



# **Avaron Flexible Strategies Fund**

**SEMI-ANNUAL REPORT FOR THE FINANCIAL YEAR 2023**  
**UNAUDITED**

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## FUND FACTS

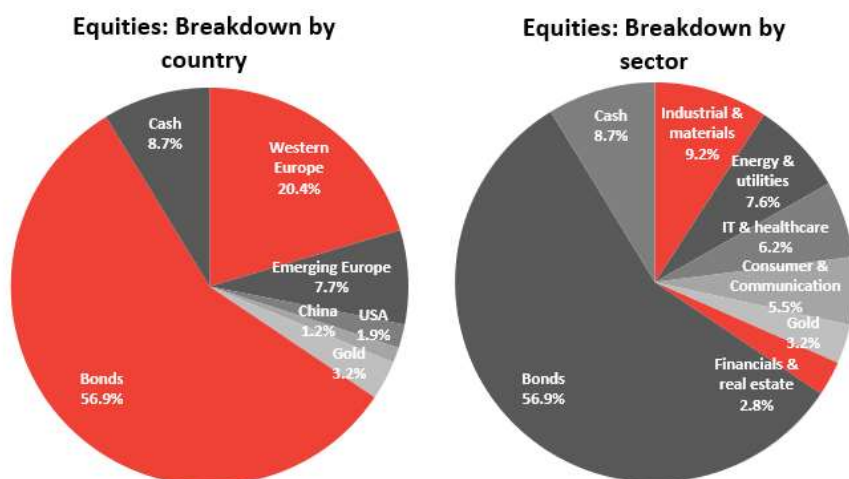
Avaron Flexible Strategies Fund is a public common alternative investment fund registered in the Republic of Estonia.

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: <a href="mailto:avaron@avaron.com">avaron@avaron.com</a> <a href="http://www.avaron.com">www.avaron.com</a>
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

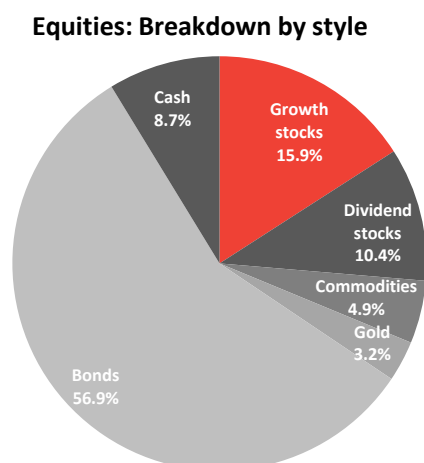
## MANAGEMENT REPORT

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 equity and fixed income 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.

**Avaron Flexible Strategies Fund gained 4.7% during 6 months. As of June 30<sup>th</sup> 31% of the Fund’s portfolio was invested in equities, 57% in bonds 3% in gold and 9% in cash.** The latter is a tactical bet to have fresh powder in case of falling market. Regionally 40% of the Fund is invested in Western Europe and Scandinavia, 44% in Eastern Europe and 6% outside of Europe. The Fund’s equity portfolio consists of 38 companies, which on average trade at 10.3x 2023 expected earnings and deliver a strong 4.7% dividend yield. We currently find the most interesting investment opportunities in Western Europe where we have allocated 20% of the Fund’s assets.

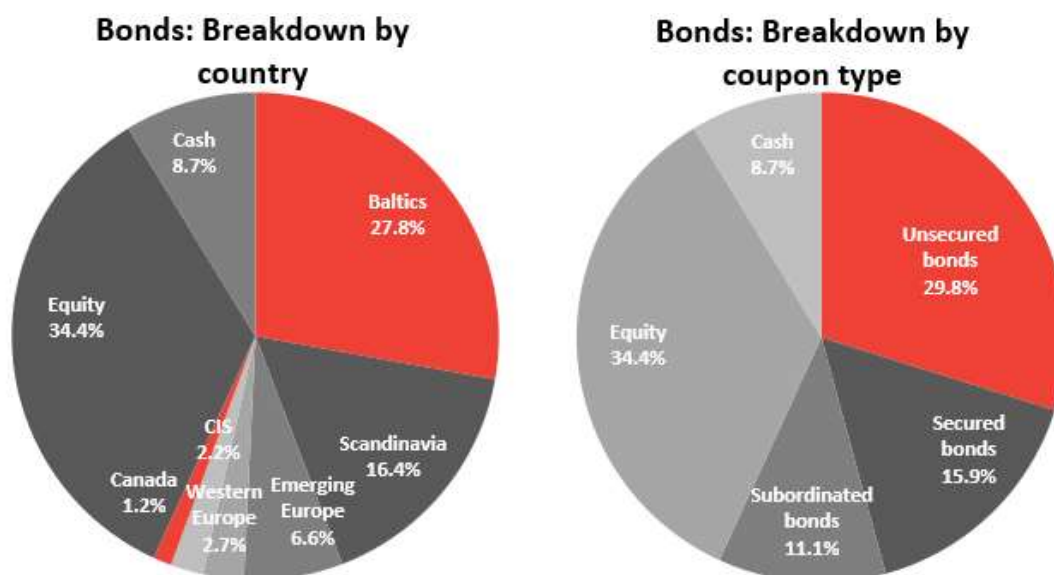


Following a strong correction in the prices of industrial companies we have invested 9% of the portfolio into industrial and material driven names. While at the beginning of last year our portfolio on the equity side was driven by dividend stocks, then we have used the sell-offs of the past 14 months to build a portfolio of strong growth stocks in the Fund. In the event of further selling pressure, we remain ready to increase our exposure to growth stocks even further.



**The bond portfolio, consisting of 51 bonds, trades at a 10.1% yield to maturity (including the cost of hedging FX) with an average duration of 4.2 years, which is a very attractive level considering the current yield environment and gives a strong buy to bonds in Europe.** Historically the Fund bond portfolio yield to maturity has ranged between 4.6% and 12.8%, and been over 10% only in market bottoms – great financial crisis (March 2009, 11.3%), Greek crisis (2022 Nov-Dec, 10.2%) and Covid-19 crisis (2020 March-April 12.8% and 10.7%).

Geographically we are finding the best fixed income cases these days from Scandinavia and the Baltics. It is also worth noting that 15% of the Fund’s bond portfolio (8% of the Fund) is due to reach maturity within the next 12 months, giving us considerable liquidity to reposition into new opportunities in either equities or credit.

