

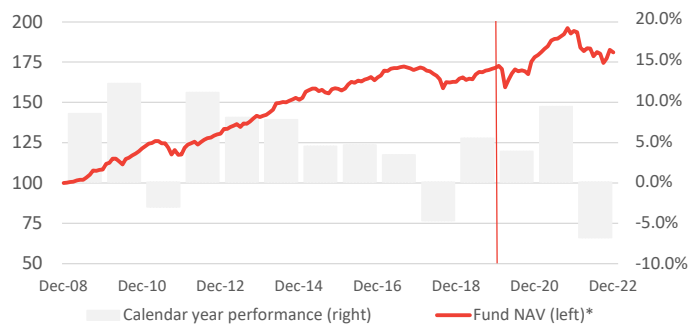
Investment Objectives & Approach

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, December 2022

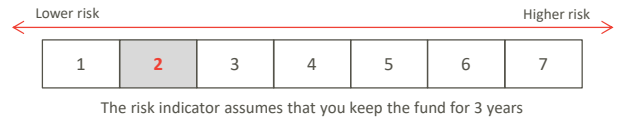
December ended on a sour note for global equities, as MSCI ACWI dropped 6.7%, the Emerging Europe region and China were outliers, ending the month in positive territory. Fixed income also stumbled last month, with dollar-based bonds dropping 2.8% due to newfound strength in the euro. Avaron Flexible Strategies Fund lost 0.8% in December, driven lower by negative returns from the Fund's equity positions. 2022 turned out to be a difficult year for most asset classes, the classic 60/40 portfolio, consisting of 60% stocks and 40% bonds, ended the year down 17.5% in \$, the worst year since 1937. All major stock indices fell last year, with the global MSCI ACWI index ending the year down 14.8%. Fixed income also fell in 2022, with bonds in the Eurozone ending the year down 17%. The bond portfolio of our Flexible Strategies Fund significantly outperformed most major bond indices, posting a return of -0.2% for 2022. As of the end of the end of the year 31% of the Fund's portfolio was invested in equities, 48% in bonds 3.4% in gold and 17% in cash. The Fund's equity portfolio consists of 38 companies, which on average trade at 9.4x 2023 expected earnings and deliver a strong 5.5% dividend yield. The bond portfolio, consisting of 46 bonds, trades at a 9.5% yield to maturity with an average duration of 3.9 years, which is a very attractive level considering the current yield environment. In our view a peak in inflation will be reached in the coming months, after which we will see a significant drop in CPI throughout next year, which should be supportive for both fixed income and equities.

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	-0.8%
3 months	3.8%
6 months	1.4%
YTD	-6.8%
1 year	-6.8%
3 years	5.6%
5 years	5.9%
7 years	14.4%
10 years	38.7%
Since inception	81.1%

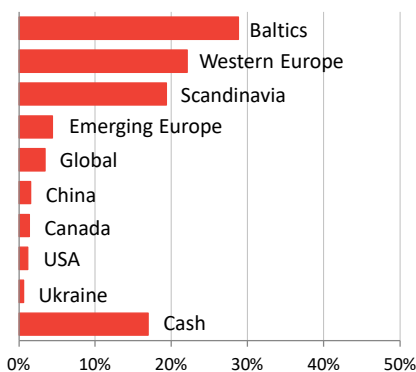
Calendar year net return

2022	-6.8%
2021	9.2%
2020	3.7%
2019	5.4%
2018	-4.8%

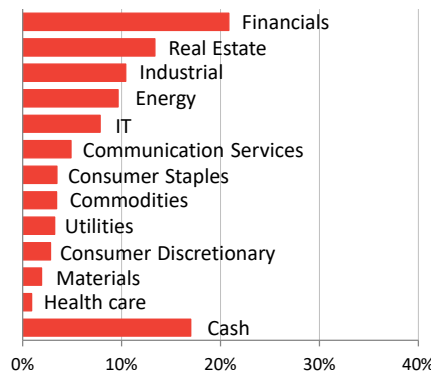
CAGR of calendar years

Years	Fund
2021-2022	0.9%
2020-2022	1.8%
2018-2022	1.2%

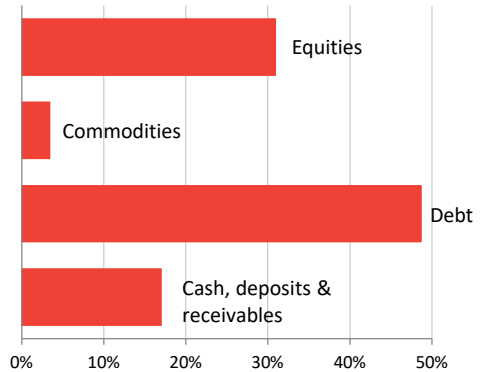
Geographic breakdown



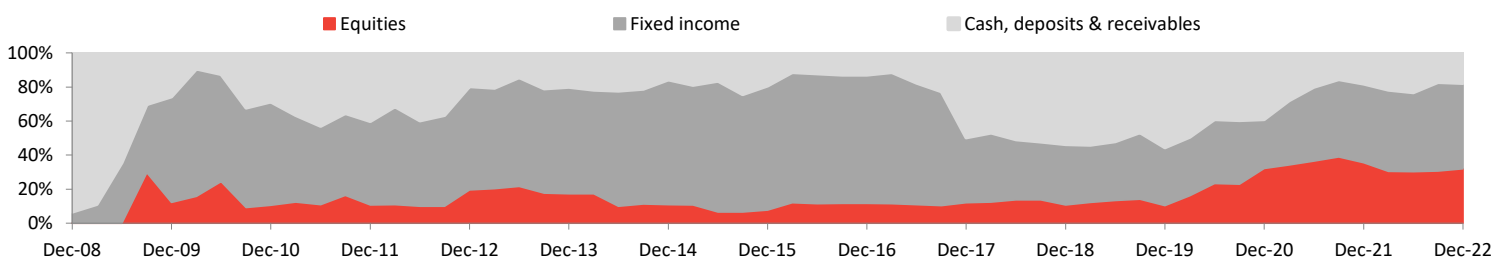
Sector breakdown



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	13.1
Avaron's ownership	20.8% of the Fund
Total AUM, MEUR	144.9

Unit	ISIN Code	NAV 31-Dec-2022
	EE3500100922	18.1114 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/

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

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 17 professionals (including 8 in the investment team), based in Estonia and Poland, takes care of 140M+ 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 Kivimurm-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

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 +372 664 4205; fax +372 664 4201; e-mail invest@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 and marketing purposes. 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 as 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 the 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.