

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, May 2023

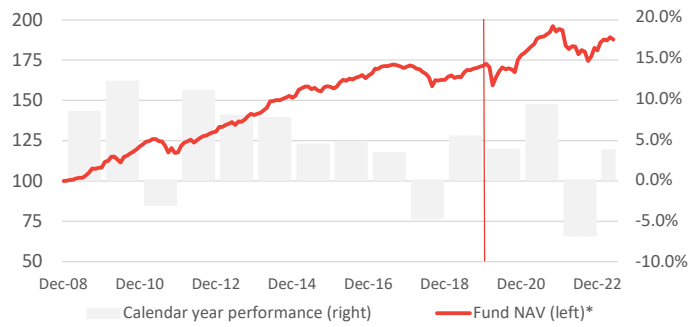
Global equity markets were weak in May. However, due to 3.1% appreciation of the dollar against euro the global equity market index and US showed strong performance. Dollar was supported by strong US employment data which led investors to believe that rates will be further hiked in the States. Fixed income markets moved sideways in base currencies but ended the month on the positive side due to the strength of the dollar.

The Fund NAV lost 0.8% in May, driven by falling equity prices. As of the end of May 31% of the Fund's portfolio was invested in equities, 53% in bonds, 3% in gold and 13% in cash. The latter is a tactical bet to have fresh powder in case of falling market.

The Fund's equity portfolio consists of 38 companies, which on average trade at 11x 2023 expected earnings and deliver a strong 4.4% dividend yield. We currently find the most interesting investment opportunities in Western Europe where we have allocated 20% of the Fund's assets.

The bond portfolio, consisting of 49 bonds, trades at a 9.4% yield to maturity with an average duration of 4.1 years, which is a very attractive level considering the current yield environment and gives a strong buy to bonds in Europe. 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



The risk indicator assumes that you keep the fund for 3 years

Performance overview

	Net return
1 month	-0.8%
3 months	0.0%
6 months	2.9%
YTD	3.7%
1 year	2.3%
3 years	11.9%
5 years	12.0%
7 years	15.8%
10 years	37.6%
Since inception	87.8%

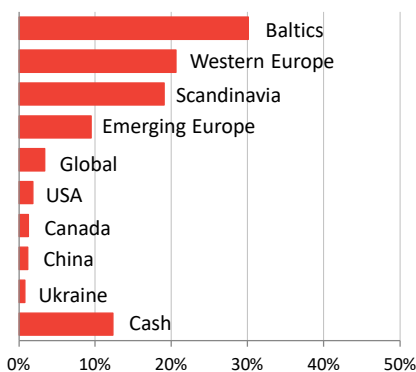
Calendar year net return

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

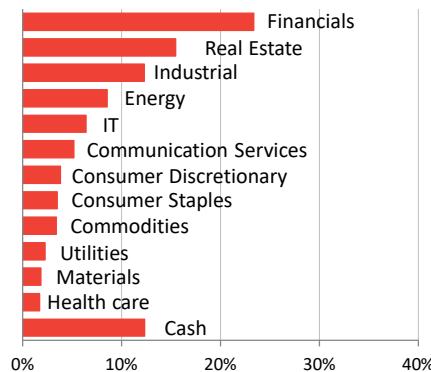
CAGR of calendar years

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

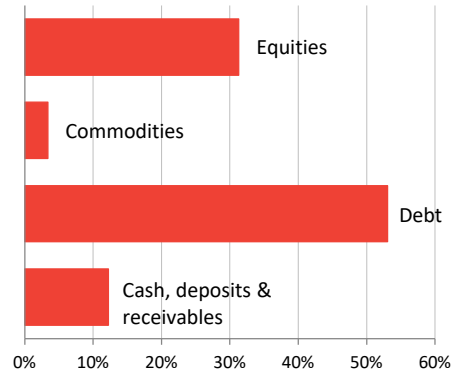
Geographic breakdown



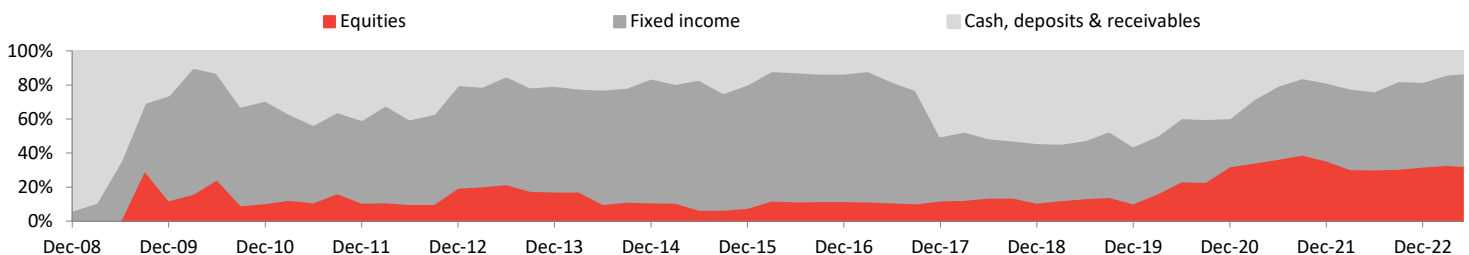
Sector breakdown



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	14.4
Avaron's ownership	16.5% of the Fund
Total AUM, MEUR	237.7

Unit	ISIN Code	NAV 31-May-2023
	EE3500100922	18.7772 EUR

Cut-off subscriptions	10am CET
Cut-off redemptions	10am CET, notice period 10 business 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 <https://avaron.com/documents/>

Fund Fees

Front-end load	None
Management fee	0.95%
Performance fee	10% over eurozone inflation rate*
Back-end load	None

*The hurdle rate in 2022 was 10%, the current year-on-year inflation rate is 6.9%.

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. We aim to deliver positive risk-adjusted return to our clients over the market cycle. Our portfolios are long-only and invest in listed companies.

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 15 professionals (including 7 in the investment team), based in Estonia and Poland, takes care of 230M+ euros of mainly professional investor assets.

We 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
Head of Research,
Investment Manager

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