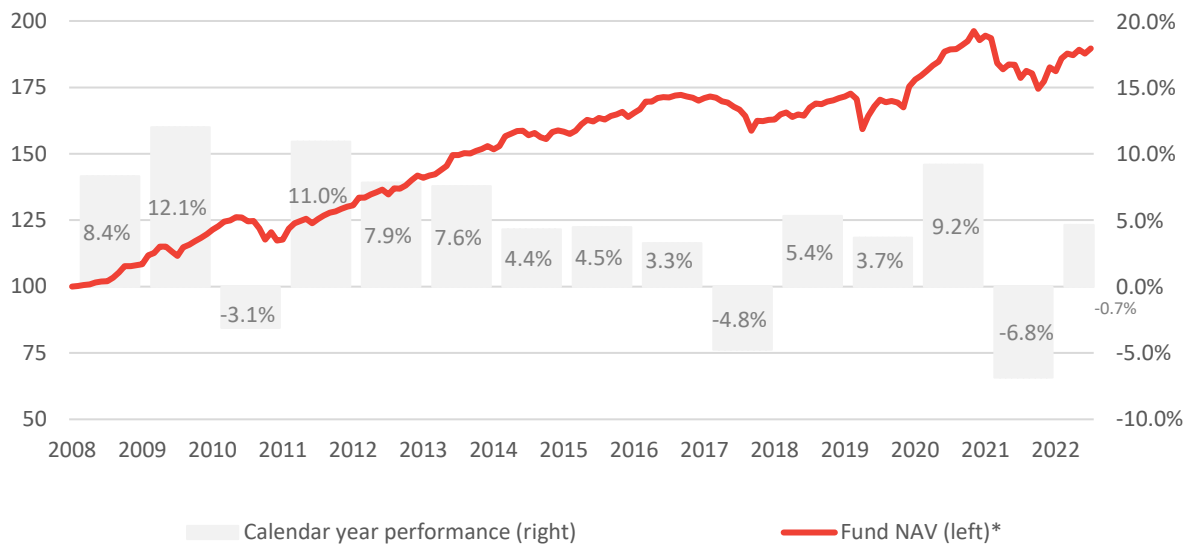


**After the rally that started in equity markets last autumn European markets are back to their life highs of 2021-2022 and S&P500 and Eurostoxx 6% below its peak.** Still, European equities offer better value today compared to equities in the US. We keep our equity share of the Fund around 30% as visibility in the economic environment is low and high interest rate level hits highly leveraged companies. Thus, we prefer companies with strong balance sheet and cash flow. Strong labour market in the US and Europe has resulted in steadily high inflation which pushes the central bankers to raise rates higher than expected and keep them at elevated levels longer than expected. Within the next 12-18 months this will have a negative effect on economic activities. However, the current markets provide opportunities for active portfolio managers as prices of equities within different sectors have moved differently. For example, several cyclical companies’ share prices have reached levels last seen in the bottom of the last cycles. 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.

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

	2023 HY1	1 year	2 years	3 years	5 years	10 years
Unit	4.7%	6.2%	0.1%	11.3%	13.8%	40.7%

**Graph 1.** Performance of Fund's NAV since launch



31 August 2023

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 2023

The Management Board of the Fund Management Company has prepared the semi-annual Financial Statements of Avaron Flexible Strategies Fund on 31/08/2023.

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.

<b>Name</b>	<b>Date</b>	<b>Signature</b>
<b>Kristel Kivinurm-Priisalm</b> <i>Member of the Management Board of the Fund Management Company</i>	31/08/2023	/Signed digitally/
<b>Valdur Jaht</b> <i>Member of the Management Board of the Fund Management Company / Investment Manager</i>	31/08/2023	/Signed digitally/
<b>Peter Priisalm</b> <i>Investment Manager</i>	31/08/2023	/Signed digitally/
<b>Rain Leesi</b> <i>Investment Manager</i>	31/08/2023	/Signed digitally/

**FINANCIAL STATEMENTS****BALANCE SHEET**

In EUR

<b>ASSETS</b>	<b>Note</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Cash and cash equivalents	3; 4	270,880	2,044,439
Term deposits	3; 4	1,012,670	200,018
Financial assets at fair value through profit or loss:			
Shares and units	4	5,036,244	4,508,575
Bonds	4	7,611,786	5,601,918
Derivatives	4; 7	0	30,108
Financial assets at amortised cost through profit or loss:			
Loans and receivables			
Receivables and prepayments	4	14,263	166
Unlisted bonds	4	707,924	763,950
<b>TOTAL ASSETS</b>		<b>14,653,767</b>	<b>13,149,174</b>
<b>LIABILITIES</b>			
Financial liabilities at fair value through profit or loss:			
Derivatives	4; 7	3,581	0
Other financial liabilities			
Payables to the management company	4; 6	11,470	10,304
Payables to the depository	4	2,804	4,819
Other liabilities	4	1,620	2,792
<b>TOTAL LIABILITIES (except net assets attributable to holders)</b>		<b>19,475</b>	<b>17,915</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS</b>		<b>14,634,292</b>	<b>13,131,259</b>



## STATEMENT OF INCOME AND EXPENSES

In EUR

<b>INCOME</b>	<b>Note</b>	<b>01/01/2023- 30/06/2023</b>	<b>01/01/2022- 30/06/2022</b>
<b>Interest income</b>		<b>290,819</b>	<b>188,820</b>
From bonds		287,272	187,286
From deposits		3,547	1,534
<b>Dividend income</b>			
From shares and units		127,781	110,645
<b>Net gain/loss from financial assets at fair value through profit or loss</b>		<b>443,667</b>	<b>-1,341,070</b>
From shares and units	5	304,616	-985,807
From bonds	5	132,548	-304,940
From derivative instruments	5	6,503	-50,323
<b>Net gain/loss from foreign exchange</b>		-156,629	62,350
<b>Other financial income</b>			
Other interest income		500	0
<b>TOTAL INCOME</b>		<b>706,138</b>	<b>-979,255</b>
<b>OPERATING EXPENSES</b>			
Management fees	6	65,096	58,529
Custodian fees		15,212	13,444
Transaction fees		400	656
Other operating expenses		2,949	4,904
<b>TOTAL OPERATING EXPENSES</b>		<b>83,657</b>	<b>77,533</b>
<b>NET INCOME</b>		<b>622,481</b>	<b>-1,056,788</b>

