



Avaron Flexible Strategies Fund

SEMI-ANNUAL REPORT FOR THE FINANCIAL YEAR 2022
UNAUDITED

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FUND FACTS

Avaron Flexible Strategies Fund is a public common alternative investment fund registered in the Republic of Estonia.

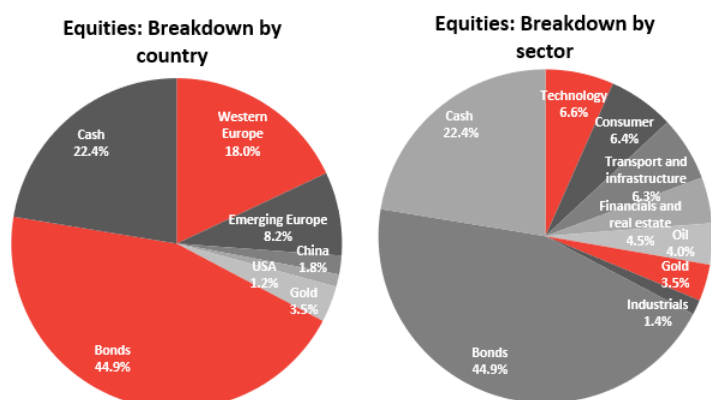
Name of the Fund	Avaron Flexible Strategies Fund
Fund Management Company	AS Avaron Asset Management (reg. no. 11341336)
Registered address and contact details of the Fund Management Company	Address: Narva mnt 7d, 10117 Tallinn, Estonia Phone: +372 664 4200 Facsimile: +372 664 4201 E-mail: avaron@avaron.com www.avaron.com
Depository & custody bank	Swedbank AS (reg. no. 10060701)
Fund administration (NAV calculation) & Transfer Agent services	Swedbank AS (reg. no. 10060701)
Auditor	KPMG Baltics OÜ (reg. no. 10096082)
Supervisor	Estonian Financial Supervision Authority
Investment managers	Valdur Jaht, Peter Priisalm, Rain Leesi
Fund established	25 November 2008
Start of the Fund's activities	17 December 2008
Reporting period	1 January 2022–30 June 2022

MANAGEMENT REPORT

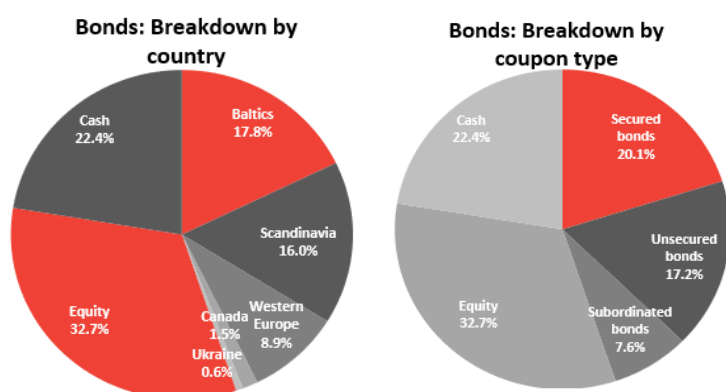
Avaron Flexible Strategies Fund (hereinafter: “the Fund”) is an actively managed fund set up for investors that wish to assign asset allocation decision making to Avaron. The Fund aims to grow the capital of private individuals and corporate investors over long term. The Fund has a global mandate with 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

In first half of 2022 the Fund lost 8.1%. The total net assets of the Fund increased from €12.1 million to €12.9 million during the first half of the year. As of the end of June, 29% of the Fund’s portfolio was invested in equities, 45% in bonds and 3% in gold. Regionally 43% of the Fund is invested in Western Europe, 27% in Eastern Europe and 8% outside of Europe.

The Fund has invested in stocks of 36 companies which on average trade at 8.6x 2023 expected earnings and deliver strong 6.4% dividend yield. We find the most attractive equities these days in Western Europe. Following a strong correction in the prices of technology companies, we prefer the tech sector as well as fast growing consumer-driven companies. Nearly 6.3% of the portfolio is invested in high-dividend names among ports, gas and electricity distribution firms as well as oil and commodity names that continue enjoy strong cash flows due to high energy prices.



The bond portfolio, consisting of 43 bonds, trades at 8.1% yield to maturity of 3.8 years which is attractive taking into account low yield environment. Most of our bond portfolio is invested in corporate bonds in the Baltics and Scandinavia.

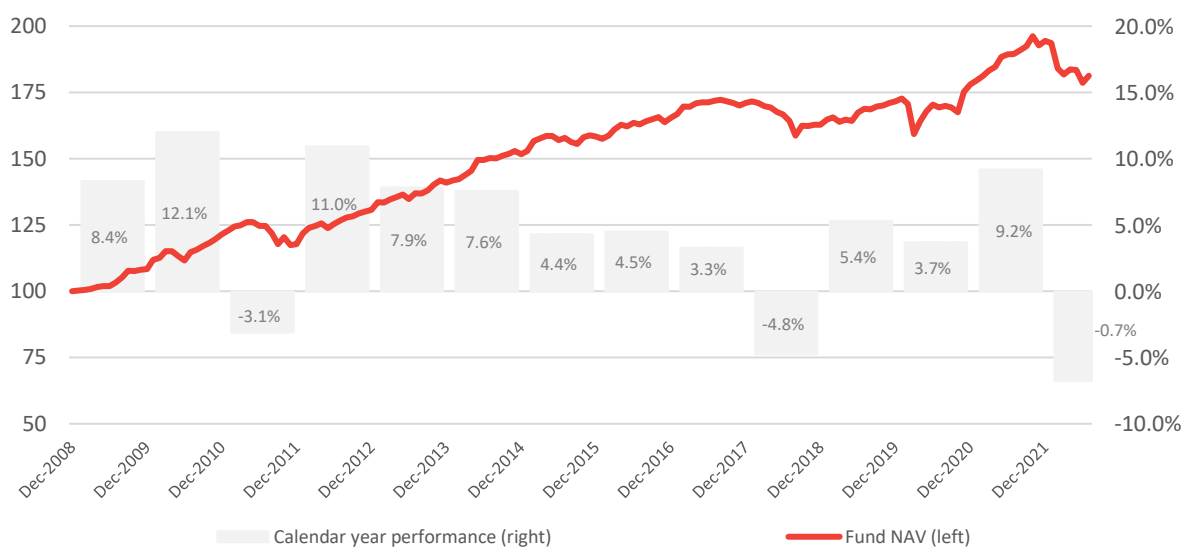


The ongoing bear market in both equities and fixed income, has brought prices in equity markets to more attractive levels, particularly in Europe. At the same time growing uncertainty in economic outlook along with higher inflation prompt us to take caution on the broader market. Given the current environment it is becoming increasingly difficult to forecast just how much global growth will slow down to and how likely we are to see the risk entering a stagflation period. Stagflation is an environment of high inflation and low growth combined with high unemployment.

The correction in bond prices and tech stocks in the past 5 months has been significant enough to where some interesting opportunities are beginning to emerge. However we remain conservative when adding equity risk to the portfolio as worst-case scenarios such as a significant recession or stagflation are currently not priced in by the market. 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. In our view the likelihood of a recession along with lowered inflation has risen which in turn would prompt central banks to loosen financial conditions once more. Our focus when adding credit risk continues to be on high-yield bonds, utilizing our company specific analysis to avoid loss of capital due to default. We continue to prioritize diversification both in terms of asset class and sector, which helps lower risks in times of uncertain market conditions.

Table 1. Net return of the Fund units, in EUR

	2022 HY1	1 year	3 years	5 years	7 years
Unit	-8.1%	-5.7%	6.7%	4.3%	13.8%



Graph 1. Performance of Fund’s NAV since launch



30 August 2022

Kristel Kivinurm-Priisalm
Member of the Management Board

CONFIRMATION OF THE MANAGEMENT BOARD OF THE FUND MANAGEMENT COMPANY TO THE SEMI-ANNUAL FINANCIAL STATEMENTS OF 2022

The Management Board of the Fund Management Company has prepared the semi-annual Financial Statements of Avaron Flexible Strategies Fund on 30/08/2022.

The Financial Statements have been prepared in accordance with the requirements stipulated in the regulation no 1606/2002/EU of the European Parliament and of the Council on the application of International Financial Reporting Standards (hereinafter “IFRS”) as adopted by the European Commission, the Investment Funds Act, Minister of Finance Regulation no 8 of 18/01/2017 “Requirements for the reports of investment funds to be published” and no 11 of 31/01/2017 “Procedure for Determination of Net Asset Value of Investment Funds” as established on the basis of the Investment Funds Act.

It gives a true and fair view of the assets, liabilities, net asset value and performance results of Avaron Flexible Strategies Fund. The Management Board considers Avaron Flexible Strategies Fund to carry its activities as a going concern.

The semi-annual Financial Statements of Avaron Flexible Strategies Fund have been approved by the Fund Management Company and the Investment Managers.

Name	Date	Signature
Kristel Kivinurm-Priisalm <i>Member of the Management Board of the Fund Management Company</i>	30/08/2022	/Signed digitally/
Valdur Jaht <i>Member of the Management Board of the Fund Management Company / Investment Manager</i>	30/08/2022	/Signed digitally/
Peter Priisalm <i>Investment Manager</i>	30/08/2022	/Signed digitally/
Rain Leesi <i>Investment Manager</i>	30/08/2022	/Signed digitally/

FINANCIAL STATEMENTS**BALANCE SHEET**

In EUR

ASSETS	Note	30/06/2022	31/12/2021
Cash and cash equivalents	3	2,509,298	1,883,713
Term deposits	3	402,354	401,376
Financial assets at fair value through profit or loss:			
Shares and units	4	4,224,480	4,570,065
Bonds	4	5,094,988	4,579,489
Loans and receivables			
Receivables and prepayments	4	169	13,419
Unlisted bonds	4	692,747	814,803
TOTAL ASSETS		12,924,036	12,262,865
LIABILITIES			
Financial liabilities at fair value through profit or loss:			
Derivatives	4; 7	6,307	39,976
Other financial liabilities			
Payables to the management company	4; 6	10,262	123,274
Payables to the depository	4	2,517	2,440
Other liabilities	4	2,732	1,854
TOTAL LIABILITIES (except net assets attributable to holders)		21,818	167,544
NET ASSETS ATTRIBUTABLE TO HOLDERS		12,902,218	12,095,321

