

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, February 2024

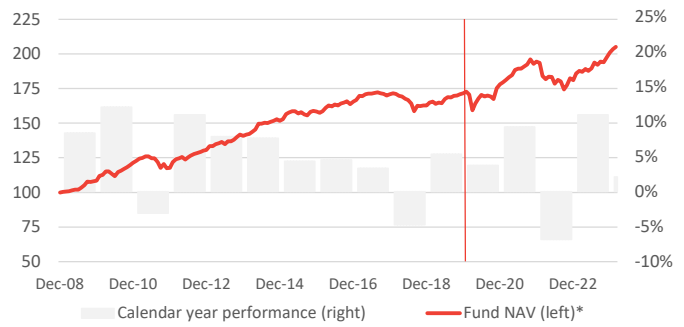
Major global equity benchmarks surged significantly in February, reaching new record highs. Current equity markets' valuation level depicts investors' perception of falling inflation, normalization of interest rate levels and improvement in global growth. Fixed income markets fell in February as European and US inflation data increased the probability of delayed rate cuts. High-yield papers were the exception as they are more sensitive to specific company credit risk compared to changes in base rates.

The Fund NAV gained 0.8% in February, driven mainly by contribution in high yield bonds. As of the end of the month 28% of the Fund's portfolio was invested in equities, 68% in bonds and 3% in gold.

The Fund's equity portfolio consists of 37 companies, which on average trade at 12.9x 2024 expected earnings and deliver 3.8% dividend yield. We currently find the most interesting investment opportunities in Western Europe where we have allocated 19% of the Fund's assets. Among equities we prefer cyclical growth companies, such as industrials and retailers where we have allocated over 14% of the assets.

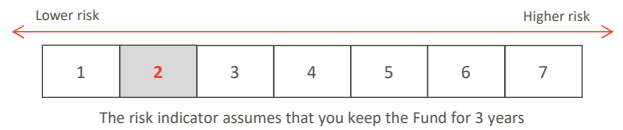
The bond portfolio, consisting of 56 bonds, trades at a 8.8% yield to maturity with an average duration of 4.5 years, which is a very attractive level considering the current yield environment and **gives a strong buy to bonds in Europe.** Geographically we are finding the best fixed income cases these days from the Baltics and Scandinavia.

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	6.8%
YTD	2.1%
1 year	9.3%
3 years	13.2%
5 years	24.0%
7 years	20.9%
10 years	44.3%
Since inception	105.2%

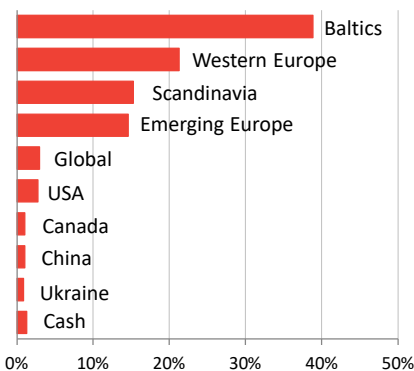
Calendar year net return

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

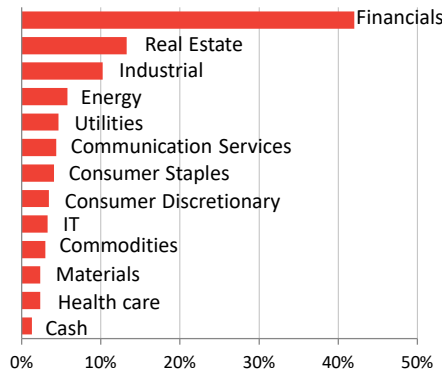
CAGR of calendar years

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

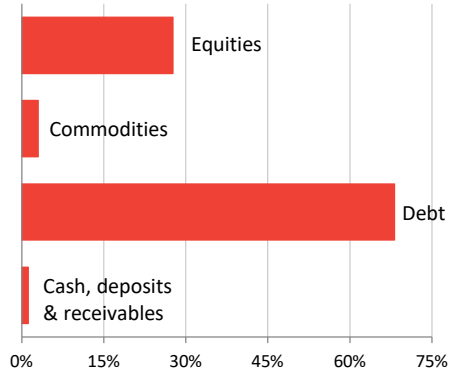
Geographic breakdown



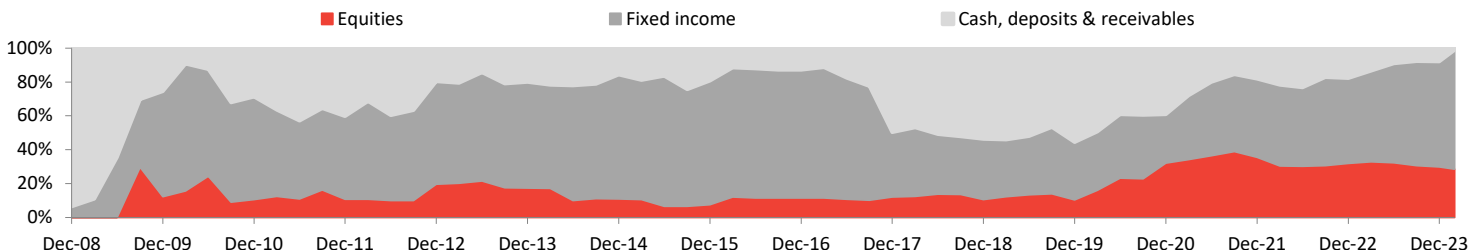
Sector breakdown



Asset class breakdown



Historic Portfolio Allocation by Asset Class



Fund Facts - Avaron Flexible Strategies Fund

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	16.7
Avaron's ownership	16.4% of the Fund
Total AUM, MEUR	240+

Unit	ISIN Code	NAV 29-Feb-2024
	EE3500100922	20.5161 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
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Management fee	0.95%
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Performance fee	10% over eurozone inflation rate*
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Back-end load	None
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*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/

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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 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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