

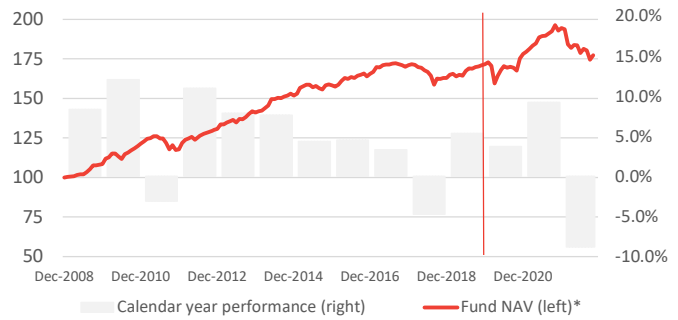
Investment Objectives & Approach

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, October 2022

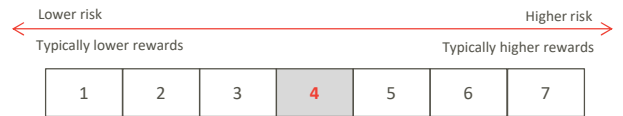
October saw global equities rally back (+5,1%) after two consecutive months of losses. Meanwhile Emerging markets underperformed due to a strong sell-off in China (-14%). The market reaction to the results of Q3 earnings season has been relatively positive with the technology sector being the major outlier. Credit markets saw spreads between government bonds and high-yield instruments widen as a result of continuing interest rate hikes in October. Avaron Flexible Strategies Fund gained 1.6% in October, driven by the strong contributions of the Fund's equity positions. As of the end of October 31% of the Fund's portfolio was invested in equities, 49% in bonds and 3.4% in gold. 17% of the Fund is in cash, as a tactical decision in order to be able to buy into market weakness, should there be a downturn. The Fund's equity portfolio consists of 39 companies, which on average trade at 8.6x 2023 expected earnings and deliver a strong 6.4% dividend yield. The bond portfolio, consisting of 47 bonds, trades at a 9.7% yield to maturity (including the cost of hedging FX) with an average duration of 3.9 years, which is a very attractive level considering the current yield environment. The correction in bond prices and tech stocks YTD has been significant enough to where some interesting opportunities are beginning to emerge. However, we remain conservative when adding equity risk to the portfolio as the correction in earnings' expectations is still ongoing. On the fixed income side, we are becoming increasingly constructive on longer duration debt, as the market has already priced in a significant rise in yields.

Performance since launch



*Rebased (October 2008 = 100)

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	1.6%
3 months	-2.2%
6 months	-3.5%
YTD	-8.8%
1 year	-9.6%
3 years	4.2%
5 years	3.7%
7 years	12.1%
10 years	37.1%
Since inception	77.3%

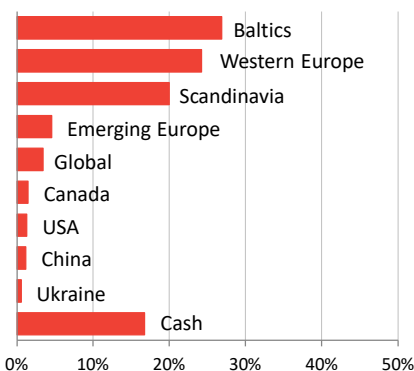
Calendar year net return

Year	Net return
2021	9.2%
2020	3.7%
2019	5.4%
2018	-4.8%
2017	3.3%

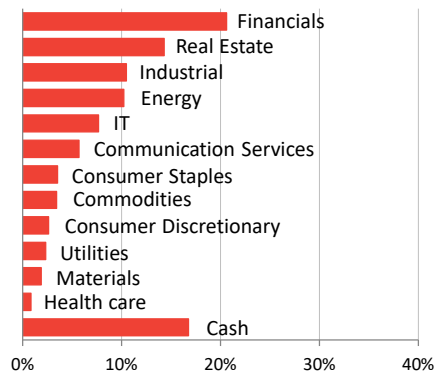
CAGR of calendar years

Years	Fund
2017-2021	3.3%
2019-2021	6.1%
2020-2021	6.5%

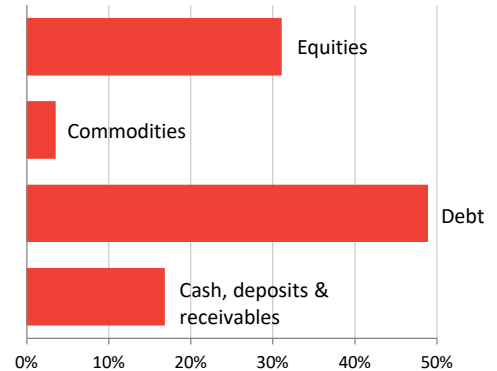
Geographic breakdown



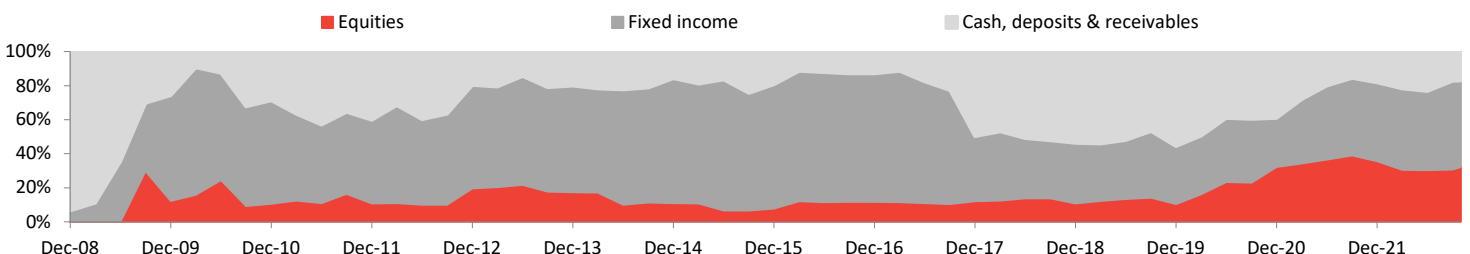
Sector breakdown



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	12.8
Total AUM, MEUR	133.5

Unit	ISIN Code	NAV 31-Oct-2022
	EE3500100922	17.7293 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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