STATEMENT OF INCOME AND EXPENSES

In EUR

INCOME	Note	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Interest income		188,820	104,987
From bonds		187,286	103,620
From deposits		1,534	1,367
Dividend income			
From shares and units		110,645	83,962
Net gain/loss from financial assets at fair value through profit or loss		-1,341,070	531,034
From shares and units	5	-985,807	493,224
From bonds	5	-304,940	60,455
From derivative instruments	5	-50,323	-22,645
Net gain/loss from foreign exchange		62,350	39,545
TOTAL INCOME		-979,255	759,528
OPERATING EXPENSES			
Management fees	6	58,529	62,369
Performance fees	6	-	69,360
Custodian fees		13,444	11,630
Transaction fees		656	539
Other operating expenses		4,904	2,584
TOTAL OPERATING EXPENSES		77,533	146,482
NET INCOME		-1,056,788	613,046

STATEMENT OF CHANGES IN NET ASSETS

In EUR

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021	01/01/2020- 30/06/2020
NET ASSET VALUE AT THE BEGINNING OF THE PERIOD	12,095,321	9,584,520	10,195,421
Cash received for fund units issued	1,968,308	232,150	70,293
Cash paid for fund units redeemed	-104,623	-113,435	-186,500
Net result of the Fund	-1,056,788	613,046	-68,917
NET ASSET VALUE AT THE END OF THE PERIOD	12,902,218	10,316,281	10,010,297
	31/12/2022	30/06/2021	30/06/2020
Number of units in circulation at the end of the period:	722,374.448	544,865.900	587,419.369
Net asset value of an unit:	17.8608	18.9336	17.0412
Total net asset value of the units in circulation:	12,902,218	10,316,281	10,010,297

STATEMENT OF CASH FLOWS

In EUR

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	179,503	79,651
Dividends received	123,681	82,650
Net result from foreign exchange	-105,414	109,246
Sale of investments	774,806	1,035,996
Purchase of investments	-2,011,396	-2,393,832
Operating expenses paid	-189,463	-418,608
	-1,228,283	-1,504,897
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of units	1,968,308	232,150
Payments on redemption of units	-104,750	-113,435
	1,863,558	118,715
TOTAL CASH FLOWS	635,275	-1,386,182
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the beginning of the period	1,883,714	3,152,016
Effect of exchange rate fluctuations on cash and cash equivalents	-9,691	5,409
Cash and cash equivalents at the end of the period	2,509,298	1,771,243

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ACCOUNTING POLICIES AND ASSESSMENTS USED

The semi-annual financial statements of Avaron Flexible Strategies Fund for 2022 have been prepared in compliance with the valid Investment Funds Act as supplemented by the regulations of the Minister of Finance. The financial statements have been prepared, as stipulated in the Minister of Finance Regulation 8 of 18/01/2017 “Requirements for the reports of investment funds to be published” in accordance with the accounting policies and information presentation principles of the International Financial Reporting Standards as approved by the European Commission while taking into account the specifications of the regulation and Rules for Calculating Net Asset Value of Funds.

The financial statements have been prepared in EUR, which is also Fund’s functional and presentation currency.

The main accounting principles used when preparing the financial statements have been set out below.

The following standards and interpretations have been used for the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- Amendment to IFRS 3 “Business Combinations” (effective for annual periods beginning on or after 1 January 2022),
- Amendments to IAS 16 “Property, Plant and Equipment” (effective for annual periods beginning on or after 1 January 2022),
- Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” (effective for annual periods beginning on or after 1 January 2022),
- Annual Improvements 2018-2020 (effective for annual periods beginning on or after 1 January 2022).

The adoption of these amendments to the existing standards has not led to any significant changes in the Fund’s accounting policies.

Standards and Interpretations issued by IASB that are adopted by the EU but have not yet been implemented

At present EU has approved the following standards, amendments to the existing standards and interpretations, which were not yet applicable:

- IFRS 17 “Insurance Contracts” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 12 “Income Taxes” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 1 “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors” (effective for annual periods beginning on or after 1 January 2023).

The Fund has not applied the new standards or amendments before deadline. The new standards and amendments listed above may have an impact on Fund’s effective accounting principles. The Fund measures the potential impact on its financial reports.

Standards and interpretations issued by IASB but not yet adopted by the EU

At present, the IFRS’ as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except the following standards, amendments to the

Avaron Flexible Strategies Fund

existing standards and interpretations, which were not endorsed for use as at date of publication of the financial statements:

- IFRS 17 “Insurance Contracts” (effective for annual periods beginning on or after 1 January 2023),
- Amendments to IAS 1 “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 January 2023),

The Fund has not estimated the impact on the new standards and amendments on its accounting principles and semi-annual report.

Use of estimates and judgements

The preparation of the financial statements calls for the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements have been used according to the best knowledge based on prior experience and other factors that the management considers reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Financial instruments are recognized in the balance sheet at fair value taking into account the principles stipulated in the Rules for Calculating Net Asset Value of Funds approved by the Management Board. The fair value of financial instruments quoted on actively traded markets is determined by the quoted prices. If the prices in active markets are not available other valuation models are being used according to the Rules for Calculating Net Asset Value of Funds. Main risks involved with the estimates and judgements that may affect the value of the Fund’s assets and liabilities are related to measuring the fair value of financial instruments based on valuation models that use unobservable inputs.

Foreign currency transactions

Foreign currency transactions are recorded using the last bid rate established by the depositary for the funds managed by AS Avaron Asset Management on the transaction date (hereinafter referred to as the depositary bid rate). This rate is based on market inputs. The assets and liabilities quoted in foreign currency are translated into EUR based on the depositary bid rate applicable on the reporting date.

Gains and losses from foreign currency transactions are recorded in the statement of income and expenses under “Gain/ (loss) from transactions in foreign currencies” on a net basis.

Financial instruments

Financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets include cash, contractual right to receive cash or another financial assets (for example receivables) from another entity, equity instruments of another entity and contractual rights to exchange financial assets with another entity under potentially favourable conditions. Financial liabilities include contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets with another entity under potentially unfavourable conditions.

Financial assets and liabilities are initially recorded at cost, which is the fair value of the consideration paid or received to acquire the financial asset or liability. Financial instruments are later divided into three categories in accordance to the principles of IFRS 9 taking into account the measurement:

1. amortised cost;
2. fair value through other comprehensive income (FVOCI);
3. fair value through profit or loss (FVTPL).

The Fund does not hold financial assets measured at fair value through other comprehensive income.

Classification

On initial recognition, the Fund classifies financial instruments at amortised cost or fair value through profit or loss. A financial instrument is measured at amortised cost if it is not designated as at FVTPL, it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). The classification and subsequent measurement depend on the business model for managing the financial assets and the contractual cash flow characteristics. The classification of financial assets is determined at initial recognition. The Fund has determined the following business models for managing financial assets:

- held-to-collect business model, which includes financial assets that are held to collect contractual cash flows,
- other business model, where financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent purchases and sales taking place.

Recognition

In the course of normal business activities investments into shares or units of funds, bonds and derivative instruments are recognised using the trade date accounting principles. Trade date is defined as the date when the Fund takes the obligation to buy or sell the financial instrument. Financial assets and liabilities are initially recognised at acquisition cost, which is the fair value of the consideration paid for the financial asset.

After initial recognition all the financial assets and liabilities are measured at fair value in the category “At fair value through profit or loss” or at amortised cost. Gains/ (losses) from the revaluation of securities are recorded in the statement of income and expenses under “Net gain/loss from financial assets at fair value through profit or loss”.

Dividend income from the financial assets at fair value through profit or loss are recorded in the statement of income and expenses under “Dividends” at the moment when the Fund’s right to the dividend is fixed.

Fair value of financial instruments

Fair value is the price that would be received upon selling an asset or paid upon transferring a liability in an orderly transaction in the principal market (or the most advantageous market) between market participants at the measurement date, irrespective if the price is easily traceable or shall be determined using other valuation techniques. According to the fair value hierarchy stipulated in IFRS 13 the financial instruments at fair value shall be divided into three levels depending on the rate of observable inputs used:

- level 1 – unadjusted quoted prices in active market for identical assets or liabilities;
- level 2 – inputs other than quoted prices in level 1 that are observable directly or indirectly;
- level 3 – unobservable inputs for an asset or liability.

Observable inputs are inputs that are determined based on the market data (such as publicly available information about actual events or transactions) and that reflect assumptions which market participants would use when pricing an asset or a liability. When a fair value measurement is developed using inputs from multiple levels of the fair value hierarchy, the fair value measurement of that instrument shall fall entirely into the lowest level from which the inputs have been used.

If an instrument is traded on multiple regulated markets, based on professional judgement, the one that is most liquid and most representative is considered as the principal market.

Measuring the fair value of financial instruments is based on the Rules for Calculating Net Asset Value of Funds approved by the Management Board. General principles are the following:

- The market value of shares traded on a regulated market is determined on the basis of the official closing price on the reporting date. If the closing price is unavailable, the official mid price is used. If the mid price is also unavailable, the last official bid price is used.
- The value of a listed debt security shall be determined on the basis of the last known market quote. Avaron will determine which of the following reflects best the last known market quote representing the fair value of a debt security on the valuation date: last traded price on the regulated market or multilateral trading facility; last reported traded price based on the source of the financial data vendor currently used; mid-market price on the regulated market or multilateral trading facility; bid price on the regulated market or multilateral trading facility; mid-market price provided by sources of the financial data vendor currently used; bid price provided by sources of the financial data vendor currently used. Should market quotes for an instrument not be available or in the opinion of Avaron do not represent the actual value of a listed debt security, its value will be determined on the basis of the yield curve method. If yield curve method cannot be used due to the absence of reliable data or its low sample size, the amortized cost method shall be used.
- The value of options not traded on a regulated market is determined based on the Black & Scholes valuation model. The inputs that are necessary for the calculation are determined by the Fund Management Company after consulting with the counterparty of the option.

Financial instruments at amortised cost

At each reporting date the Fund recognises loss allowances for expected credit losses on financial assets measured at amortised cost. The loss allowance for a financial instrument is measured at an amount equal the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. When determining the credit risk, financial assets are divided into two categories. Financial assets that are determined to have low credit risk at the reporting date, and other financial assets for which credit risk has not increased significantly since initial recognition are classified to the first category. Financial assets which credit risk has increased significantly are classified to the second category. The Fund measures loss allowances for the first category instruments at an amount equal to 12-month expected credit losses. The second category instruments' loss allowances are measured at an amount equal to lifetime expected credit losses.

Unlisted bonds' credit risk is assessed individually. As the financial position of the issuers has not deteriorated and economic outlook remains favourable, there are no credit losses assessed on unlisted bonds in the application of IFRS 9. The Fund Management Company has applied regular evaluation process to financial assets measured at amortised cost, which includes, among other aspects, counterparties' payment behaviour, financial performance and overall outlook of the economic environment.

