who wish to preserve their capital through business cycles but are willing to accept risk in order to earn moderate returns. The assets of the Fund may be invested in any liquid financial asset (incl. cash, deposits, bonds, equities, other investment funds, derivatives). The Fund's assets shall be invested globally, with a focus on Central and Eastern Europe. The Fund's risk level and portfolio allocation shall vary over time in accordance with the views of Avaron investment managers. Overall investors should accept that relatively high risk is associated with investing into the Fund. There is no guarantee that investors will get back the amount invested. The Fund is suited to an investor who does not want to follow the markets daily himself or herself and wishes the Avaron investment team to decide the allocation of each asset class (equities, bonds, deposits). Fund units can be redeemed with prior notice of 7 or 30 calendar days. However, arising from the Fund's investment strategy an investor should have an investment horizon of at least 3 years. Should the horizon fall below three years, investor should consider exiting the Fund.

Fund Manager's Comment, August 2020

Equity markets continued on the uptrend that started in April driven by vaccine hopes, improving earnings revisions and loose monetary policy with the Fed stating that is letting inflation rise above its 2% target over the next few years. Emerging Europe underperformed Europe (+3.2% in €) and Emerging Markets (+0.7% in €) posting -0.3% return in €. Fixed income markets were mixed, driven by weakening dollar. Oil price continued to rise (+3.2%) while gold corrected (-1.7%). Avaron Flexible Strategies Fund NAV gained 0.3% driven by stock price performance. At month-end 20% of the portfolio is in equities (11.7x 2021E earnings, 5.8% DY), 38% in bonds (6.9% yield to 2.2 year maturity), 3% in gold and 39% in cash which we plan to put to work once opportunities arise.

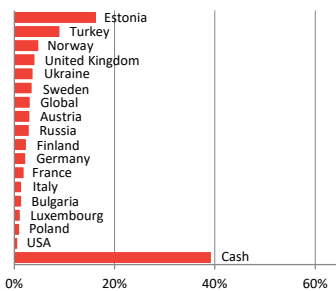
Performance since launch



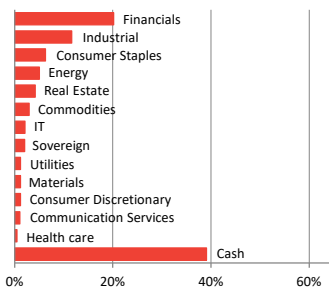
Performance overview	Net return	Calendar year net return
1 month	0.3%	2019 5.4%
YTD	-1.0%	2018 -4.8%
3 months	1.2%	2017 3.3%
6 months	-0.4%	2016 4.5%
1 year	0.8%	2015 4.4%
3 years	-1.3%	
5 years	8.7%	
7 years	24.2%	
10 years	46.8%	
Since inception	69.9%	

CAGR of calendar years		
Years	Fund	
2015-2019	2.5%	
2017-2019	1.2%	
2018-2019	0.2%	

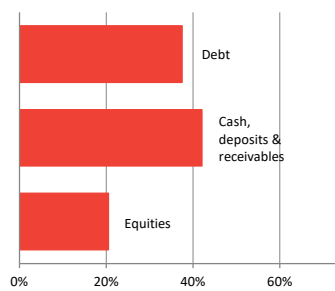
Geographic breakdown



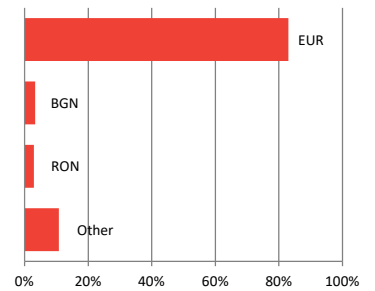
Sector breakdown



Asset class breakdown



Net currency breakdown



Country allocation

	Aug-20	Change				
		1 mo	3 mo	12 mo	3 years	5 years
Estonia	16.1%	0.3%	0.4%	-0.9%	6.4%	11.6%
Turkey	8.9%	-0.3%	0.2%	-8.6%	4.5%	8.9%
Norway	4.7%	0.1%	0.1%	2.5%	4.7%	4.7%
United Kingdom	3.9%	0.0%	-0.3%	3.9%	3.9%	3.9%
Ukraine	3.5%	0.0%	-0.3%	1.6%	3.5%	3.5%
Sweden	3.3%	0.0%	0.3%	2.4%	3.3%	3.3%
Global	3.0%	-1.5%	-1.2%	3.0%	3.0%	3.0%
Austria	2.9%	0.1%	-0.3%	0.3%	1.1%	2.9%
Others	14.5%	-0.3%	0.1%	5.4%	-47.8%	-56.4%

Contribution analysis

	1 mo	3 mo	12 mo	YTD	3 years	5 years
Estonia	-0.2%	0.2%	0.0%	-0.4%	2.3%	4.6%
Turkey	-0.3%	-0.1%	0.5%	-0.7%	1.5%	2.1%
Norway	0.1%	0.1%	0.2%	0.3%	0.4%	0.4%
United Kingdom	0.0%	-0.2%	-0.1%	-0.1%	-0.1%	-0.1%
Ukraine	0.1%	0.0%	0.2%	0.2%	0.5%	0.5%
Sweden	-0.1%	0.2%	0.0%	-0.2%	-0.1%	-0.1%
Global	0.0%	0.3%	0.8%	0.8%	1.1%	1.1%
Austria	0.1%	-0.2%	-0.3%	-0.4%	-0.2%	0.5%
Others	0.7%	1.4%	1.4%	0.8%	-1.6%	9.3%

