

## Key Investor Information

This document provides you with key investor information about this Fund. It is not a marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

### Avaron Flexible Strategies Fund

ISIN: EE3500100922

The Fund is managed by AS Avaron Asset Management (the Management Company)

## Objectives and Investment Policy

The investment objective of the Fund is long term capital growth through economic and market cycles. In order to do that Fund's assets are invested globally into various asset classes: equities and equity-like instruments, corporate and municipal debt instruments, deposits and other financial instruments. Fund's assets may be invested also into real estate and precious metals. Making transactions with derivatives on behalf of the Fund is allowed for the purpose of hedging risks as well as for the purpose of achieving the Fund's investment objectives.

The asset allocation of the Fund is not tied to a certain benchmark. The allocation between different asset classes, geographic regions and industrial sectors may vary over time, depending on the investment teams' views and the prevailing market conditions.

The assets of the Fund shall be invested globally. However, the Management Company's main investment competence and activities are concentrated on Emerging Europe, which may result in the Fund's investment portfolio focus also being on Emerging Europe countries.

Information on the principles of the Fund's investment policy and investment restrictions is available in more detail in the Fund prospectus and rules.

Fund units shall be issued on every banking day. Units can be redeemed with either 7 or 30 calendar days (by default) prior notice. When a 7 days' prior notice period has been chosen, a redemption fee is applied payable to the Fund. No redemption fee shall be applied with 30 days' prior notice. The switching of units with the units of other funds managed by the Management Company is not allowed.

Proceeds from the Fund's investments shall be reinvested, no distributions shall be made to the investors. The unitholder's return on his or her investment into the Fund is reflected in the increase or decrease of the net asset value of the unit.

**Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within 3 years.**

## Risk and Reward Profile



The risk and reward indicator shows the correlation between risk and possible returns of investing in the Fund. The higher the Fund is positioned on this scale, the greater the possible reward but also the greater risk of losing money. The risk category is calculated using historical data over the last 5 years. The historical information used may not be a reliable source for assessing the future risk profile of the Fund.

**The lowest category does not mean that the investment is risk free.**

The Fund is in category 3 which means that the risk for value changes in the Fund is moderate. This category may change over time. The preservation or growth of the investment is not guaranteed and investor bears the risk of investment decreasing in value.

Taking into account the flexible investment strategy of the Fund, investment focus in Emerging Europe region and range of different asset classes, the risk level of the Fund should be considered as **high**.

Various risks relate to investing into the Fund that may have a negative effect on the outcome of the investment and are not reflected with the risk and reward indicator.

**Emerging market risk** – the Fund's assets shall be invested globally but with a focus on Emerging Europe region which can be subject to legal, social, political and economic instability, possibility of large currency fluctuations, lower liquidity in local markets and higher volatility.

**Unsuccessful asset allocation decision risk** – risk that the return of the chosen asset class, region or particular investment shall be lower than that of other possible investments that were not included in the Fund's portfolio based on the discretion of the investment manager.

**Currency risk** – the Fund invests in currencies other than the base currency (EUR) of the Fund that may change in an adverse direction due to fluctuations in exchange rates.

**Liquidity risk** – risk that Fund's assets may be difficult to sell at a certain time for a certain price.

**More information on risks that may have effect on the outcome of the investment into the Fund is available in Fund's prospectus in chapter "Risks".**

The prospectus is available at: [www.avaron.com/documents](http://www.avaron.com/documents).

## Charges

The charges you pay are used to pay for the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

### *One-off charges taken before or after you invest*

<b>Entry charge</b>	None
<b>Exit charge</b>	<ul style="list-style-type: none"><li>• 0% - if notice period 30 calendar days (default option)</li><li>• 1.5% - if notice period 7 calendar days (requires separate notification to the Management Company by e-mail to: <a href="mailto:invest@avaron.com">invest@avaron.com</a>)</li></ul>

### *Charges taken from the Fund over a year*

**Ongoing charges** 1.50%

### *Charges taken from the Fund under certain specific conditions*

**Performance fee** 10% of the amount that the Unit return exceeds the reference index return (positive relative return), provided the Unit had a positive performance over a calendar year.

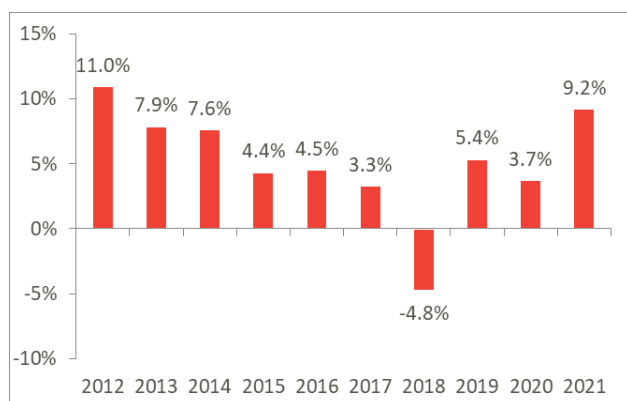
The **ongoing charges** figure is based on the expenses for the calendar year 2020. It includes management fee, custody fee, expenses related to keeping the register of the units, fund administration and accounting fees and expenses related to auditing the Fund. This figure may vary from year to year. Transaction costs are not included in ongoing charges.

The benchmark index for calculating the **performance fee** are the results of the Euro area Harmonised Index of Consumer Prices (HICP - All Items) officially published by Eurostat. The crystallisation period is calendar year and measurement period is up to 5 years. In 2021 a performance fee of 1.10% was taken from the Fund.

More information on charges can be found in the chapter "Fees and expenses" in Fund prospectus.

The prospectus is available at: [www.avaron.com/documents](http://www.avaron.com/documents).

## Past Performance



The past performance does not guarantee or offer any indications regarding future performance.

For the calculation of past performance ongoing charges, performance fees and transaction costs are included. Performance figures exclude entry or exit charges.

The Fund was launched on December 17, 2008.

Past performance has been calculated in EUR.

## Practical information

The depositary of the Fund is **Swedbank AS** (reg.no. 10060701).

Fund rules and prospectus, annual and semi-annual reports are available free of charge at the Management Company's website: [www.avaron.com/documents](http://www.avaron.com/documents) or by request from the Management Company.

Description of the Management Company's remuneration policy, including information regarding the principles of calculating and persons responsible for determining the remuneration, is available at the Management Company's website [www.avaron.com](http://www.avaron.com). The description of the remuneration policy in form of a paper copy is made available to the investors at the registered office of the Management company upon request.

The Management Company has outsourced the keeping account of the Fund's assets, organising the accounting of the Fund and determining the Fund's net asset value to Swedbank AS (reg.no. 10060701). The calculations of net asset value, subscription and redemption price of a Unit are done at least once for each banking day on the following banking day no later than 4.30 PM CET+1. The Management Company verifies calculations and discloses the information at its website [www.avaron.com](http://www.avaron.com).

If a unit-holder is a taxable person, gains from Units may be taxable. The Management Company does not withhold any taxes on gains earned from Units. Declaring such gains in the tax declaration of accounting period is an obligation of a unit-holder. The tax system applicable to an investor may depend on the investor's residence for tax purposes, legal set-up and other circumstances. We advise to consult a professional tax advisor.

**AS Avaron Asset Management may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the Fund.**

*This Fund is authorised in Estonia and regulated by Estonian Financial Supervision Authority.*

*AS Avaron Asset Management is authorised in Estonia and regulated by Estonian Financial Supervision Authority.*

*This key investor information is accurate as at 1 February 2022.*