Derecognition

Securities are removed from the balance sheet when the Fund has lost control over the corresponding financial assets either as a result of selling them or expiry of their term. FIFO method is used in accounting for the realised gains/ (losses) from securities transactions. The line "Sales profit/ (loss)" in the statement of income and expenses indicates the difference between the sales amount of an instrument and the corresponding acquisition cost.

Offsetting

Financial assets and liabilities are offset only when the Fund has a legal right to offset the amounts and it intends to use the right.

Cash and cash equivalents and cash flows

Cash and cash equivalents comprise of the Fund's current accounts and over-night deposits that are subject to an insignificant risk of changes in their fair value.

Cash flows from operating activities are reported using the direct method.

Deposits

Deposits comprise term deposits of credit institutions given that their maturity is less than 12 months. Deposits are initially recognised at acquisition cost and subsequently measured at amortized cost using the effective interest rate method.

Receivables

Receivables include revenues calculated on the accrual basis but not yet collected, including dividend receivables and other accrued income. Miscellaneous receivables include receivables from unsettled sales transactions.

Receivables are initially recognised at fair value and subsequently recorded at amortized cost using the effective interest rate method from which any possible impairment loss has been deducted.

Reverse-repo transactions

Securities that are bought using reverse repurchase agreement (reverse-repo) are recognized under loans and prepayments to customers. The difference between the sales and repurchase price is considered as interest and is accrued during the contract period using effective interest rate method.

Other financial liabilities

Other financial liabilities include management fee and performance fee payables to the Fund Management Company, depository fee and transaction fee payables to the depository. Liabilities also include payables to Fund unit holders for redeemed units. Miscellaneous liabilities include payables for securities purchase transactions.

Other financial liabilities are initially recognised at fair value and subsequently recorded at amortized cost using the effective interest rate method.

Fund units

The Fund has one class of units which are reported as financial liabilities. Units are issued on every banking day. Units are redeemed with either 7 calendar days' or 30 calendar days' advance notice, as may be chosen by redeeming Unitholder in his or her sole discretion. Switching Units is not allowed. The redemption price of a Unit shall depend on the notice period for fulfilling the redemption order, as chosen by the unit-holder. If the Unitholder has chosen a notice period of 7 calendar days, the redemption price shall be the net asset value of the Unit that is calculated as of the seventh calendar day following the day of receiving the redemption order. If the Unitholder has chosen a notice period of 30 calendar days, the redemption price shall be the net asset value of the Unit that is calculated as of the last Banking Day of the 30 calendar days immediately following the day of receiving the redemption order. In case the Unitholder redeems the Units with 7 calendar days' advance notice, a redemption fee is applicable. In case the Unitholder redeems the Units with 30 calendar days' advance notice, no redemption fee is applied.

The net asset value of a Unit is determined by dividing the total net asset value of a class of Units by the number of Units of that class that have been issued and not redeemed (adjusted by the number of Units from unsettled subscription and redemption orders that have been received by the management company).

Avaron Flexible Strategies Fund

The income of the Fund shall not be distributed to unit holders but shall be reinvested. A unit holder's profit or loss is reflected in the Unit's net asset value change.

Interest and dividend income

Interest income is recognised on accrual basis using the effective interest rate method. It comprises reported interest from cash and cash equivalents, deposits and debt instruments at fair value through profit or loss.

Received dividends are recorded under "Dividends" at the moment when the shareholder's right to the dividend is fixed.

Operating expenses

The operating expenses of the Fund include the management fee and performance fee payable to the management company, the depository fee payable to the Fund's depository, fund administration fees, fees to the registrar of fund units, transaction fees and other operating expenses stated in the Fund rules.

Related parties

Parties that are considered as related parties to the Fund are the management company AS Avaron Asset Management, other investment funds managed by the management company, all the group companies, the Management Board of the Fund Management Company and their related parties. According to the Fund rules the Fund pays management fees to the management company on a monthly basis.

NOTE 2. RISK MANAGEMENT**Short Overview of Investment and Risk Management Techniques**

Avaron Flexible Strategies is an asset allocation fund targeting long-term capital growth through economic and market cycles by combining investments into various asset classes, industries and geographies. Predominant exposure of the Fund is invested in listed equities and exchange traded funds, listed and non-listed fixed income, and money market instruments or cash. The allocation to different asset classes depends on Avaron investment managers' views on valuation levels and available investment opportunities, and varies over time. As a result the risk level of the Fund also changes over time.

The Fund is mainly exposed to market risk, including currency risk, interest rate risk and price risk, credit risk and liquidity risk arising from the financial instruments it holds. Funds investing in equities are subject to loss of value because of weakness in the stock market, a particular industry, or specific holdings. Stock prices can decline for many reasons, including adverse political or economic developments, changes in investor psychology, heavy institutional selling, or historical and prospective earnings of the issuer.

Funds that invest in fixed income are subject to interest rate and credit risk. Interest rate risk arises from potential decline in bond prices that accompanies a rise in interest rates. Longer-maturity bonds typically decline more than those with shorter maturities. Credit risk is a chance that any fund holding could have its credit rating downgraded or that a bond issuer will default (fail to make timely payments of interest or principal).

Foreign securities carry additional risks, including exchange rate changes, adverse political and economic developments, differing regulatory environments and accounting standards.

Avaron has established procedures for internal risk management in order to identify, monitor, measure and, if necessary, hedge the risks associated with the Fund's investments. Avaron regularly examines that the Fund is in compliance with its investment restrictions. Portfolio diversification across sectors, countries, currencies and instruments alongside with liquidity analysis are the main risk management tools used. In addition, Avaron may use derivatives to reduce investment risks. Avaron's investment team actively follows financial results of issuers and makes relevant changes in the Fund's portfolio based on the Fund Managers' views of the economy and attractiveness of each financial instrument in respect to issuer specific risk.

Credit risk

Credit risk refers to the risk that the issuer of a security where the Fund has invested or the counterparty to a transaction on account of the Fund fails to perform its obligations either fully or partially (e.g. an issuer fails to redeem the issued debt obligations, a counterparty to a trade does not deliver the securities or cash during the settlement, a counterparty defaults on a loan granted by the Fund), causing damage to the Fund.

Maximum exposure to credit risk as of the end of the period in EUR:

	30/06/2022	% of NAV	31/12/2021	% of NAV
Cash and cash equivalents	2,509,298	19.45%	1,883,713	15.56%
Term deposits	402,354	3.12%	401,376	3.32%
Corporate bonds	5,094,988	39.49%	4,579,489	37.86%
Receivables and prepayments	169	0.00%	13,419	0.11%
Unlisted bonds	692,747	5.37%	814,803	6.74%
TOTAL	8,699,556	67.43%	7,692,800	63.59%

The following table presents information related to the Fund's financial derivative instruments assets and liabilities by counterparty net of amounts available for offset under ISDA agreements and net of related collateral received or pledged by the Fund as of the end of the period in EUR:

		Gross Amount Not Offset in the Balance Sheet				Net Amount
		Gross Amounts of Liabilities in the Balance Sheet	Derivative Financial Instruments Available to Offset	Cash Collateral Pledged	Non-Cash Collateral	
Counterparty	Credit Rating					
Swedbank AS	A+ (S&P) - Swedbank AB	-6,307	-	-	-	-6,307
TOTAL		-6,307	-	-	-	-6,307

		Gross Amount Not Offset in the Balance Sheet				Net Amount
		Gross Amounts of Liabilities in the Balance Sheet	Derivative Financial Instruments Available to Offset	Cash Collateral Pledged	Non-Cash Collateral	
Counterparty	Credit Rating					
Swedbank AS	A+ (S&P) - Swedbank AB	-36,074	-	-	-	-36,074
AS SEB Pank	A+ (S&P) - Skandinaviska Enskilda Banken AB	-3,903	-	-	-	-3,903
TOTAL		-39,976	-	-	-	-39,976

The Fund's assets are invested in bonds that are transferable. In case of debt securities with investment grade rating by S&P (or Moody's equivalent) of BBB- or higher a basic financial analysis and a study of terms of the issue (prospectus) is conducted. In case of debt securities with no rating / non-investment grade rating, deeper due diligence requirements apply.

Allocation of bonds according to rating in Standard & Poor's rating scale in EUR:

	30/06/2022	% of NAV	31/12/2021	% of NAV
B+	189,551	1.47%	365,104	3.02%
B	283,623	2.20%	199,674	1.65%
B-	85,994	0.67%	-	-
Reitinguta	5,228,567	40.52%	4,829,514	39.94%
TOTAL	5,787,735	44.86%	5,394,292	44.61%

Avaron Flexible Strategies Fund

The Fund's cash and cash equivalents are held with the Fund's depository Swedbank AS, which parent company Swedbank AB is rated A+ as of 30/03/2022 by Standard & Poor's and with AS SEB Pank, which parent company Skandinaviska Enskilda Banken AB is rated A+ as of 11/07/2022 by Standard & Poor's. Term deposits are held with Bigbank AS.

Liquidity risk

Liquidity risk refers to the risk that due to low liquidity a financial instrument cannot be sold at the desired time, at the desired price or there is no market (buyer) at all. Liquidity risk is particularly relevant in case of investing into small cap companies and instruments not traded on a regulated securities market. The Fund's financial assets include unlisted bond investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its unlisted instruments in due time to meet its liquidity requirements.

Liquidity risk is managed through regular liquidity analysis and limitations on estimated exit times from positions and analysis of aggregate ownership in share capital and free float. Regular liquidity stress tests are performed to assess the adequacy of the Fund's liquidity profile.

Maximum exposure of financial liabilities according to the maturity as of the end of the period in EUR:

	Up to 3 days		Up to 1 month		Over 1 month	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Payables to the management company	-	-	10,262	123,274	-	-
Payables to the depository	-	-	2,517	2,440	-	-
Payments on redemption of units	-	126	-	-	-	-
Other liabilities	-	-	-	-	2,732	1,854
Net Assets attributable to Holders	-	126	12,779	125,714	2,732	1,854

The Fund maintains the credit lines of 1,000,000 EUR that it can access to meet short-term liquidity needs. These resources have not been used as of 30/06/2022.

Positions that may take more than 20 days to liquidate based on six months average trading volume (30% of trading volume) can be found on the next table.

