

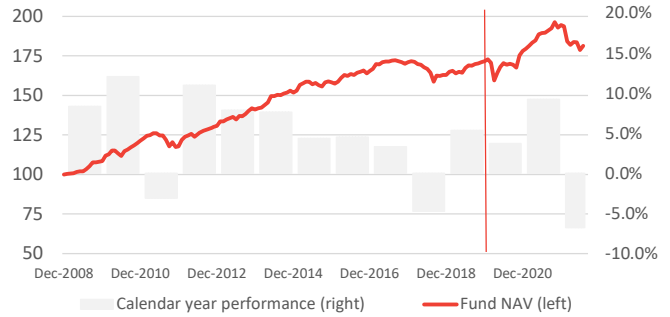
Investment Objectives & Approach

The Fund aims to grow the capital of private individuals and corporate investors over long term. The Fund has a global mandate with emphasis on European markets. The Fund is an actively managed investment fund and mainly combines the best opportunities we find among listed equities, bonds and commodities. The share of each asset class and the Fund's risk level vary over time in accordance with the views of Avaron investment managers. Investors' interests are aligned with Avaron as the Fund's investment managers are the largest investors of the Fund. Arising from the Fund's investment strategy an investor should have an investment horizon of at least 5 years.

Fund Manager's Comment, July 2022

Global equities rebounded in July following a sharp correction in June as central banks' rhetoric is slowly starting to acknowledge accumulating recession risks. As a result yields on government bonds across the world have dropped significantly since mid-June. The US 10y treasury yield has dropped a whole 100bps lower from 3.5% to 2.5%, while German government bonds have gone through a similar move, falling to 0.8% from a high of 1.7% just a month and a half prior. July saw a broad-based gain in most markets around the globe, supported further for euro-based investors by the strengthening of the dollar (2.6% gain vs € in July). Although inflation remains high, clear signs of a slowing economy are beginning to emerge, signalling lower inflation and interest rates for the future. This is currently bullish for both equities as well as fixed income, especially longer duration bonds. As of the end of July, 30% of the Fund's portfolio was invested in equities, 46% in bonds and 3% in gold. 21% of the Fund is in cash. The Fund's equity portfolio consists of 36 companies, which on average trade at 9.0x 2023 expected earnings and deliver a strong 6.1% dividend yield. The bond portfolio, consisting of 44 bonds, trades at an 8.5% yield to maturity (including the cost of hedging FX) with an average duration of 3.8 years, which is a very attractive level considering the current low yield environment. The ongoing bear market in both equities and fixed income, has brought prices in equity markets to more attractive levels, particularly in Europe. In our view the likelihood of a recession along with lowered inflation has risen which could prompt central banks to loosen financial conditions soon.

Performance since launch



From 2020 the Fund's strategy changed to long-term capital growth from capital protection. Past performance is not a guarantee or indicative of future results

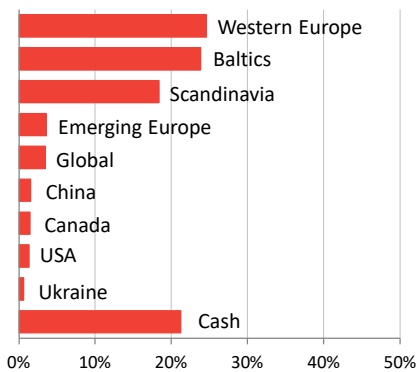


Performance overview	Net return
1 month	1.5%
3 months	-1.3%
6 months	-6.4%
YTD	-6.8%
1 year	-4.3%
3 years	7.3%
5 years	5.4%
7 years	14.8%
10 years	43.0%
Since inception	81.2%

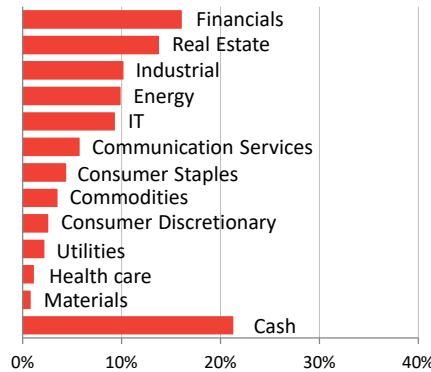
Calendar year net return	
2021	9.2%
2020	3.7%
2019	5.4%
2018	-4.8%
2017	3.3%