## STATEMENT OF CHANGES IN NET ASSETS

In EUR

	<b>01/01/2023- 30/06/2023</b>	<b>01/01/2022- 30/06/2022</b>	<b>01/01/2021- 30/06/2021</b>
<b>NET ASSET VALUE AT THE BEGINNING OF THE PERIOD</b>	<b>13,131,259</b>	<b>12,095,321</b>	<b>9,584,520</b>
Cash received for fund units issued	1,215,738	1,968,308	232,150
Cash paid for fund units redeemed	-335,186	-104,623	-113,435
Net result of the Fund	622,481	-1,056,788	613,046
<b>NET ASSET VALUE AT THE END OF THE PERIOD</b>	<b>14,634,292</b>	<b>12,902,218</b>	<b>10,316,281</b>
	<b>30/06/2023</b>	<b>30/06/2022</b>	<b>30/06/2021</b>
Number of units in circulation at the end of the period:	771,836.015	722,374.448	544,865.900
Net asset value of an unit:	18.9604	17.8608	18.9336
Total net asset value of the units in circulation:	14,634,292	12,902,218	10,316,281

## STATEMENT OF CASH FLOWS

In EUR

	<b>01/01/2023- 30/06/2023</b>	<b>01/01/2022- 30/06/2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received	250,425	179,503
Dividends received	113,635	123,681
Net result from foreign exchange	36,985	-105,414
Sale of investments	1,272,487	774,806
Purchase of investments	-3,222,668	-2,011,396
Operating expenses paid	-85,678	-189,463
	<b>-1,634,814</b>	<b>-1,228,283</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of units	1,215,738	1,968,308
Payments on redemption of units	-335,186	-104,750
	<b>880,552</b>	<b>1,863,558</b>
<b>TOTAL CASH FLOWS</b>	<b>-754,262</b>	<b>635,275</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the beginning of the period	2,044,439	1,883,714
Effect of exchange rate fluctuations on cash and cash equivalents	-6,669	-9,690
Cash and cash equivalents at the end of the period	<b>1,283,509</b>	<b>2,509,298</b>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. ACCOUNTING POLICIES AND ASSESSMENTS USED

The semi-annual financial statements of Avaron Flexible Strategies Fund for 2023 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:

- 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 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:

- Amendments to IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2024).

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

- Amendments to IAS 21 “The Effects of Change in Foreign Exchange Rates.” (effective for annual periods beginning on or after 1 January 2025),

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).

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:

	<b>30/06/2023</b>	<b>% of NAV</b>	<b>31/12/2022</b>	<b>% of NAV</b>
Cash and cash equivalents	270,880	1.85%	2,044,439	15.57%
Term deposits	1,012,670	6.92%	200,018	1.52%
Corporate bonds	7,611,786	52.01%	5,601,918	42.66%
Loans and receivables				
Receivables and prepayments	14,263	0.10%	166	0.00%
Unlisted bonds	707,924	4.84%	763,950	5.82%
<b>TOTAL</b>	<b>9,617,523</b>	<b>65.72%</b>	<b>8,610,491</b>	<b>65.57%</b>

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:

**30/06/2023**

Counterparty	Credit Rating	Gross Amounts of Liabilities in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet			Net Amount
			Derivative Financial Instruments Available to Offset	Cash Collateral Pledged	Non-Cash Collateral	
Swedbank AS	A+ (S&P) - Swedbank AB	-3,581	-	-	-	-3,581
<b>TOTAL</b>		<b>-3,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-3,581</b>

**31/12/2022**

Counterparty	Credit Rating	Gross Amounts of Liabilities in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet			Net Amount
			Derivative Financial Instruments Available to Offset	Cash Collateral Pledged	Non-Cash Collateral	
Swedbank AS	A+ (S&P) - Swedbank AB	30,108	-	-	-	30,108
<b>TOTAL</b>		<b>30,108</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,108</b>

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:

	<b>30/06/2023</b>	<b>% of NAV</b>	<b>31/12/2022</b>	<b>% of NAV</b>
BBB	339,304	2.32%	0	0.00%
BB+	792,475	5.42%	284,231	2.16%
BB-	496,303	3.39%	0	0.00%
B+	389,577	2.66%	385,674	2.94%
B	270,124	1.85%	268,802	2.05%
B-	67,835	0.46%	0	0.00%
CC	125,859	0.86%	0	0.00%
No rating	5,838,233	39.89%	5,427,161	41.33%
<b>TOTAL</b>	<b>8,319,710</b>	<b>56.85%</b>	<b>6,365,868</b>	<b>48.48%</b>

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 26/06/2023 by Standard & Poor's and with AS SEB Pank, which parent company Skandinaviska Enskilda Banken AB is rated A+ as of 28/06/2023 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:

	<b>Up to 1 month</b>		<b>Over 1 month</b>	
	<b>30/06/2023</b>	<b>31/12/2022</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Payables to the management company	11,470	10,304	-	-
Payables to the depository	2,804	4,819	-	-
Other liabilities	-	-	1,620	2,792
<b>Net Assets attributable to Holders</b>	<b>14,274</b>	<b>15,123</b>	<b>1,620</b>	<b>2,792</b>

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 30/06/20223

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	Sector	Country	% of NAV	
			30/06/2023	31/12/2022
MAINOR ULEMISTE 8.50% 10.03.2027	Real Estate	Estonia	4.26%	-
KRUK FRN 10.05.2028	Financials	Poland	2.10%	-
CAPITALICA BALT 6.50% 30.10.2023	Real Estate	Lithuania	2.08%	2.31%
LUMINOR BANK VAR% 08.06.2027	Financials	Estonia	2.08%	-
BULGARIA REAL ESTATE FUND	Real Estate	Bulgaria	1.65%	1.75%
MAXIMA 6.250% 12.07.2027	Consumer Staples	Lithuania	1.42%	-
ADMIRAL MK ALLUT 8% 05.02.2031	Financials	Estonia	1.41%	1.55%
ARCO VARA 10% 13.12.2024 <sup>1</sup>	Real Estate	Estonia	1.37%	1.53%
EASTNINE FRN 08.07.2024	Real Estate	Sweden	1.37%	-
ADVANZIA FRN SUBORD 24.03.2031	Financials	Luxembourg	1.37%	1.49%
INVESTMIRA 6.000% 28.12.2023 <sup>1</sup>	Real Estate	Lithuania	1.37%	1.57%
MEDIA AND GAMES FRN 21.06.2026	Communication Services	Malta	1.34%	1.46%
LHV GROUP VAR% 09.09.2025	Financials	Estonia	1.22%	1.30%
INBANK SUBORDINATED 19.12.2029	Financials	Estonia	1.15%	1.32%
LHV GROUP SUBORDIN 28.11.2028	Financials	Estonia	1.12%	1.26%
CLEANR GRUPA FRN EUR 09.12.2025	Industrial	Latvia	0.85%	0.92%
NOR5KE VIKING FRN 03.05.2024 <sup>1</sup>	Communication Services	Norway	0.77%	0.96%
VNV GL 5.5% 24.06.2024	Financials	Sweden	0.71%	0.81%
ELKO GRUPA 6% 12.02.2026	IT	Latvia	0.70%	0.78%
VNV GL 5.0% 31.01.2025	Financials	Sweden	0.69%	0.79%
COOP PANK 10% PERP 2022 AT1 <sup>1</sup>	Financials	Estonia	0.68%	0.78%
DELFINGROUP FRN 25.09.2024	Financials	Latvia	0.66%	0.74%
BIGBANK 8.000% SUBT2 16.02.2033	Financials	Estonia	0.62%	-
IUTECR 11.000% 06.10.2026	Financials	Luxembourg	0.61%	0.65%
HKSCAN 5% 24.03.2025	Consumer Staples	Finland	0.56%	0.65%
MAINOR EUR 4.75% 10.06.2026	Real Estate	Estonia	0.53%	0.60%
DDM DEBT 9% 20.04.2026	Financials	Sweden	0.46%	-
INBANK ALLUT 5.5% 15.12.2031	Financials	Estonia	0.35%	0.40%
Specialist VC Primary and Secondary Fund II Equity funds		Estonia	0.27%	0.27%
<b>TOTAL</b>			<b>33.77%</b>	<b>22.41%</b>