Instrument	Country	Sector	% of NAV	
			30/06/2022	31/12/2021
CAPITALICA BALT 6.50% 30.10.23	Real Estate	Lithuania	2.34%	2.54%
BULGARIA REAL ESTATE FUND	Real Estate	Bulgaria	2.07%	1.89%
ADMIRAL MK ALLUT 8% 05.02.31	Financials	Estonia	1.64%	1.75%
INVESTMIRA 6.000% 28.12.2023 ¹	Real Estate	Lithuania	1.55%	1.65%
ADVANZIA FRN SUBORD 24.03.31	Financials	Luxembourg	1.52%	1.64%
MERAKI 5.000% 19.11.2022 EUR	Real Estate	Lithuania	1.39%	0.91%
INBANK SUBORDINATED 19.12.2029	Financials	Estonia	1.31%	1.49%
LHV GROUP SUBORDIN 28.11.28	Financials	Estonia	1.30%	1.43%
WALDORF 9.75% 01.10.2024 ¹	Energy	United Kingdom	1.28%	1.51%
MAINOR ULEMISTE 5.5% 05.04.23	Real Estate	Estonia	1.18%	1.28%
NOR5KE VIKING FRN 03.05.2024 ¹	Communication Services	Norway	0.98%	1.10%
SEAMLESS DISTR FRN 05.05.2024	IT	Sweden	0.91%	1.07%
IUTECR 13.000% 07.08.2023 EUR	Financials	Luxembourg	0.81%	-
ELKO GRUPA 6% 12.02.2026 EUR	IT	Latvia	0.79%	0.87%
HKSCAN 2.625% 21.09.2022	Consumer Staples	Finland	0.79%	-
ESTO HOLDINGS 9.000% 22.11.202	Financials	Estonia	0.78%	0.83%
ARCO VARA 10% 13.12.2022 EUR ¹	Real Estate	Estonia	0.78%	0.83%
COOP PANK 10% PERP 2022 AT1 ¹	Financials	Estonia	0.78%	-
DELFINGROUP 9.750% 25.08.2023	Financials	Latvia	0.77%	0.82%
MEDIA AND GAMES FRN 27.11.2024	Communication Services	Malta	0.77%	1.70%
GL AGRAJES FRN EUR 22.12.2025	Materials	Spain	0.76%	-
HKSCAN 5% 24.03.2025 EUR	Consumer Staples	Finland	0.73%	0.85%
AXACTOR FRN 15.09.2026 EUR	Financials	Norway	0.71%	0.81%
IUTECR 11.000% 06.10.2026 EUR	Financials	Luxembourg	0.68%	0.79%
DDM DEBT 9% 20.04.2026 EUR	Financials	Sweden	0.67%	-
MAINOR EUR 4.75% 10.06.2026	Real Estate	Estonia	0.64%	0.68%
Specialist VC Primary and Secondary Fu	Equity funds	Estonia	0.22%	-
CENTRALNIC FRN 03.07.2023 EUR	Financials	Estonia	-	1.72%
LHV PANK 6.000% 30.09.2030 EUR	Financials	Estonia	-	0.70%
BALTIC HORIZON 4.250% 08.05.23	Real Estate	Estonia	-	1.66%
TOTAL			28.15%	29.01%

¹Bonds not traded on a regulated market

In the table above we have updated the list of bonds that may take more than 20 days to liquidate as of 30/06/2022. In previous periods we have listed all the bonds in the list, since no reliable trading data was available for such instruments. As thanks to Mifid transparency rules liquidity statistics for certain instruments has become available we have started to use this data to assess fixed income instruments liquidity where possible. For calculating the time to liquidation, 30% share in the 120 day average daily turnover is assumed. As of now, we consider as illiquid only the bonds, where time to liquidation based on available trading data and beforementioned assumptions is above 20 trading days or for which no trading data is available.

Market risk

Market risk refers to the risk of suffering losses due to adverse price movements at a specific securities market or a market for other assets. Adverse price movements may be caused by a country's weak economic indicators, poor financial results of an business sector, volatile securities market, investors' behaviour and psychology and other factors.

Diversification among sectors, countries, currencies and instruments are the main risk management tools used by the Fund to address market risk.

Currency risk

The Fund is open to foreign currency risk. Currency breakdown of the Fund's assets in EUR:

	30/06/2022	% of Assets	31/12/2021	% of Assets
EUR	9,116,339	70.54%	8,059,334	65.72%
USD	1,233,707	9.55%	1,701,917	13.88%
NOK	785,185	6.08%	789,566	6.44%
SEK	665,987	5.15%	582,836	4.75%
BGN	491,609	3.80%	452,439	3.69%
GBP	260,270	2.01%	157,567	1.28%
PLN	191,157	1.48%	189,734	1.55%
RON	177,397	1.37%	170,229	1.39%
RSD	2,386	0.02%	2,383	0.02%
TRY	-	-	112,776	0.92%
RUB	-	-	44,084	0.36%
TOTAL	12,924,037	100.00%	12,262,865	100.00%

Taking into account the derivatives contracts, net FX positions as per currency were the following:

	30/06/2022	% of Assets	31/12/2021	% of Assets
NOK	785,185	6.08%	679,900	5.54%
SEK	665,987	5.15%	582,836	4.75%
USD	640,637	4.96%	1,145,096	9.34%
BGN	491,608	3.80%	452,439	3.69%
GBP	260,270	2.01%	157,567	1.28%
PLN	191,157	1.48%	189,734	1.55%
RON	177,397	1.37%	170,230	1.39%
RSD	2,387	0.02%	2,383	0.02%
TRY	-	-	112,776	0.92%
RUB	-	-	44,084	0.36%
TOTAL	3,214,628	24.87%	3,537,045	28.84%

Currency risk sensitivity analysis

Fund's net asset value would have been affected by the weakening of foreign currencies against EUR on 30 June 2022. The sensitivity analysis assumes the weakening of foreign currency rates against EUR in the magnitude of the change from the higher to lower value from 2007 onwards. The analysis assumes that all the other variables remain constant. Analysis for 31 December 2021 has been made using the same assumptions.

The impact on net assets attributable to Fund's unit holders and net income:

	30/06/2022			31/12/2021		
	Impact in EUR (-10% weakening)	Maximum annual currency weakening	Currency's % of NAV	Impact in EUR (-10% weakening)	Maximum annual currency weakening	Currency's % of NAV
NOK	-78,518	-25%	6.08%	-67,990	-25%	5.54%
SEK	-66,599	-12%	5.15%	-58,284	-12%	4.75%
USD	-64,064	-20%	4.96%	-114,510	-20%	9.34%
BGN	-49,161	0%	3.80%	-45,244	0%	3.69%
GBP	-26,027	-23%	2.01%	-15,757	-23%	1.28%
PLN	-19,116	-16%	1.48%	-18,973	-16%	1.55%
RON	-17,740	-9%	1.37%	-17,023	-9%	1.39%
RSD	-238	-18%	0.02%	-238	-18%	0.02%
TRY	-	-55%	-	-11,277	-55%	0.92%
RUB	-	-48%	-	-4,408	-48%	0.36%
TOTAL	-321,463		24.87%	-353,704		28.84%

Instrument's price risk

Price risk is closely related to market risk but mainly affects a specific security or investment. Price risk is the risk of suffering losses due to adverse price movements of a specific stock or another investment. The price of a specific security is affected by developments in the issuer's financial results, changes in the competitive environment, analyst estimates and commentaries, etc.

Concentration of risk of Fund's investments based on sectors as of the end of the period in EUR:

	30/06/2022	% of NAV	31/12/2021	% of NAV
Financials	2,080,433	16.13%	1,991,869	16.48%
Real Estate	1,785,545	13.84%	1,915,240	15.83%
Industrial	1,279,417	9.92%	1,318,223	10.90%
Energy	1,259,373	9.76%	1,058,920	8.75%
IT	1,159,090	8.98%	897,409	7.42%
Communication Services	725,641	5.62%	711,325	5.88%
Commodities	457,348	3.54%	421,079	3.48%
Consumer Staples	374,341	2.90%	698,180	5.77%
Consumer Discretionary	358,408	2.78%	350,588	2.90%
Utilities	270,670	2.10%	250,047	2.07%
Health Care	135,306	1.05%	155,337	1.28%
Materials	97,633	0.76%	196,140	1.62%
Equity funds	29,010	0.22%	-	-
TOTAL	10,012,215	77.60%	9,964,357	82.38%

Avaron Flexible Strategies Fund

Concentration of risk of the Fund's investments based on geographic location as of the end of the period in EUR:

	30/06/2022	% of NAV	31/12/2021	% of NAV
Estonia	1,883,427	14.60%	1,640,508	13.56%
Sweden	1,233,463	9.56%	1,189,754	9.84%
Germany	1,165,483	9.03%	992,487	8.21%
Norway	837,032	6.49%	862,906	7.13%
Lithuania	836,104	6.48%	730,721	6.04%
United Kingdom	834,931	6.47%	729,590	6.03%
Luxembourg	470,206	3.64%	581,102	4.80%
France	336,556	2.61%	399,181	3.30%
Malta	294,158	2.28%	205,306	1.70%
Bulgaria	267,279	2.07%	228,108	1.89%
Finland	251,909	1.95%	203,995	1.69%
China	235,401	1.82%	241,330	2.00%
Netherlands	211,109	1.64%	109,044	0.90%
Latvia	202,285	1.57%	205,315	1.70%
Canada	192,657	1.49%	-	-
Spain	190,996	1.48%	210,776	1.74%
Romania	166,343	1.29%	170,230	1.41%
USA	155,883	1.21%	46,523	0.38%
Austria	140,009	1.09%	212,288	1.76%
Italy	106,984	0.83%	-	-
Russia	-	-	574,845	4.75%
Jersey	-	-	211,494	1.75%
Turkey	-	-	112,776	0.93%
Poland	-	-	106,078	0.88%
TOTAL	10,012,215	77.60%	9,964,357	82.38%

Instrument's price risk sensitivity analysis

Sensitivity analysis is based on standard deviation of the Fund since launch, whereas the Fund's risk profile has been calculated based on normal distribution. The analysis assumes that all the other variables remain constant. Analysis as per 31 December 2020 has been made with using the same assumptions.

	Probability	+/- possible change of Fund's NAV during year	
		30.06.2022	31.12.2021
σ	68.27%	3.37%	3.06%
2σ	95.45%	6.74%	6.12%
3σ	99.73%	10.11%	9.18%

NOTE 3. CASH AND CASH EQUIVALENTS**Deposits in EUR**

	30/06/2022	% of NAV	31/12/2021	% of NAV
Deposits, Bigbank AS	401,100	3.11%	401,100	3.32%
TOTAL*	401,100	3.11%	401,100	3.32%

* "Term deposits" in balance sheet include also accrued interest in the amount of 1 254.17 EUR as at 30/06/2022 and 757.53 EUR as at 31/12/2021. Deposits' maturity is between 1-12 months and interest rates vary from 0.35-1.00%.