Risk metrics	5Y risk
Volatility	3.0%
Sharpe ratio	0.69

Sector allocation

	Aug-20	Change				
		1 mo	3 mo	12 mo	3 years	5 years
Financials	20.2%	-0.2%	0.3%	-5.8%	14.6%	18.6%
Industrial	11.7%	0.6%	1.8%	5.1%	11.7%	11.7%
Consumer Staples	6.3%	-0.1%	-0.3%	2.6%	5.4%	6.3%
Energy	5.1%	-3.7%	-4.6%	5.1%	5.1%	2.0%
Real Estate	4.2%	0.1%	-0.1%	-3.8%	-4.4%	3.0%
Commodities	3.0%	-1.5%	-1.2%	3.0%	3.0%	3.0%
IT	2.1%	0.1%	0.1%	2.1%	2.1%	2.1%
Others	7.3%	0.4%	1.6%	1.6%	-54.8%	-61.3%
FX Derivatives	1.1%	0.1%	0.8%	1.4%	1.0%	0.9%
Cash	39.1%	4.2%	1.7%	-11.4%	16.3%	13.8%

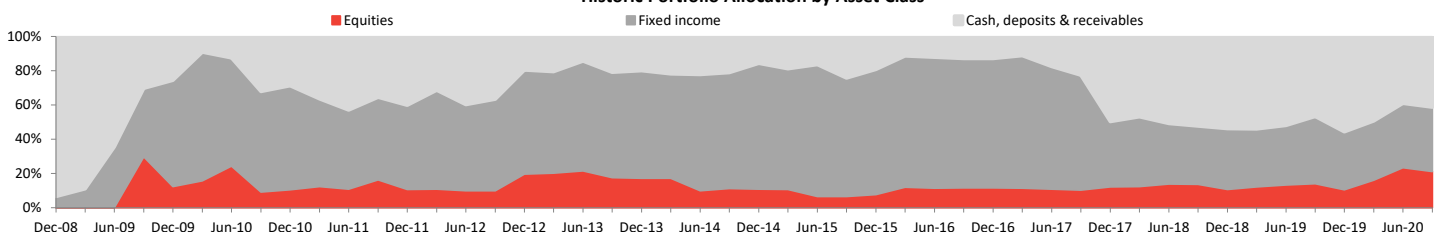
Contribution analysis

	1 mo	3 mo	12 mo	YTD	3 years	5 years
Financials	0.0%	0.7%	1.0%	-0.6%	2.9%	4.0%
Industrial	-0.4%	0.0%	-1.3%	-1.4%	-0.5%	-0.5%
Consumer Staples	0.0%	0.0%	0.3%	0.2%	-0.4%	-0.5%
Energy	0.2%	-0.7%	0.1%	0.1%	0.2%	0.2%
Real Estate	0.1%	-0.1%	-0.5%	-0.6%	0.1%	2.2%
Commodities	0.0%	0.3%	0.8%	0.8%	1.1%	1.1%
IT	0.1%	0.1%	0.5%	0.5%	0.5%	0.5%
Others	0.4%	0.6%	1.3%	0.9%	2.0%	13.2%
FX Derivatives	0.1%	0.8%	0.6%	0.5%	-2.0%	-2.0%
Cash	-0.1%	-0.1%	-0.2%	-0.2%	-0.2%	-0.1%

Fund statistics

Number of positions	40
Top5	15.7%
Top10	26.0%

Historic Portfolio Allocation by Asset Class



Fund Facts - Avaron Flexible Strategies Fund

Investment Manager	AS Avaron Asset Management	Min. Investment	-
Fund type	non-UCITS, public common alternative investment fund	Front-end load	-
Asset class	Flexible, all asset classes	Management fee	1.25%
Launch date	December 17, 2008	Performance fee	10% over EURIBOR 12-months, annual reset (Dec 31)
Domicile	Estonia	Back-end load (to the fund)	Rate depends on advance notice period - Advance notice 7 calendar days: 1.5% - Advance notice 30 calendar days: 0%
Currency	EUR	Bloomberg ticker	AVFLXS ET
Dividends	reinvested	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
Fund size, MEUR	9.9	See Lipper, TK Valoren tickers:	www.avaron.com/fundfacts_flex
Total AUM, MEUR	250+	ISIN Code	NAV 31-Aug-2020
Unit	EE3500100922		16.9918 EUR
Cut-off subscriptions	10am CET	Fund documents & prospectus	www.avaron.com/documents
Cut-off redemptions	10am CET, notice period 7 or 30 calendar days (redemption price will be fixed after the notice period)		
NAV frequency	Daily dealing, T+3		
Public offering	Estonia		
Supervised by	Estonian FSA		
Custodian	Swedbank AS		
Transfer agent	Swedbank AS		
NAV calculation	Swedbank AS		
External auditor	KPMG		
Internal auditor	PWC		

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 18 professionals (including 10 in the investment team), based in Estonia and Poland, takes care of around 250 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:



Kristel Kivinurm-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 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 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 UK Investors: In relation to persons in the United Kingdom, the information herein is directed only at Investment Professionals in the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. This material should not be relied on by persons in the United Kingdom who are not Investment Professionals. Any investment or investment activity to which this material relates is available in the United Kingdom only to Investment Professionals and will be engaged in only with Investment Professionals.