<sup>1</sup>Bonds not traded on a regulated market

As many trades with fixed income instruments are made over the counter then the actual trading volume data may be not publicly available. For the fixed income instruments for which reliable trading data is not available, it is assumed 0.1% of the amount outstanding is being traded on daily basis. Based on the relevant decision by the Investment Manager relating to specific debt instrument a more conservative assumption may still be used. In this case the instrument shall be assumed not to be sellable before maturity.

**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:

	<b>30/06/2023</b>	<b>% of Assets</b>	<b>31/12/2022</b>	<b>% of Assets</b>
EUR	10,783,688	73.59%	9,095,726	69.17%
USD	1,304,085	8.90%	1,284,930	9.77%
SEK	893,555	6.10%	831,930	6.33%
NOK	771,003	5.26%	807,942	6.14%
GBP	471,680	3.22%	294,002	2.24%
BGN	241,933	1.65%	460,307	3.50%
RON	187,823	1.28%	180,389	1.37%
PLN	0	0.00%	191,560	1.46%
RSD	0	0.00%	2,388	0.02%
<b>TOTAL</b>	<b>14,653,767</b>	<b>100.00%</b>	<b>13,149,174</b>	<b>100.00%</b>

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

	<b>30/06/2023</b>	<b>% of Assets</b>	<b>31/12/2022</b>	<b>% of Assets</b>
SEK	893,555	6.10%	831,930	6.33%
NOK	771,003	5.26%	807,942	6.14%
USD	734,527	5.01%	666,624	5.07%
GBP	471,680	3.22%	294,002	2.24%
BGN	241,933	1.65%	460,307	3.50%
RON	187,823	1.28%	180,389	1.37%
PLN	0	0.00%	191,560	1.46%
RSD	0	0.00%	2,389	0.02%
<b>TOTAL</b>	<b>3,300,520</b>	<b>22.52%</b>	<b>3,435,143</b>	<b>26.13%</b>

**Currency risk sensitivity analysis**

Fund's net asset value would have been affected by the weakening of foreign currencies against EUR on 30 June 2023. 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 2022 has been made using the same assumptions.

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

	30/06/2023			31/12/2022		
	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
SEK	-89,355	-12%	6.10%	-83,193	-12%	6.33%
NOK	-77,100	-25%	5.26%	-80,794	-25%	6.14%
USD	-73,453	-20%	5.01%	-66,662	-20%	5.07%
GBP	-47,168	-23%	3.22%	-29,400	-23%	2.24%
BGN	-24,193	0%	1.65%	-46,031	0%	3.50%
RON	-18,782	-9%	1.28%	-18,039	-9%	1.37%
RSD	0	0%	0.00%	-239	-18%	0.02%
PLN	0	0%	0.00%	-19,156	-16%	1.46%
<b>TOTAL</b>	<b>-330,052</b>		<b>22.52%</b>	<b>-343,515</b>		<b>26.13%</b>

#### *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:

	30/06/2023	% of NAV	31/12/2022	% of NAV
Financials	4,043,785	27.64%	2,738,867	20.87%
Real Estate	2,206,666	15.08%	1,757,127	13.38%
Industrial	1,819,073	12.42%	1,369,284	10.42%
Energy	1,207,100	8.25%	1,267,490	9.65%
IT	929,872	6.35%	993,877	7.57%
Communication Services	724,876	4.95%	640,633	4.88%
Commodities	464,232	3.17%	450,601	3.43%
Consumer Staples	517,032	3.53%	456,244	3.47%
Consumer Discretionary	567,156	3.88%	370,216	2.82%
Utilities	334,192	2.28%	425,636	3.24%
Health Care	242,247	1.66%	119,822	0.91%
Materials	259,681	1.77%	249,441	1.90%
Equity funds	40,041	0.27%	35,205	0.27%
<b>TOTAL</b>	<b>13,355,953</b>	<b>91.26%</b>	<b>10,874,443</b>	<b>82.81%</b>

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

	<b>30/06/2023</b>	<b>% of NAV</b>	<b>31/12/2022</b>	<b>% of NAV</b>
Estonia	2,788,931	19.06%	2,316,124	17.64%
Lithuania	1,458,530	9.97%	958,021	7.30%
Germany	1,328,311	9.08%	1,116,358	8.50%
Sweden	1,279,137	8.74%	1,378,746	10.50%
Norway	964,780	6.59%	1,016,500	7.74%
United Kingdom	808,736	5.53%	670,125	5.10%
Luxembourg	711,619	4.86%	656,556	5.00%
Romania	501,517	3.43%	158,250	1.21%
France	406,036	2.77%	355,168	2.70%
Malta	393,735	2.69%	287,371	2.19%
Slovenia	339,304	2.32%	-	-
Latvia	323,071	2.21%	319,689	2.43%
Poland	307,514	2.10%	-	-
USA	281,597	1.92%	152,631	1.13%
Bulgaria	241,933	1.65%	230,413	1.75%
Spain	216,061	1.48%	190,222	1.45%
Austria	188,762	1.29%	227,177	1.73%
China	182,702	1.25%	205,622	1.57%
Canada	177,755	1.21%	180,274	1.37%
Netherlands	168,833	1.15%	187,424	1.43%
Italy	145,856	1.00%	122,980	0.94%
Finland	141,233	0.97%	144,792	1.10%
<b>TOTAL</b>	<b>13,355,953</b>	<b>91.26%</b>	<b>10,874,443</b>	<b>82.81%</b>

*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 2022 has been made with using the same assumptions.