Cash and cash equivalents by credit institution and currency

	30/06/2022	% of NAV, converted into EUR	31/12/2021	% of NAV, converted into EUR
Swedbank AS		11.70%		8.95%
EUR	1,051,847	8.15%	613,012	5.07%
USD	2,671	0.02%	124,960	0.91%
BGN	438,767	1.74%	438,767	1.85%
PLN	898,571	1.48%	384,854	0.69%
RUB	-	-	3,749,311	0.36%
NOK	158,610	0.12%	46,786	0.04%
RSD	280,382	0.02%	280,382	0.02%
RON	54,712	0.09%	-	-
SEK	65,282	0.05%	17,188	0.01%
GBP	3,901	0.04%	-	-
AS SEB Pank		7.75%		4.13%
EUR	1,000,000	7.75%	500,023	4.13%
Luminor Bank AS				2.48%
EUR	-	-	300,001	2.48%
TOTAL		19.45%		15.56%

The Fund's cash and cash equivalents are held with the Fund's depository Swedbank AS, which parent company Swedbank AB is rated A+ as of 30/03/2022 by Standard & Poor's and AS SEB Pank, which parent company Skandinaviska Enskilda Banken AB is rated A+ as of 11/07/2022 by Standard & Poor's. Term deposits are held with Bigbank AS.

NOTE 4. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES TO CATEGORIES AND LEVELS

In EUR

30/06/2022	Measured at fair value through profit or loss			Financial assets at amortised cost			Financial liabilities at amortised cost		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
ASSETS									
Cash and cash equivalents	-	-	-	2,509,298	-	-	-	-	-
Term deposits	-	-	-	402,354	-	-	-	-	-
Shares and units	4,195,470	29,010	-	-	-	-	-	-	-
Bonds	4,437,827	-	504,463	152,698	-	-	-	-	-
Unlisted bonds	292,275	-	100,000	-	-	300,472	-	-	-
Dividend receivable	-	-	-	169	-	-	-	-	-
Trade settlement receivable	-	-	-	-	-	-	-	-	-
LIABILITIES									
Derivative instruments	-	6,307	-	-	-	-	-	-	-
Payables to the management company	-	-	-	-	-	-	-	10,262	-
Payables to the depository	-	-	-	-	-	-	-	2,517	-
Other liabilities	-	-	-	-	-	-	-	2,732	-
TOTAL	8,925,572	35,317	604,463	3,064,519	-	300,472	-	15,511	-

* Liabilities are carried in the balance sheet under "Other liabilities".

Additional information for instruments categorised under Level 3

Starting balance of Level 3 instruments	702,438
Transfers from level 1 to level 3	103,200
Purchases	100,000
Total gains/losses	-2,980
Interest received	-2,808
Interest accrued	5,085
Total level 3 investments	904,935

According to the estimates of the Fund Management Company the carrying value of financial assets and liabilities at amortised cost amounts approximate fair value.

Avaron Flexible Strategies Fund

In EUR

31/12/2021	Measured at fair value through profit or loss			Financial assets at amortised cost			Financial liabilities at amortised cost		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
ASSETS									
Cash and cash equivalents	-	-	-	1,883,713	-	-	-	-	-
Term deposits	-	-	-	401,376	-	-	-	-	-
Shares and units	4,570,065	-	-	-	-	-	-	-	-
Bonds	4,022,950	-	401,966	154,573	-	-	-	-	-
Unlisted bonds	514,331	-	-	-	-	300,472	-	-	-
Dividend receivable	-	-	-	13,419	-	-	-	-	-
Trade settlement receivable	-	-	-	-	-	-	-	-	-
LIABILITIES									
Derivative instruments	-	39,976	-	-	-	-	-	-	-
Payables to the management company	-	-	-	-	-	-	-	123,274	-
Payables to the depository	-	-	-	-	-	-	-	2,440	-
Payments on redemption of units*	-	-	-	-	-	-	-	126	-
Other liabilities	-	-	-	-	-	-	-	1,728	-
TOTAL	9,107,346	39,976	401,966	2,453,081	-	300,472	-	127,568	-

* Liabilities are carried in the balance sheet under "Other liabilities".

Additional information for instruments categorised under Level 3

Starting balance of Level 3 instruments	448,744
Transfers from level 3 to level 1	-150,000
Purchases	599,920
Sales	-196,698
Total gains/losses	998
Interest received	-3,045
Interest accrued	2,519
Total level 3 investments	702,438

According to the estimates of the Fund Management Company the carrying value of financial assets and liabilities at amortised cost amounts approximate fair value.

NOTE 5. NET GAIN/LOSS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In EUR

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Net gain/loss from financial assets at fair value through profit or loss		
From shares and units		
Sales profit/(-loss)	161,096	52,901
Unrealised profit /(-loss)	-1,146,903	440,323
From bonds		
Sales profit/(-loss)	1,164	7,744
Unrealised profit /(-loss)	-306,104	52,711
From derivative instruments		
Sales profit/(-loss)	-83,992	116,945
Unrealised profit /(-loss)	33,669	-139,590
Total net gain/(-loss)	-1,341,070	531,034

NOTE 6. TRANSACTIONS WITH RELATED PARTIES

In addition to the Fund Management Company, companies belonging to the same group, other investment funds managed by the Management Company and shareholders of the Management Company are considered to be related parties to the Fund.

Consolidation exception applies for the Fund as it corresponds to Investment Entity's definition introduced in IFRS 10. The Fund carries its investment in Avaron Flexible Strategies Fund at fair value through profit or loss.

The transactions with related parties were as follows in EUR:

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
Fund Management Company		
Paid management and performance fees	58,529	131,729
TOTAL	58,529	131,729

The balances outstanding with related parties were as follows in EUR:

	30/06/2022	31/12/2021
Fund Management Company		
Management and performance fee payable	10,262	123,274
TOTAL	10,262	123,274

Related parties of the Fund Management Company owned the units of Avaron Flexible Strategies Fund in market value as follows:

	30/06/2022	31/12/2021
Ultimate parent of the Fund Management Company	1,656,948	1,803,562
Fund Management Company	414,923	451,637
Other group entities	189,274	206,022
TOTAL	2,261,145	2,461,221

NOTE 7. DERIVATIVE INSTRUMENTS

In EUR
30/06/2022

Type of Instrument	Issuer of Instrument	Quantity of underlying	The underlying currency	Exercise date	Price of Instrument / premium	Exercise price		Market value		Equity of the issuer of the instrument
						Per unit	Total	Date	Total	
Swap	Swedbank AS	593,070	EUR	10/11/2022	1.0000	1.0000	593,070	30/06/2022	-	EUR 1,574,369,000
		635,000	USD	10/11/2022	0.9439	0.9340	593,070	30/06/2022	-6,307	EUR 1,574,369,000
TOTAL									-6,307	

Collateral and margin accounts received and paid by the Fund in respect of financial derivative instruments

No collateral was pledged or received at the end of 31/12/2021.

In EUR
31/12/2021

Type of Instrument	Issuer of Instrument	Quantity of underlying	The underlying currency	Exercise date	Price of Instrument / premium	Exercise price		Market value		Equity of the issuer of the instrument
						Per unit	Total	Date	Total	
Swap	Swedbank AS	520,748	EUR	06/05/2022	1.0000	1.0000	520,748	31/12/2021	-	EUR 1,817,264,000
		635,000	USD	06/05/2022	0.8769	0.8201	520,748	31/12/2021	-36,074	EUR 1,817,264,000
Forward	AS SEB Pank	105,762	EUR	09/02/2022	1.0000	1.0000	105,762	31/12/2021	-	EUR 858,897,000
		1,100,000	NOK	09/02/2022	0.0997	0.0961	105,762	31/12/2021	-3,903	EUR 858,897,000
TOTAL									-39,976	

Collateral and margin accounts received and paid by the Fund in respect of financial derivative instruments

No collateral was pledged or received at the end of 31/12/2021.

STATEMENT OF INVESTMENTS

In EUR 30/06/2022

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
SHARES										
SHARES LISTED ON STOCK EXCHANGE:										
EURONEXT NV	NL0006294274	NL			EUR	84.65	229,394	77.90	211,109	1.64%
BP PLC-SPONS ADR	US0556221044	GB	S&P	A-	USD	22.34	173,133	27.04	209,549	1.62%
ENEFIT GREEN AKTSIA	EE3100137985	EE			EUR	3.95	197,722	3.94	196,800	1.53%
OMV PETROM SA (RON)	ROSNPPACNOR9	RO			RON	0.07	114,872	0.10	166,343	1.29%
IGNITIS GRUPE AB	LT0000115768	LT	S&P	BBB+	EUR	19.89	172,037	17.98	155,527	1.21%
FIELMANN AG	DE0005772206	DE			EUR	53.20	164,926	47.50	147,250	1.14%
OMV AG	AT0000743059	AT	Fitch	A-	EUR	19.20	60,049	44.76	140,009	1.09%
SAGE GROUP PLC	GB00B8C3BL03	GB	S&P	BBB+	GBP	7.39	138,906	7.37	138,593	1.07%
HAMBURGER HAFEN UND LOGISTIK	DE000A0S8488	DE			EUR	16.42	155,174	13.50	127,575	0.99%
VISA INC	US92826C8394	US	S&P	AA-	USD	182.94	118,914	187.78	122,059	0.95%
TALLINK GRUPP	EE3100004466	EE			EUR	0.81	188,998	0.51	120,231	0.93%
SAP SE	DE0007164600	DE	0	0	EUR	94.70	129,744	86.93	119,094	0.92%
TALLINNA SADAM AKTSIA	EE3100021635	EE			EUR	1.73	145,473	1.42	118,753	0.92%
ENGIE LOYALTY 2023	FR0014000R50	FR	S&P	BBB+	EUR	9.29	97,564	10.97	115,143	0.89%
TECHNOGYM SPA	IT0005162406	IT			EUR	6.90	118,613	6.22	106,984	0.83%
SWEDBANK AB SER A	SE0000242455	SE	S&P	A+	SEK	12.61	100,872	12.06	96,457	0.75%
DANONE	FR0000120644	FR	S&P	BBB+	EUR	55.17	99,303	53.26	95,868	0.74%
AENA SME SA	ES0105046009	ES	Fitch	A-	EUR	136.78	105,317	121.25	93,363	0.72%
PUBLICIS GROUPE	FR0000130577	FR	S&P	BBB	EUR	28.68	47,613	46.66	77,456	0.60%
FRESENIUS MEDICAL CARE AG	DE0005785802	DE	S&P	BBB	EUR	63.05	100,881	47.63	76,208	0.59%
CENTRALNIC GROUP PLC	GB00BCCW4X83	GB			GBP	0.84	46,244	1.35	74,411	0.58%
SIXT SE PRFD	DE0007231334	DE			EUR	41.01	47,159	59.70	68,655	0.53%
CTS EVENTIM AG and CO KGAA	DE0005470306	DE			EUR	37.47	50,584	50.00	67,500	0.52%
RAYSEARCH LABORATORIES AB	SE0000135485	SE			SEK	8.34	97,191	5.07	59,098	0.46%
ALIBABA GROUP HOLDING LTD	US01609W1027	CH	S&P	A+	USD	192.58	101,103	108.42	56,921	0.44%
KONE OYJ -B	FI0009013403	FI			EUR	47.84	58,847	45.36	55,793	0.43%
KRONES AG	DE0006335003	DE			EUR	65.55	49,164	72.80	54,600	0.42%
HUSQVARNA AB B	SE0001662230	SE	S&P	BBB	SEK	8.71	60,984	7.02	49,113	0.38%
JCDECAUX SA	FR0000077919	FR	S&P	BBB-	EUR	16.66	49,989	16.03	48,090	0.37%
ADIDAS AG	DE000A1EWWW0	DE	S&P	A+	EUR	202.11	56,591	168.76	47,253	0.37%
EUROCELL PLC	GB00BVV2KN49	GB			GBP	2.60	51,911	2.14	42,736	0.33%
HERMAN MILLER INC	US6005441000	US	S&P	BB+	USD	20.47	27,637	25.05	33,824	0.26%

