

### Investment Objectives & Approach

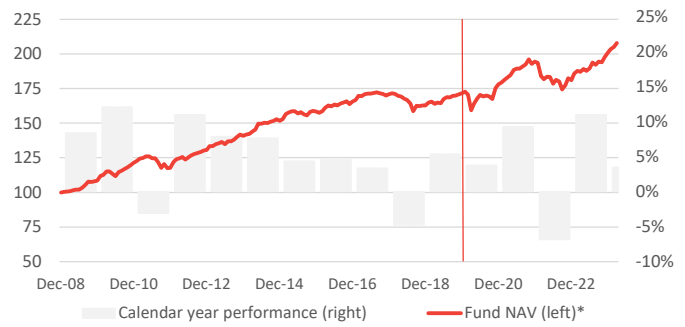
The Fund aims to grow the capital of private individuals and corporate investors over long term. The Fund has a global mandate with emphasis on European markets. The Fund is an actively managed investment fund and mainly combines the best opportunities we find among listed equities, bonds and commodities. 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, March 2024

**In March global equities continued their rally that started back last autumn, reaching new highs.** The performance of equities in Q1 was the best over the past five years. Despite delayed rate cuts markets are optimistic as economic data has stayed strong and base inflation at higher rate than expected. Companies' strong Q4 results are also the reason to be optimistic. Fixed income markets provided positive return in March.

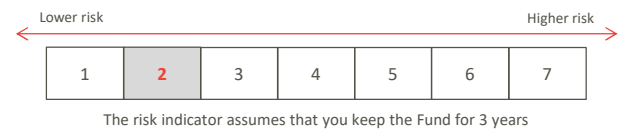
**The Fund NAV gained 1.4% in March**, driven equally by bonds, equities and gold. In Q1 the Fund NAV increased by 3.5%, driven mainly by high yield bonds. 28% of the Fund's portfolio is invested in equities, 66% in bonds and 3% in gold. **The Fund's equity portfolio consists of 35 companies, which on average trade at 13.5x 2024 expected earnings and deliver 3.8% dividend yield.** We currently find the most interesting investment opportunities in Western Europe. Among equities we prefer cyclical growth companies, such as industrials and retailers. Growth stocks account for 14%, dividend stocks 9% and commodities 4% of the portfolio. **The bond portfolio, consisting of 56 bonds, trades at a 8.8% yield to 5.4 year maturity** which is a very attractive level considering the current yield environment and **gives a strong buy to bonds in Europe.** Within a year we expect the ECB to start cutting rates which should have a positive effect on both bond and equity investments. Geographically we are finding the best fixed income cases these days from the Baltics, Scandinavia and Emerging Europe.

### 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	1.4%
3 months	3.5%
6 months	6.9%
YTD	3.5%
1 year	11.1%
3 years	13.5%
5 years	26.9%
7 years	22.6%
10 years	44.6%
Since inception	108.0%

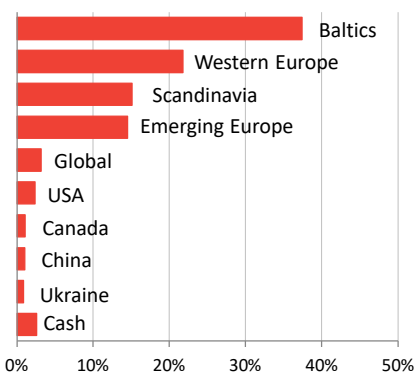
### Calendar year net return

2023	11.0%
2022	-6.8%
2021	9.2%
2020	3.7%
2019	5.4%

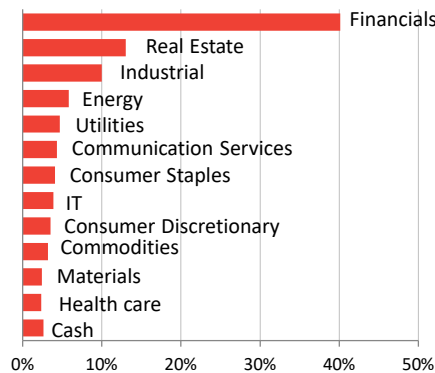
### CAGR of calendar years

Years	Fund
2022-2023	1.7%
2021-2023	4.1%
2019-2023	4.3%

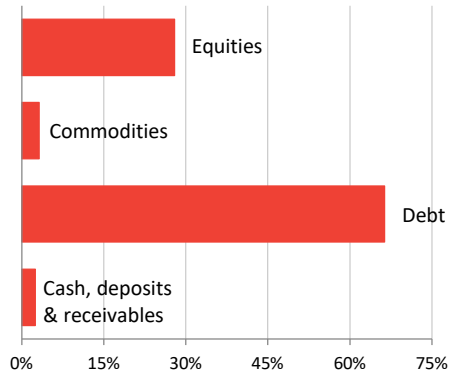
### Geographic breakdown



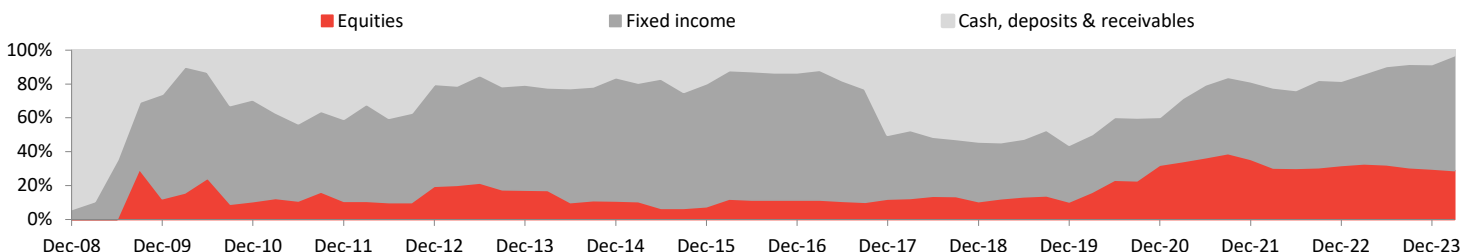
### Sector breakdown



### Asset class breakdown



### Historic Portfolio Allocation by Asset Class



## Fund Facts - Avaron Flexible Strategies Fund

<b>Investment Manager</b>	AS Avaron Asset Management
<b>Fund type</b>	non-UCITS, public common alternative investment fund
<b>Asset class</b>	Flexible, all asset classes
<b>Launch date</b>	December 17, 2008
<b>Domicile</b>	Estonia
<b>Currency</b>	EUR
<b>Dividends</b>	reinvested
<b>Fund size, MEUR</b>	16.9
<b>Avaron's ownership</b>	16.4% of the Fund
<b>Total AUM, MEUR</b>	240+

<b>Unit</b>	<b>ISIN Code</b> EE3500100922	<b>NAV 31-Mar-2024</b> 20.7981 EUR
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<b>Cut-off subscriptions</b>	10am CET
<b>Cut-off redemptions</b>	10am CET, notice period 10 business days

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

**Fund documents & prospectus** <https://avaron.com/documents/>

## Fund Fees

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

\*The hurdle rate in 2023 was 2.4%, the current year-on-year inflation rate is 3.4%.

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/](http://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 16 professionals (including 8 in the investment team), based in Estonia and Poland, takes care of 240M+ 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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