	<b>Probability</b>	<b>+/- possible change of Fund's NAV during year</b>	
		<b>30/06/2023</b>	<b>31/12/2022</b>
$\sigma$	68.27%	3.44%	3.43%
$2\sigma$	95.45%	6.87%	6.87%
$3\sigma$	99.73%	10.31%	10.30%



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

	<b>30/06/2023</b>	<b>% of NAV</b>	<b>31/12/2022</b>	<b>% of NAV</b>
Deposits, Bigbank AS	-	0.00%	200,000	1.52%
Over-night deposits, Swedbank AS	1,012,629	6.92%	0	0.00%
<b>TOTAL*</b>	<b>1,012,629</b>	<b>6.92%</b>	<b>200,000</b>	<b>1.52%</b>

\* "Term deposits" in balance sheet include also accrued interest in the amount of 41.12 EUR as at 30/06/2023 and 17.81 EUR as at 31/12/2022. 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**

	<b>30/06/2023</b>	<b>% of NAV, converted into EUR</b>	<b>31/12/2022</b>	<b>% of NAV, converted into EUR</b>
<b>Swedbank AS</b>		<b>1.85%</b>		<b>10.62%</b>
EUR	-	-	806,087	6.14%
BGN	-	-	449,651	1.75%
PLN	-	-	898,571	1.46%
USD	3,246	0.02%	70,961	0.50%
NOK	1,079,246	0.63%	589,727	0.43%
RON	-	-	109,480	0.17%
SEK	1,981,398	1.15%	164,352	0.11%
GBP	6,317	0.05%	4,601	0.04%
RSD	-	-	280,382	0.02%
RUB	-	-	-	-
<b>AS SEB Pank</b>		<b>0.00%</b>		<b>4.95%</b>
EUR	288	0.00%	649,994	4.95%
<b>TOTAL</b>		<b>1.85%</b>		<b>15.57%</b>

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 26/06/2023 by Standard & Poor's and AS SEB Pank, which parent company Skandinaviska Enskilda Banken AB is rated A+ as of 28/06/2023 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

30/06/2023	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
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	270,880	-	-	-	-	-
Term deposits	-	-	-	1,012,670	-	-	-	-	-
Shares and units	4,996,203	40,041	-	-	-	-	-	-	-
Bonds	7,509,486	-	102,300	-	-	-	-	-	-
Unlisted bonds	206,980	-	300,944	-	-	200,000	-	-	-
Dividend receivable	-	-	-	14,263	-	-	-	-	-
<b>LIABILITIES</b>									
Derivative instruments	-	3,581	-	-	-	-	-	-	-
Payables to the management company	-	-	-	-	-	-	-	11,470	-
Payables to the depository	-	-	-	-	-	-	-	2,804	-
Other liabilities	-	-	-	-	-	-	-	1,620	-
<b>TOTAL</b>	<b>12,712,669</b>	<b>43,622</b>	<b>403,244</b>	<b>1,297,813</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>15,894</b>	<b>-</b>

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

Additional information for instruments categorised under Level 3

Starting balance of Level 3 instruments	1,030,322
Transfers from level 3 to level 1	-299,200
Sales	-200,000
Total gains/losses	-420
Interest received	69,298
Interest accrued	3,244
<b>Total level 3 investments</b>	<b>603,244</b>

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

31/12/2022	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
<b>ASSETS</b>									
Cash and cash equivalents	-	-	-	2,044,439	-	-	-	-	-
Term deposits	-	-	-	200,018	-	-	-	-	-
Shares and units	4,473,370	35,205	-	-	-	-	-	-	-
Bonds	4,930,928	-	520,916	150,073	-	-	-	-	-
Derivative instruments	-	30,108	-	-	-	-	-	-	-
Unlisted bonds	254,545	-	303,389	-	-	206,017	-	-	-
Dividend receivable	-	-	-	166	-	-	-	-	-
<b>LIABILITIES</b>									
Payables to the management company	-	-	-	-	-	-	-	10,304	-
Payables to the depository	-	-	-	-	-	-	-	4,819	-
Other liabilities	-	-	-	-	-	-	-	2,792	-
<b>TOTAL</b>	<b>9,658,843</b>	<b>65,313</b>	<b>824,305</b>	<b>2,394,696</b>	<b>-</b>	<b>206,017</b>	<b>-</b>	<b>17,915</b>	<b>-</b>

\* 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 3 to level 1	100,000
Purchases	516,700
Sales	-300,000
Total gains/losses	236
Interest received	-2,673
Interest accrued	13,621
<b>Total level 3 investments</b>	<b>1,030,322</b>

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

	<b>01/01/2023- 30/06/2023</b>	<b>01/01/2022- 30/06/2022</b>
<b>Net gain/loss from financial assets at fair value through profit or loss</b>		
<b>From shares and units</b>		
Sales profit/(-loss)	63,241	161,096
Unrealised profit /(-loss)	241,375	-1,146,903
<b>From bonds</b>		
Sales profit/(-loss)	-11,559	1,164
Unrealised profit /(-loss)	144,107	-306,103
<b>From derivative instruments</b>		
Sales profit/(-loss)	40,192	-83,992
Unrealised profit /(-loss)	-33,689	33,669
<b>Total net gain/(-loss)</b>	<b>443,667</b>	<b>-1,341,070</b>

**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:

	<b>01/01/2023- 30/06/2023</b>	<b>01/01/2022- 30/06/2022</b>
<b>Fund Management Company</b>		
Paid management and performance fees	65,096	58,529
Units bought	79,295	0
<b>TOTAL</b>	<b>144,391</b>	<b>58,529</b>

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

	<b>30/06/2023</b>	<b>31/12/2022</b>
<b>Fund Management Company</b>		
Management and performance fee payable	11,470	10,304
<b>TOTAL</b>	<b>11,470</b>	<b>10,304</b>

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

	<b>30/06/2023</b>	<b>31/12/2022</b>
Ultimate parent of the Fund Management Company	1,959,885	1,872,126
Fund Management Company	79,445	0
Other group entities	440,468	420,745
<b>TOTAL</b>	<b>2,479,798</b>	<b>2,292,871</b>

**NOTE 7. DERIVATIVE INSTRUMENTS**

In EUR  
30/06/2023

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	569,558	EUR	10/05/2023	1.0000	1.0000	569,558	30/06/2023	-	EUR 1,678,000,000
		635,000	USD	08/05/2024	0.9026	0.8969	569,558	30/06/2023	-3,581	EUR 1,678,000,000
<b>TOTAL</b>									<b>-3,581</b>	