Statement of investments as of 30/06/2022 (continued)

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
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SHARES**SHARES LISTED ON STOCK EXCHANGE:**

DETSKY MIR PJSC	RU000A0JSQ90	RU			USD	1.56	194,704	0.00	0	0.00%
MAGNIT COMMON STOCK	RU000A0JKQU8	RU			USD	86.94	199,965	0.00	0	0.00%
POLYUS PJSC	RU000A0JNAA8	RU			USD	167.76	100,655	0.00	0	0.00%

SHARES TOTAL						3,852,230	3,292,364	25.52%		
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Name	ISIN	Fund country	Fund Management Company	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net
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FUNDS**CLOSED-END FUNDS LISTED ON STOCK EXCHANGE:**

BULGARIA REAL ESTATE FUND	BG1100001053	BG	REAL ESTATE MA 0	BGN	0.80	180,932	1.19	267,279	2.07%
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CLOSED-END FUNDS TOTAL						180,932	267,279	2.07%		
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EXCHANGE TRADED COMMODITIES:

XTRACKER IE PHYSICAL GOLD ETC	DE000A2TOVU5	DE	DEUTCHE BANK AG	EUR	22.05	377,662	26.71	457,348	3.54%
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EXCHANGE TRADED COMMODITIES TOTAL						377,662	457,348	3.54%		
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EXCHANGE TRADED FUNDS:

KRANESHARES CSI CHINA INTERNET E IE00BFXR7892	CH	WAYSTONE MANAGEMENT COMPANY	USD	25.20	216,719	20.75	178,480	1.38%
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EXCHANGE TRADED FUNDS TOTAL						216,719	178,480	1.38%		
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VENTURE CAPITAL FUNDS:

Specialist VC Primary and Secondar -	EE	Specialist Fund Management OÜ	EUR	1.00	30,358	0.96	29,010	0.22%
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VENTURE CAPITAL FUNDS TOTAL						30,358	29,010	0.22%		
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FUNDS TOTAL						805,671	932,116	7.22%		
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SHARES AND FUNDS TOTAL						4,657,901	4,224,480	32.74%		
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Statement of investments as of 31/12/2022 (continued)

Name	ISIN	Emitent country	Rating agency	Rating	FX	Interest rate	Maturity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
BONDS*												
CAPITALICA BALT 6.50% 30.10.23	LT0000404725	LT			EUR	6.50%	30/10/2023	102.18	306,531	99.50	301,750	2.34%
ADMIRAL MK ALLUT 8% 05.02.31	EE3300001999	EE			EUR	8.00%	05/02/2031	100.00	200,000	102.50	211,444	1.64%
CENTRALNIC FRN 03.07.2023 EUR	NO0010856750	GB			EUR	7.00%	03/07/2023	83.00	166,000	100.25	203,881	1.58%
BALTIC HORIZON 4.250% 08.05.23	EE3300111467	EE			EUR	4.25%	08/05/2023	100.20	200,400	100.00	201,228	1.56%
INVESTMIRA 6.000% 28.12.2023 ¹	LT0000405334	LT			EUR	6.00%	28/12/2023	100.00	200,000	100.00	200,000	1.55%
ADVANZIA FRN SUBORD 24.03.31	NO0010955909	LU			EUR	5.25%	24/03/2031	100.00	200,000	98.00	196,175	1.52%
MEDIA AND GAMES FRN 21.06.26 E	SE0018042277	MT			EUR	6.08%	21/06/2026	98.00	196,000	97.53	195,354	1.51%
EASTNINE FRN 08.07.2024 EUR	SE0013719788	SE			EUR	5.00%	08/07/2024	100.00	200,000	96.50	195,306	1.51%
INTL PETROL 7.25% 01.02.2027 U	NO0012423476	CA	S&P	B	USD	7.25%	01/02/2027	88.39	176,772	93.47	192,658	1.49%
STENA 7% 01.02.2024	USW8758PAK22	SE	S&P	B+	USD	7.00%	01/02/2024	90.88	181,760	92.01	189,551	1.47%
BEERENBERG FRN NOK 13.11.2023	NO0010904782	NO			NOK	9.30%	13/11/2023	10.40	197,154	9.81	188,253	1.46%
MERAKI 5.000% 19.11.2022 EUR	LT0000405243	LT			EUR	5.00%	19/11/2022	100.04	179,671	99.00	178,827	1.39%
INBANK SUBORDINATED 19.12.2029	EE3300001544	EE			EUR	6.00%	19/12/2029	100.00	176,000	96.01	169,027	1.31%
LHV GROUP SUBORDIN 28.11.28	EE3300111558	EE			EUR	6.00%	28/11/2028	100.00	166,000	100.25	167,300	1.30%
WALDORF 9.75% 01.10.2024 ¹	NO0011100935	GB			USD	9.75%	01/10/2024	84.61	141,015	97.16	165,761	1.28%
MAINOR ULEMISTE 5.5% 05.04.23	EE3300111343	EE			EUR	5.50%	05/04/2023	100.00	150,000	100.50	152,698	1.18%
AIDER KONSERN FRN 20.05.26 NOK	NO0012520495	NO			NOK	7.27%	20/05/2026	10.00	149,936	9.49	143,559	1.11%
NORSKE VIKING FRN 03.05.2024 ¹	NO0011140402	NO			NOK	9.27%	03/05/2024	10.31	134,000	9.59	126,515	0.98%
SEAMLESS DISTR FRN 05.05.2024	SE0015811914	SE			SEK	9.17%	05/05/2024	9.89	123,578	9.24	117,167	0.91%
VNV GL 5.0% 31.01.2025 SEK	SE0017483019	SE			SEK	5.00%	31/01/2025	9.58	119,732	9.03	113,844	0.88%
VNV GL 5.5% 24.06.2024 SEK	SE0016275077	SE			SEK	5.50%	24/06/2024	9.79	122,333	8.98	112,298	0.87%
CAYBON HOLD FRN 03.12.2025 SEK	SE0017084478	SE			SEK	6.93%	03/12/2025	9.81	122,674	8.91	111,923	0.87%
BAKKGRUPPEN FRN NOK 03.02.2025	NO0010917750	NO			NOK	8.27%	03/02/2025	9.65	106,170	9.48	105,681	0.82%
IUTECR 13.000% 07.08.2023 EUR	XS2033386603	LU			EUR	13.00%	07/08/2023	100.00	100,000	99.44	104,572	0.81%
JOTTA GRP FRN 28.05.2025 NOK	NO0010998586	NO			NOK	7.72%	28/05/2025	9.99	109,901	9.31	103,105	0.80%
LAKERS FRN 09.06.2025 NOK	NO0011017113	SE			NOK	6.82%	09/06/2025	10.21	112,259	9.30	102,712	0.80%
ELKO GRUPA 6% 12.02.2026 EUR	LV0000870079	LV			EUR	6.00%	12/02/2026	100.00	100,000	100.00	102,300	0.79%
HKSCAN 2.625% 21.09.2022	FI4000278536	FI			EUR	2.63%	21/09/2022	93.50	93,500	99.65	101,679	0.79%
ESTO HOLDINGS 9.000% 22.11.202	EE3300002294	EE			EUR	9.00%	22/11/2024	100.00	100,000	100.00	100,950	0.78%
ARCO VARA 10% 13.12.2022 EUR ¹	EE3300001957	EE			EUR	10.00%	13/12/2022	100.00	100,000	100.00	100,472	0.78%
COOP PANK 10% PERP 2022 AT ¹	EE3300002641	EE			EUR	0.00%	30/06/2072	100.00	100,000	100.00	100,000	0.78%
DELFINGROUP 9.750% 25.08.2023	LV0000850048	LV			EUR	9.75%	25/08/2023	99.52	99,520	99.85	99,985	0.77%
MEDIA AND GAMES FRN 27.11.2024	SE0015194527	MT			EUR	5.75%	27/11/2024	102.00	102,000	98.26	98,804	0.77%
GL AGRAJES FRN EUR 22.12.2025	NO0010912801	ES			EUR	6.00%	22/12/2025	100.00	100,000	97.50	97,633	0.76%
HKSCAN 5% 24.03.2025 EUR	FI4000490990	FI			EUR	5.00%	24/03/2025	100.07	100,070	93.10	94,437	0.73%
AXACTOR FRN 15.09.2026 EUR	NO0011093718	NO			EUR	5.35%	15/09/2026	100.00	100,000	90.74	90,966	0.71%
IUTECR 11.000% 06.10.2026 EUR	XS2378483494	LU			EUR	11.00%	06/10/2026	100.00	90,000	94.23	87,102	0.68%

Statement of investments as of 30/06/2022 (continued)

Name	ISIN	Emitent country	Rating agency	Rating	FX	Interest rate	Maturity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
BONDS*												
DDM DEBT 9% 20.04.2026	EUR SE0015797683	SE			EUR	9.00%	19/04/2026	100.00	100,000	84.22	85,994	0.67%
KERNEL HOLDING 6.75% 27.10.2021	XS2244927823	LU			USD	6.75%	27/10/2027	84.61	169,218	40.05	82,357	0.64%
MAINOR EUR 4.75% 10.06.2026	EE3300002138	EE			EUR	4.75%	10/06/2026	100.00	82,500	99.50	82,305	0.64%
LHV PANK 6.000% 30.09.2030	EU EE3300001791	EE			EUR	6.00%	28/09/2030	100.00	79,000	100.90	79,711	0.62%
EXPLORER II 3.375% EUR 24.02.2025	NO0010874548	NO			EUR	3.38%	24/02/2025	100.00	100,000	77.79	78,953	0.61%
INBANK ALLUT 5.5% 15.12.2031	EE3300002302	EE			EUR	5.50%	15/12/2031	100.00	56,000	95.50	53,497	0.41%
BONDS TOTAL									5,909,694		5,787,735	44.86%

¹Bonds not traded on a regulated market

As of 31/12/2021 Avaron considers also securities listed on multilateral trading facilities as securities traded on a regulated market. The amendment is based on an interpretation published by European Securities and Markets Authority (ESMA) in its Questions and Answers on Application of the UCITS Directive.