CAGR of calendar years		
Years	Fund	
2017-2021	3.3%	
2019-2021	6.1%	
2020-2021	6.5%	

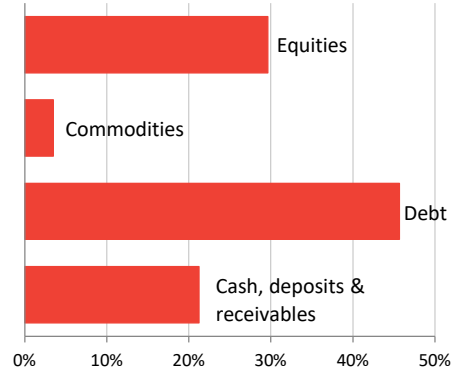
Geographic breakdown



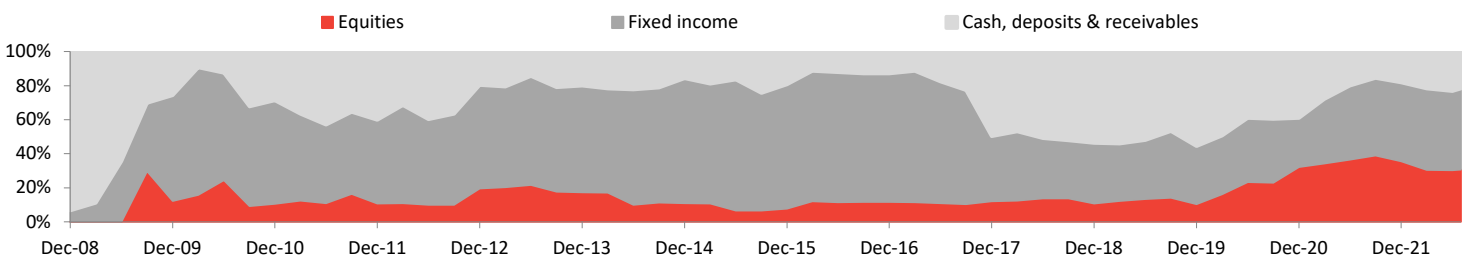
Sector breakdown



Asset class breakdown



Historic Portfolio Allocation by Asset Class



Fund Facts - Avaron Flexible Strategies Fund

Investment Manager	AS Avaron Asset Management
Fund type	non-UCITS, public common alternative investment fund
Asset class	Flexible, all asset classes
Launch date	December 17, 2008
Domicile	Estonia
Currency	EUR
Dividends	reinvested
Fund size, MEUR	13.2
Total AUM, MEUR	136.5

Unit	ISIN Code	NAV 31-Jul-2022
	EE3500100922	18.1241 EUR

Cut-off subscriptions	10am CET
Cut-off redemptions	10am CET, notice period 30 calendar days

NAV frequency	Daily
Public offering	Estonia
Supervised by	Estonian FSA
Custodian	Swedbank AS
Transfer agent	Swedbank AS
NAV calculation	Swedbank AS
External auditor	KPMG
Internal auditor	PWC

Fund documents & prospectus www.avaron.com/documents

Fund Fees

Front-end load None

Management fee 0.95%

Performance fee 10% over eurozone inflation rate

Back-end load (to the fund) None*

*Fund units can be redeemed in 30 calendar day advance notice. However, investors have the right to redeem fund units also with 7 calendar day advance notice in which case a redemption fee of 1.5% shall be applied and added into Fund's income.

The Fund does not have a minimum investment requirement, however in the interests of return on investment, it is reasonable to start with at least 5,000 euros.

Bloomberg ticker

AVFLXSB ET

See Lipper, TK Valoren tickers:

www.avaron.com/our-products/flex/

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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 300 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 8 in the investment team), based in Estonia and Poland, takes care of 130M+ 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

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