**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 30/06/2023.

In EUR  
31/12/2022

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	31/12/2022	-	EUR 1,574,369,000
		635,000	USD	10/11/2022	0.9439	0.9340	593,070	31/12/2022	30,108	EUR 1,574,369,000
<b>TOTAL</b>									<b>30,108</b>	

**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 31/12/2022.

## STATEMENT OF INVESTMENTS

In EUR 30/06/2023

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
<b>SHARES</b>										
<b>SHARES LISTED ON STOCK EXCHANGE:</b>										
BP PLC-SPONS ADR	US0556221044	GB	S&P	A-	USD	22.34	173,133	32.33	250,593	1.71%
ENEFIT GREEN AKTSIA	EE3100137985	EE			EUR	3.95	197,722	4.36	218,000	1.49%
SAGE GROUP PLC	GB00B8C3BL03	GB	S&P	BBB+	GBP	7.39	138,906	10.76	202,330	1.38%
HUSQVARNA AB-B	SE0001662230	SE	S&P	BBB	SEK	6.55	149,689	8.29	189,366	1.29%
OMV PETROM SA (RON)	ROSNPPACNOR	RO			RON	0.06	118,403	0.10	187,823	1.28%
HAMBURGER HAFEN UND LOGISTIK	DE000A058488	DE			EUR	14.36	224,724	11.36	177,784	1.21%
IGNITIS GRUPE AB	LT0000115768	LT	S&P	BBB+	EUR	19.89	172,037	20.15	174,298	1.19%
SAP SE	DE0007164600	DE	S&P	A+	EUR	94.70	129,744	125.14	171,442	1.17%
EURONEXT NV	NL0006294274	NL	S&P	BBB+	EUR	84.65	229,394	62.30	168,833	1.15%
ENGIE LOYALTY 2023	FR0010208488	FR	S&P	BBB+	EUR	9.29	97,564	15.23	159,894	1.09%
FIELMANN AG	DE0005772206	DE			EUR	53.20	164,926	48.80	151,280	1.03%
TECHNOGYM SPA	IT0005162406	IT			EUR	6.90	118,613	8.48	145,856	1.00%
VISA INC	US92826C8394	US	S&P	AA-	USD	182.94	118,914	217.59	141,435	0.97%
HERMAN MILLER INC	US6005441000	US	S&P	BB	USD	15.05	155,810	13.54	140,162	0.96%
TALLINK GRUPP AS	EE3100004466	EE			EUR	0.81	188,998	0.59	138,944	0.95%
OMV AG	AT0000743059	AT	Fitch	A-	EUR	19.20	60,049	38.84	121,492	0.83%
TALLINNA SADAM AS	EE3100021635	EE			EUR	1.73	145,473	1.42	119,424	0.82%
AENA SME SA	ES0105046009	ES	Fitch	A-	EUR	136.78	105,317	148.00	113,960	0.78%
GYM GROUP PLC	GB00BZBX0P70	GB			GBP	1.34	133,602	1.06	106,133	0.73%
DANONE SA	FR0000120644	FR	S&P	BBB+	EUR	55.17	99,303	56.14	101,052	0.69%
AIR LIQUIDE SA	FR001400D5Z6	FR			EUR	115.86	63,724	164.20	90,310	0.62%
KRONES AG	DE0006335003	DE			EUR	65.55	49,164	111.10	83,325	0.57%
SIXT SE PRFD	DE0007231334	DE			EUR	41.01	47,159	71.60	82,340	0.56%
EUROCELL PLC	GB00BVV2KN49	GB			GBP	1.91	120,494	1.30	81,747	0.56%
CTS EVENTIM AG and CO KGAA	DE0005470306	DE			EUR	37.47	50,584	57.85	78,098	0.53%
CENTRALNIC GROUP PLC	GB00BCCW4X83	GB			GBP	0.84	46,244	1.35	74,118	0.51%
THULE GROUP AB	SE0006422390	SE			SEK	23.38	64,289	26.91	74,015	0.51%
FRESENIUS MEDICAL CARE AG	DE0005785802	DE	S&P	BBB-	EUR	63.05	100,881	43.77	70,032	0.48%
LENZINZ AG	AT0000644505	AT			EUR	46.04	64,460	44.85	62,790	0.43%
RAYSEARCH LABORATORIES AB	SE0000135485	SE			SEK	8.34	97,191	5.37	62,592	0.43%
KONE OYJ	FI0009013403	FI			EUR	47.84	58,847	47.83	58,831	0.40%

Avaron Flexible Strategies Fund

Statement of investments as of 30/06/2023 (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
<b>SHARES</b>										
<b>SHARES LISTED ON STOCK EXCHANGE:</b>										
JCDECAUX SA	FR0000077919	FR	S&P	BBB-	EUR	16.66	49,989	18.26	54,780	0.37%
ADIDAS AG	DE000A1EWVW0	DE	S&P	A-	EUR	202.11	56,591	177.78	49,778	0.34%
ALIBABA GROUP HOLDING LTD	US01609W1027	CH	S&P	A+	USD	192.58	101,103	76.37	40,094	0.27%
LENZING AG SUBS RT	AT0000A35PJ0	AT			EUR	0.00	0	3.20	4,480	0.03%
DETSKY MIR PJSC	RU000A0JSQ90	RU			USD	1.56	194,704	0.00	0	0.00%
MAGNIT PJSC	RU000A0JKQU8	RU			USD	86.94	199,965	0.00	0	0.00%
POLYUS PJSC	RU000A0JNAA8	RU	Fitch	WD	USD	167.76	100,655	0.00	0	0.00%
<b>SHARES TOTAL</b>							<b>4,388,362</b>		<b>4,147,429</b>	<b>28.34%</b>
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 assets
<b>FUNDS</b>										
<b>CLOSED-END FUNDS LISTED ON STOCK EXCHANGE:</b>										
BULGARIA REAL ESTATE FUND	BG1100001053	BG	REAL ESTATE MANAGEMENT LTD		BGN	0.80	180,932	1.07	241,933	1.65%
<b>CLOSED-END FUNDS TOTAL</b>							<b>180,932</b>		<b>241,933</b>	<b>1.65%</b>
<b>EXCHANGE TRADED COMMODITIES:</b>										
XTRACKER IE PHYSICAL GOLD ETC	DE000A2T0VU5	DE	DEUTCHE BANK AG		EUR	22.05	377,662	27.11	464,232	3.17%
<b>EXCHANGE TRADED COMMODITIES TOTAL</b>							<b>377,662</b>		<b>464,232</b>	<b>3.17%</b>
<b>EXCHANGE TRADED FUNDS:</b>										
KRANESHARES CSI CHINA INTERNET ETF	IE00BFXR7892	CH	WAYSTONE MANAGEMENT COMPANY		USD	25.20	216,719	16.58	142,608	0.97%
<b>EXCHANGE TRADED FUNDS TOTAL</b>							<b>216,719</b>		<b>142,608</b>	<b>0.97%</b>
<b>VENTURE CAPITAL FUNDS:</b>										
Specialist VC Primary and Secondary Fund II	-	EE	Specialist Fund Management OÜ		EUR	1.00	45,595	0.88	40,041	0.27%
<b>VENTURE CAPITAL FUNDS TOTAL</b>							<b>45,595</b>		<b>40,041</b>	<b>0.27%</b>
<b>FUNDS TOTAL</b>							<b>820,908</b>		<b>888,814</b>	<b>6.07%</b>
<b>SHARES AND FUNDS TOTAL</b>							<b>5,209,271</b>		<b>5,036,243</b>	<b>34.41%</b>