Name	Derivative Type	Emitent country	Rating agency	Rating	FX	Maturity	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets	
DERIVATIVES											
FX-Swap EUR/USD Swedbank A Swap	Swap	Swap		A+Swedbank AB	USD	10/11/2022			-6,307	-0.05%	
DERIVATIVES TOTAL									-6,307	-0.05%	
INSTRUMENTS TOTAL									10,561,288	10,005,908	77.55%

Credit Institution	Deposit type	Credit Institution's country	Rating agency	Rating	FX	Interest rate	Start date	Maturity	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
DEPOSITS*												
Bigbank AS	Term deposit	EE			EUR	1.00%	18/11/2021	18/11/2022	200,000		201,233	1.56%
Bigbank AS	Term deposit	EE			EUR	0.35%	13/06/2022	13/07/2022	101,100		101,117	0.78%
Bigbank AS	Term deposit	EE			EUR	0.35%	27/06/2022	25/07/2022	100,000		100,004	0.78%
DEPOSITS TOTAL									401,100		402,354	3.12%

*Accrued interest in the amount of 1 254.17 EUR has been added to the value of deposits

Statement of investments as of 30/06/2022 (continued)

Name	Credit Institution's country	Credit Institution	FX	Interest rate	Quantity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
CASH										
CURRENT ACCOUNT	EE	Swedbank	EUR				1,051,847		1,051,847	8.15%
CURRENT ACCOUNT	EE	Swedbank	BGN				224,330		224,330	1.74%
CURRENT ACCOUNT	EE	Swedbank	SEK				6,087		6,087	0.05%
CURRENT ACCOUNT	EE	Swedbank	USD				2,547		2,547	0.02%
CURRENT ACCOUNT	EE	Swedbank	PLN				191,157		191,157	1.48%
CURRENT ACCOUNT	EE	Swedbank	RSD				2,386		2,386	0.02%
CURRENT ACCOUNT	EE	Swedbank	NOK				15,360		15,360	0.12%
CURRENT ACCOUNT	EE	SEB	EUR				1,000,000		1,000,000	7.75%
CURRENT ACCOUNT	EE	Swedbank	GBP				4,530		4,530	0.04%
CURRENT ACCOUNT	EE	Swedbank	RON				11,054		11,054	0.09%
CURRENT ACCOUNT TOTAL							2,509,298		2,509,298	19.45%
INVESTMENTS TOTAL							13,477,993		12,917,560	100.12%
OTHER ASSETS										
DIVIDEND RECEIVABLE			EUR						169	0.00%
OTHER ASSETS TOTAL									169	0.00%
TOTAL ASSETS OF THE FUND							13,477,993		12,917,729	100.12%
LIABILITIES									-15,511	-0.12%
NET ASSETS OF THE FUND									12,902,218	100.00%

Avaron Flexible Strategies Fund

In EUR 31/12/2021

Name	ISIN	Emitent country	Rating agency	Rating	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
SHARES										
SHARES LISTED ON STOCK EXCHANGE:										
OMV AG	AT0000743059	AT			EUR	18.94	80,488	49.95	212,288	1.76%
ATRIUM EUROPEAN REAL ESTATE	JE00B3DCF752	JE	Fitch	BB	EUR	3.39	199,146	3.60	211,494	1.75%
DETSKY MIR PJSC	RU000A0JSQ90	RU			USD	1.56	194,704	1.47	183,363	1.52%
BP PLC-SPONS ADR	US0556221044	GB	S&P	A-	USD	22.34	173,133	23.42	181,483	1.50%
OMV PETROM SA (RON)	ROSNPPACNOR9	RO			RON	0.07	114,872	0.10	170,230	1.41%
TALLINNA SADAM AKTSIA	EE3100021635	EE			EUR	1.73	145,473	1.86	155,821	1.29%
GLOBALTRANS INVESTMENT PLC	US37949E2046	RU	Fitch	BBB-	USD	4.86	98,757	7.49	152,089	1.26%
MAGNIT COMMON STOCK	RU000A0JKQU8	RU	S&P	BB+	USD	86.94	199,965	63.98	147,154	1.22%
SWEDBANK AB SER A	SE0000242455	SE	S&P	A+	SEK	12.61	100,872	17.68	141,451	1.17%
TALLINK GRUPP	EE3100004466	EE			EUR	0.81	188,998	0.59	138,008	1.14%
ENGIE LOYALTY 2023	FR0014000R50	FR	S&P	BBB+	EUR	9.29	97,564	13.01	136,647	1.13%
IGNITIS GRUPE AB	LT0000115768	LT	S&P	BBB+	EUR	21.07	113,774	21.00	113,400	0.94%
FIELMANN AG	DE0005772206	DE			EUR	55.93	106,271	59.15	112,385	0.93%
EURONEXT NV	NL0006294274	NL	S&P	BBB	EUR	90.44	108,082	91.25	109,044	0.90%
HAMBURGER HAFEN UND LOGISTIK	DE000A0S8488	DE			EUR	18.24	96,648	20.56	108,968	0.90%
EQUINOR ASA	NO0010096985	NO	S&P	AA-	NOK	8.82	40,138	23.55	107,164	0.89%
AENA SME SA	ES0105046009	ES	Fitch	A-	EUR	136.78	105,317	138.80	106,876	0.88%
BANK PEKAO SA	PLPEKAO00016	PL	S&P	BBB+	PLN	14.54	58,179	26.52	106,078	0.88%
SIXT SE PRFD	DE0007231334	DE			EUR	41.01	47,159	86.80	99,820	0.83%
PUBLICIS GROUPE	FR0000130577	FR	S&P	BBB	EUR	28.68	47,613	59.20	98,272	0.81%
DANONE	FR0000120644	FR	S&P	BBB+	EUR	55.17	99,303	54.59	98,262	0.81%
POLYUS PJSC	RU000A0JNAA8	RU	S&P	BB+	USD	167.76	100,655	153.73	92,240	0.76%
CENTRALNIC GROUP PLC	GB00BCCW4X83	GB			GBP	0.84	46,244	1.67	91,623	0.76%
FRESENIUS MEDICAL CARE AG	DE0005785802	DE	S&P	BBB	EUR	63.05	100,881	57.14	91,424	0.76%
CTS EVENTIM AG and CO KGAA	DE0005470306	DE			EUR	37.47	50,584	64.36	86,886	0.72%
KRONES AG	DE0006335003	DE			EUR	65.55	49,164	95.90	71,925	0.59%
COCA-COLA ICECEK AS	TRECOLA00011	TR	S&P	BBB-	TRY	10.29	125,024	5.85	71,041	0.59%
JCDECAUX SA	FR0000077919	FR	S&P	BBB-	EUR	16.66	49,989	22.00	66,000	0.55%
SAGE GROUP PLC	GB00B8C3BL03	GB	S&P	BBB+	GBP	8.27	53,753	10.15	65,944	0.55%
RAYSEARCH LABORATORIES AB	SE0000135485	SE			SEK	8.34	97,191	5.49	63,912	0.53%
ALIBABA GROUP HOLDING LTD	US01609W1027	CH	S&P	A+	USD	192.58	101,103	104.46	54,841	0.45%
HERMAN MILLER INC	US6005441000	US	S&P	BB+	USD	20.47	27,637	34.46	46,523	0.38%
TAV HAVALIMANLARI HOLDING	TRETAVH00018	TR			TRY	2.00	38,681	2.16	41,734	0.35%
SHARES TOTAL							3,089,941		3,591,289	30.87%

Avaron Flexible Strategies Fund

Statement of investments as of 31/12/2021 (continued)

Name	ISIN	Fund country	Fund Management Company	FX	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net
FUNDS									
CLOSED-END FUNDS LISTED ON STOCK EXCHANGE:									
BULGARIA REAL ESTATE FUND	BG1100001053	BG	REAL ESTATE MANAGEMENT LTD	BGN	0.80	180,932	1.01	228,108	1.89%
CLOSED-END FUNDS TOTAL						180,932		228,108	1.89%
EXCHANGE TRADED COMMODITIES:									
XTRACKER IE PHYSICAL GOLD ETC	DE000A2T0VU5	DE	DEUTCHE BANK AG	EUR	22.05	377,662	23.06	421,079	3.48%
EXCHANGE TRADED COMMODITIES TOTAL						377,662		421,079	3.48%
EXCHANGE TRADED FUNDS:									
KRANESHARES CSI CHINA INTERNET E IE00BFXR7892		CH	WAYSTONE MANAGEMENT COMPANY	USD	25.20	216,719	21.68	186,490	1.54%
EXCHANGE TRADED FUNDS TOTAL						216,719		186,490	1.54%
FUNDS TOTAL						775,313		835,677	6.91%
SHARES AND FUNDS TOTAL						4,032,673		4,570,065	37.78%

Name	ISIN	Emitent country	Rating agency	Rating	FX	Interest rate	Maturity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
BONDS*												
CAPITALICA BALT 6.50% 30.10.23	LT0000404725	LT			EUR	6.50%	30/10/2023	102.18	306,531	101.50	307,750	2.54%
ADMIRAL MK ALLUT 8% 05.02.31	EE3300001999	EE			EUR	8.00%	05/02/2031	100.00	200,000	102.50	211,489	1.75%
CENTRALNIC FRN 03.07.2023 EUR	NO0010856750	GB			EUR	7.00%	03/07/2023	83.00	166,000	102.19	207,792	1.72%
MEDIA AND GAMES FRN 27.11.2024	SE0015194527	MT			EUR	5.75%	27/11/2024	101.38	202,750	102.14	205,306	1.70%
BEERENBERG FRN NOK 13.11.2023	NO0010904782	NO			NOK	8.79%	13/11/2023	10.40	204,456	10.32	205,008	1.69%
EASTNINE FRN 08.07.2024 EUR	SE0013719788	SE			EUR	5.00%	08/07/2024	100.00	200,000	101.25	204,833	1.69%
BALTIC HORIZON 4.250% 08.05.23	EE3300111467	EE			EUR	4.25%	08/05/2023	100.20	200,400	100.00	201,251	1.66%
INVESTMIRA 6.000% 28.12.2023 ¹	LT0000405334	LT			EUR	6.00%	28/12/2023	100.00	200,000	100.00	200,000	1.65%
ADVANZIA FRN SUBORD 24.03.31 ¹	NO0010955909	LU			EUR	5.25%	24/03/2031	100.00	200,000	99.36	198,845	1.64%
STENA 7% 01.02.2024	USW8758PAK22	SE	S&P	B+	USD	7.00%	01/02/2024	90.88	181,760	91.12	187,375	1.55%
WALDORF 9.75% 01.10.2024 ¹	NO0011100935	GB			USD	9.75%	01/10/2024	84.61	169,219	89.25	182,748	1.51%
INBANK SUBORDINATED 19.12.2029	EE3300001544	EE			EUR	6.00%	19/12/2029	100.00	176,000	102.53	180,532	1.49%
KERNEL HOLDING 6.75% 27.10.27	XS2244927823	LU	S&P	B+	USD	6.75%	27/10/2027	84.61	169,218	87.83	177,728	1.47%
LHV GROUP SUBORDIN 28.11.28	EE3300111558	EE			EUR	6.00%	28/11/2028	100.00	166,000	103.80	173,193	1.43%