Avaron Flexible Strategies Fund

Statement of investments as of 30/06/2023 (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
<b>BONDS*</b>												
MAINOR ULEMISTE 8.50%												
10.03.2027	EE3300003136	EE			EUR	8.50%	10/03/2027	100.00	600,000	101.25	623,650	4.26%
NOVA LJUBLJAN VAR EUR 28.11.2032	XS2413677464	SI	S&P	BBB	EUR	10.75%	28/11/2032	102.63	307,875	106.80	339,304	2.32%
KRUK FRN 10.05.2028	NO0012903444	PL	S&P	BB-	EUR	9.81%	10/05/2028	100.00	300,000	101.11	307,514	2.10%
CAPITALICA BALT 6.50% 30.10.2023	LT0000404725	LT			EUR	6.50%	30/10/2023	102.18	306,531	100.50	304,750	2.08%
LUMINOR BANK VAR% 08.06.2027	XS2633112565	EE			EUR	7.75%	08/06/2027	100.00	300,000	100.93	304,186	2.08%
SIAULIU BANKAS 10.75% 22.06.2033	LT0000407751	LT			EUR	10.75%	22/06/2033	100.00	300,000	100.00	300,705	2.05%
AKROPOLIS 2.875% 02.06.2026	XS2346869097	LT	S&P	BB+	EUR	2.88%	02/06/2026	85.12	276,625	83.18	271,061	1.85%
TRANSILVANIA VAR% 27.04.2027	XS2631416448	RO	Fitch	BB+	EUR	8.88%	27/04/2027	102.00	204,000	103.00	209,104	1.43%
MAXIMA 6.250% 12.07.2027	XS2485155464	LT	S&P	BB+	EUR	6.25%	12/07/2027	98.96	197,922	97.82	207,719	1.42%
ADMIRAL MK ALLUT 8% 05.02.2031	EE3300001999	EE			EUR	8.00%	05/02/2031	100.00	200,000	100.25	206,944	1.41%
ARCO VARA 10% 13.12.2024 <sup>1</sup>	EE3300003003	EE			EUR	10.00%	13/12/2024	100.00	200,000	100.00	200,944	1.37%
EASTNINE FRN 08.07.2024	SE0013719788	SE			EUR	8.61%	08/07/2024	100.00	200,000	98.50	200,634	1.37%
ADVANZIA FRN SUBORD 24.03.2031	NO0010955909	LU			EUR	8.85%	24/03/2031	100.00	200,000	100.13	200,447	1.37%
INVESTMIRA 6.000% 28.12.2023 <sup>1</sup>	LT0000405334	LT			EUR	6.00%	28/12/2023	100.00	200,000	100.00	200,000	1.37%
MEDIA AND GAMES FRN 24.03.2027	SE0019892241	MT			EUR	10.82%	24/03/2027	100.00	200,000	98.63	197,505	1.35%
B2 HOLDING ASA FRN 22.09.2026	NO0012704107	NO	S&P	B+	EUR	10.49%	22/09/2026	100.00	200,000	98.00	196,466	1.34%
MEDIA AND GAMES FRN 21.06.2026	SE0018042277	MT			EUR	9.80%	21/06/2026	98.00	196,000	97.87	196,230	1.34%
CULLINAN HOLDCO FRN 15.10.2026	XS2397354015	LU	S&P	B+	EUR	7.93%	15/10/2026	88.25	176,500	94.93	193,111	1.32%
STENA 7% 01.02.2024	USW8758PAK22	SE	S&P	BB-	USD	7.00%	01/02/2024	90.88	181,760	91.74	188,789	1.29%
LHV GROUP VAR% 09.09.2025	XS2379637767	EE			EUR	0.88%	09/09/2025	88.36	176,718	88.71	178,834	1.22%
INTL PETROL 7.25% 01.02.2027	NO0012423476	CA	S&P	B	USD	7.25%	01/02/2027	88.39	176,772	86.13	177,755	1.21%
INBANK SUBORDINATED 19.12.2029	EE3300001544	EE			EUR	6.00%	19/12/2029	100.00	176,000	95.95	168,931	1.15%
LHV GROUP SUBORDIN 28.11.2028	EE3300111558	EE			EUR	6.00%	28/11/2028	100.00	166,000	98.25	163,980	1.12%
BEERENBERG FRN NOK 13.11.2023	NO0010904782	NO			NOK	11.82%	13/11/2023	10.40	182,550	8.85	157,624	1.08%
AIDER KONSERN FRN 20.05.2026	NO0012520495	NO			NOK	9.80%	20/05/2026	10.00	149,936	8.61	130,473	0.89%
KERNEL HOLDING 6.75% 27.10.2027	XS2244927823	LU	S&P	CC	USD	6.75%	27/10/2027	84.61	169,218	61.85	125,859	0.86%
CLEANR GRUPA FRN EUR 09.12.2025	LV0000802676	LV			EUR	10.10%	09/12/2025	100.00	120,000	103.25	123,900	0.85%
NOR5KE VIKING FRN 03.05.2024 <sup>1</sup>	NO0011140402	NO			NOK	11.74%	03/05/2024	10.31	134,000	8.54	113,165	0.77%
ADVISE GROUP FRN 26.05.2026	SE0020180271	SE			SEK	9.18%	26/05/2026	8.86	110,699	8.69	109,623	0.75%
TRANSILVANIA VAR% 27.04.2027	XS2616733981	RO	Fitch	BB+	EUR	8.88%	27/04/2027	99.78	99,784	103.04	104,590	0.71%
VNV GL 5.5% 24.06.2024	SE0016275077	SE			SEK	5.50%	24/06/2024	9.79	122,333	8.30	103,806	0.71%
LUMINOR BANK VAR% 16.01.2026	XS2576365188	EE			EUR	7.25%	16/01/2026	100.00	100,000	100.29	103,567	0.71%
IUTECR 13.000% 07.08.2023	XS2033386603	LU			EUR	13.00%	07/08/2023	100.00	100,000	97.77	102,903	0.70%
ELKO GRUPA 6% 12.02.2026	LV0000870079	LV			EUR	6.00%	12/02/2026	100.00	100,000	100.00	102,300	0.70%
GL AGRAJES FRN EUR 22.12.2025	NO0010912801	ES			EUR	9.59%	22/12/2025	100.00	100,000	101.89	102,101	0.70%
VNV GL 5.0% 31.01.2025	SE0017483019	SE			SEK	5.00%	31/01/2025	9.58	119,732	8.00	100,879	0.69%
COOP PANK 10% PERP 2022 AT1 <sup>1</sup>	EE3300002641	EE			EUR	10.00%	30/06/2072	100.00	100,000	100.00	100,000	0.68%