Statement of investments as of 31/12/2021 (continued)

Name	ISIN	Emitent country	Rating agency	Rating	FX	Interest rate	Maturity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
BONDS*												
MAINOR ULEMISTE 5.5% 05.04.23	EE3300111343	EE			EUR	5.50%	05/04/2023	100.00	150,000	101.75	154,573	1.28%
NOR5KE VIKING FRN 03.05.2024 ¹	NO0011140402	NO			NOK	8.75%	03/05/2024	10.31	134,000	10.07	132,738	1.10%
SEAMLESS DISTR FRN 05.05.2024	SE0015811914	SE			SEK	8.75%	05/05/2024	9.89	123,578	10.18	128,862	1.07%
VNV GL 5.5% 24.06.2024 SEK	SE0016275077	SE			SEK	5.50%	24/06/2024	9.79	122,333	9.98	124,820	1.03%
CAYBON HOLD FRN 03.12.2025 SEK	SE0017084478	SE			SEK	6.50%	03/12/2025	9.81	122,674	9.72	122,123	1.01%
BAKKGRUPPEN FRN NOK 03.02.2025	NO0010917750	NO			NOK	7.75%	03/02/2025	9.65	106,170	10.28	114,470	0.95%
LAKERS FRN 09.06.2025 NOK	NO0011017113	SE			NOK	6.28%	09/06/2025	10.21	112,259	10.36	114,365	0.95%
JOTTA GRP FRN 28.05.2025 NOK	NO0010998586	NO			NOK	7.31%	28/05/2025	9.99	109,901	10.04	111,149	0.92%
MERAKI 5.000% 19.11.2022 EUR	LT0000405243	LT			EUR	5.00%	19/11/2022	100.00	108,800	100.13	109,571	0.91%
IUTECR 13.000% 07.08.2023 EUR	XS2033386603	LU			EUR	13.00%	07/08/2023	100.00	100,000	104.00	109,158	0.90%
ELKO GRUPA 6% 12.02.2026 EUR	LV0000870079	LV			EUR	6.00%	12/02/2026	100.00	100,000	103.25	105,550	0.87%
GL AGRAJES FRN EUR 22.12.2025	NO0010912801	ES			EUR	6.00%	22/12/2025	100.00	100,000	103.75	103,900	0.86%
HKSCAN 5% 24.03.2025 EUR	FI4000490990	FI			EUR	5.00%	24/03/2025	100.07	100,070	101.16	102,493	0.85%
DDM DEBT 9% 20.04.2026 EUR	SE0015797683	SE			EUR	9.00%	19/04/2026	100.00	100,000	100.24	102,013	0.84%
HKSCAN 2.625% 21.09.2022	FI4000278536	FI			EUR	2.63%	21/09/2022	93.50	93,500	100.78	101,501	0.84%
ESTO HOLDINGS 9.000% 22.11.2024	EE3300002294	EE			EUR	9.00%	22/11/2024	100.00	100,000	100.00	100,950	0.83%
ARCO VARA 10% 13.12.2022 EUR ¹	EE3300001957	EE			EUR	10.00%	13/12/2022	100.00	100,000	100.00	100,472	0.83%
DELFINGROUP 9.750% 25.08.2023	LV0000850048	LV			EUR	9.75%	25/08/2023	99.52	99,520	99.63	99,765	0.82%
AXACTOR FRN 15.09.2026 EUR	NO0011093718	NO			EUR	5.35%	15/09/2026	100.00	100,000	97.42	97,661	0.81%
IUTECR 11.000% 06.10.2026 EUR	XS2378483494	LU			EUR	11.00%	06/10/2026	100.00	90,000	103.37	95,372	0.79%
EXPLORER II 3.375% EUR 24.02.2025	NO0010874548	NO			EUR	3.38%	24/02/2025	100.00	100,000	93.52	94,717	0.78%
LHV PANK 6.000% 30.09.2030 EUR	EE3300001791	EE			EUR	6.00%	28/09/2030	100.00	79,000	106.85	84,412	0.70%
MAINOR EUR 4.75% 10.06.2026	EE3300002138	EE			EUR	4.75%	10/06/2026	100.00	82,500	100.00	82,718	0.68%
INBANK ALLUT 5.5% 15.12.2031 E	EE3300002302	EE			EUR	5.50%	15/12/2031	100.00	56,000	101.70	57,089	0.47%
BONDS TOTAL									5,232,639		5,394,292	44.61%

¹Bonds not traded on a regulated market

As of 31/12/2021 Avaron considers also securities listed on multilateral trading facilities as securities traded on a regulated market. The amendment is based on an interpretation published by European Securities and Markets Authority (ESMA) in its Questions and Answers on Application of the UCITS Directive.

Name	Derivative Type	Emitent country	Rating agency	Rating	FX	Maturity	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
DERIVATIVES										
FX-Swap EUR/USD Swedbank AS	Swap	EE	S&P	A+ (Swedbank AB)	USD	06/05/2022			-36,074	-0.30%
FX-Forward EUR/NOK AS SEB Pank	Forward	EE	S&P	A+ (Skandinaviska Enskilda)	NOK	09/02/2022			-3,903	-0.03%
DERIVATIVES TOTAL									-39,976	-0.33%
INSTRUMENTS TOTAL								9,225,336	9,924,380	82.06%

Statement of investments as of 31/12/2021 (continued)

Credit Institution	Deposit type	Credit Institution's country	Rating agency	Rating	FX	Interest rate	Start date	Maturity	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets
DEPOSITS*												
Bigbank AS	Term deposit	EE			EUR	1.00%	18/11/2021	18/11/2022	200,000		200,241	1.66%
Bigbank AS	Term deposit	EE			EUR	0.35%	08/12/2021	10/01/2022	101,100		101,123	0.84%
Bigbank AS	Term deposit	EE			EUR	0.35%	20/12/2021	20/01/2022	100,000		100,012	0.83%
DEPOSITS TOTAL									401,100		401,375	3.32%
*Accrued interest in the amount of 275.88 EUR has been added to the value of deposits												
Name	Credit Institution's country	Credit Institution	FX	Interest rate	Quantity	Average acquisition cost per unit	Average acquisition cost	Market value per unit	Total market value	Share of market value of fund's net assets		
CASH												
CURRENT ACCOUNT	EE	Luminor	EUR				300,001		300,001	2.48%		
CURRENT ACCOUNT	EE	Swedbank	EUR				613,012		613,012	5.07%		
CURRENT ACCOUNT	EE	Swedbank	BGN				224,330		224,330	1.85%		
CURRENT ACCOUNT	EE	Swedbank	SEK				1,669		1,669	0.01%		
CURRENT ACCOUNT	EE	Swedbank	RUB				44,084		44,084	0.36%		
CURRENT ACCOUNT	EE	Swedbank	USD				109,884		109,884	0.91%		
CURRENT ACCOUNT	EE	Swedbank	PLN				83,657		83,657	0.69%		
CURRENT ACCOUNT	EE	Swedbank	RSD				2,383		2,383	0.02%		
CURRENT ACCOUNT	EE	Swedbank	NOK				4,671		4,671	0.04%		
CURRENT ACCOUNT	EE	SEB	EUR				500,023		500,023	4.13%		
CURRENT ACCOUNT TOTAL									1,883,713		1,883,713	15.56%
INVESTMENTS TOTAL									1,883,713		1,883,713	15.56%
OTHER ASSETS												
DIVIDEND RECEIVABLE					EUR						13,419	0.11%
OTHER ASSETS TOTAL											13,419	0.11%
TOTAL ASSETS OF THE FUND									0		12,222,888	101.05%
LIABILITIES											-127,568	-1.05%
NET ASSETS OF THE FUND											12,095,320	100.00%

STATEMENT OF COMMISSIONS

In EUR

01/01/2022-30/06/2022

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
Regulated securities market transactions*				
Shares				
Wood and Company Financial Services a.s.	14	894 864	1 421	0.16%
SEB Pank AS	5	370 207	475	0.13%
Santander Biuro Maklerskie	1	112 075	67	0.06%
Erste Group Bank AG	1	61 400	43	0.07%
Third country securities market transactions				
Shares				
OYAK Yatirim Menkul Degerler A.S.	2	139 856	70	0.05%
OTC transactions				
Shares				
Pareto Securities AS	1	58 847	53	0.09%
Investment funds	3	30 358		
Corporate actions	4	215 382		
Bond issue				
Pareto Securities AS	2	296 504		
ABG Sundal Collier ASA	1	149 936		
Coop Pank AS	1	100 000		
Bonds				
Pareto Securities AS	2	298 399		
SEB Pank AS	1	71 077		
TOTAL	38	2,798,905	2,129	0.08%

* Contracting Party to the EEA Agreement (European Economic Area countries)

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
Regulated securities market transactions*				
Shares				
Wood and Company Financial Services a.s.	7	425,042	739	0.17%
AS SEB Pank	2	183,433	147	0.08%
Erste Group Bank AG	2	135,207	95	0.07%
Exchange Traded Commodities				
Wood and Company Financial Services a.s.	1	126,768	101	0.08%
Third country securities market transactions				
Shares				
Wood and Company Financial Services a.s.	1	101,103	51	0.05%
OTC transactions				
Shares				
Avaron Emerging Europe Fund	1	79,728	-	-
Corporate actions				
	2	-	-	-
Derivatives				
Swedbank AS	2	992,388	-	-
AS SEB Pank	1	105,762	-	-
Note issue				
	14	1,597,263	-	-
Bonds				
Banca Promos SPA	1	302,901	-	-
Pareto Securities AS	2	237,017	-	-
Luminor Bank AS	1	200,613	-	-
AS SEB Pank	7	37,895	-	-
TOTAL	44	4,525,120	1,133	0.03%

* Contracting Party to the EEA Agreement (European Economic Area countries)