Statement of investments as of 30/06/2023 (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
<b>BONDS*</b>												
DELFIGROUP FRN 25.09.2024	LV0000850055	LV			EUR	12.32%	25/09/2024	96.70	96,700	96.70	96,871	0.66%
LAKERS FRN 09.06.2025	NO0011017113	SE			NOK	9.57%	09/06/2025	10.21	112,259	8.72	96,498	0.66%
JOTTA GRP FRN 28.05.2025	NO0010998586	NO			NOK	10.36%	28/05/2025	9.99	109,901	8.62	95,638	0.65%
WALDORF 9.75% 01.10.2024 <sup>1</sup>	NO0011100935	GB			USD	9.75%	01/10/2024	84.61	84,596	91.62	93,814	0.64%
EXPLORER II 3.375% EUR 24.02.2025	NO0010874548	NO			EUR	3.38%	24/02/2025	100.00	100,000	92.37	93,531	0.64%
AXACTOR FRN 15.09.2026	NO0011093718	NO	S&P	B	EUR	8.88%	15/09/2026	100.00	100,000	92.00	92,370	0.63%
BIGBANK 8.000% SUBT2 16.02.2033	EE3300003052	EE			EUR	8.00%	16/02/2033	100.00	89,000	101.76	91,432	0.62%
IUTECR 11.000% 06.10.2026	XS2378483494	LU			EUR	11.00%	06/10/2026	100.00	90,000	96.67	89,299	0.61%
BAKKGRUPPEN FRN NOK 03.02.2025	NO0010917750	NO			NOK	10.74%	03/02/2025	9.65	106,170	7.63	85,514	0.58%
CAYBON HOLD FRN 03.12.2025	SE0017084478	SE			SEK	10.23%	03/12/2025	9.81	122,674	6.75	85,100	0.58%
HKSCAN 5% 24.03.2025	FI4000490990	FI			EUR	5.00%	24/03/2025	100.07	100,070	81.07	82,402	0.56%
MAINOR EUR 4.75% 10.06.2026	EE3300002138	EE			EUR	4.75%	10/06/2026	100.00	82,500	94.50	78,180	0.53%
DDM DEBT 9% 20.04.2026	SE0015797683	SE	Fitch	B-	EUR	9.00%	19/04/2026	100.00	100,000	66.06	67,835	0.46%
INBANK ALLUT 5.5% 15.12.2031	EE3300002302	EE			EUR	5.50%	15/12/2031	100.00	56,000	92.60	51,873	0.35%
<b>BONDS TOTAL</b>									<b>8,500,825</b>		<b>8,319,710</b>	<b>56.85%</b>

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
<b>DERIVATIVES</b>										
FX-Swap EUR/USD Swedbank AS	Swap	EE	S&P	A+Swedbank AB	USD	10/11/2022			- 3 581	-0.02%
<b>DERIVATIVES TOTAL</b>									<b>- 3 581</b>	<b>-0.02%</b>

**INSTRUMENTS TOTAL**

**13,706,515**      **13,352,372**      **91.24%**

Credit Institution	Deposit type	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
<b>DEPOSITS*</b>											
Swedbank AS	Overnight deposit			EUR	1.46%	30/06/2023	01/07/2023	1,012,629		1,012,670	6.92%

**DEPOSITS TOTAL**

**1,012,629**      **1,012,670**      **6.92%**

\*Accrued interest in the amount of 41.12 EUR has been added to the value of deposits

## Statement of investments as of 30/06/2023 (continued)

Name	Credit Institution's country	Credit Institution	FX	Interest rate	Quantity	Average acquisition cost per unit	Market value per unit	Total market value	Share of market value of fund's net assets
<b>CASH</b>									
CURRENT ACCOUNT	EE	Swedbank	SEK			168,174		168,174	1.15%
CURRENT ACCOUNT	EE	Swedbank	USD			2,975		2,975	0.02%
CURRENT ACCOUNT	EE	Swedbank	NOK			92,091		92,091	0.63%
CURRENT ACCOUNT	EE	SEB	EUR			288		288	0.00%
CURRENT ACCOUNT	EE	Swedbank	GBP			7,352		7,352	0.05%
<b>CURRENT ACCOUNT TOTAL</b>						<b>270,880</b>		<b>270,880</b>	<b>1.85%</b>
<b>INVESTMENTS TOTAL</b>						<b>14,993,605</b>		<b>14,635,922</b>	<b>100.01%</b>
<b>OTHER ASSETS</b>									
DIVIDEND RECEIVABLE			EUR					14 263	0.10%
<b>OTHER ASSETS TOTAL</b>								<b>14 263</b>	<b>0.10%</b>
<b>TOTAL ASSETS OF THE FUND</b>						<b>14,993,605</b>		<b>14,650,186</b>	<b>100.11%</b>
LIABILITIES								-15,894	-0.11%
<b>NET ASSETS OF THE FUND</b>								<b>14,634,292</b>	<b>100.00%</b>

Avaron Flexible Strategies Fund

In EUR 31/12/2022

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
<b>SHARES</b>										
<b>SHARES LISTED ON STOCK EXCHANGE:</b>										
BP PLC-SPONS ADR	US0556221044	GB	S&P	A-	USD	22.34	173,133	32.63	252,856	1.93%
ENEFIT GREEN AKTSIA	EE3100137985	EE			EUR	3.95	197,722	4.38	218,900	1.67%
EURONEXT NV	NL0006294274	NL	S&P	BBB+	EUR	84.65	229,394	69.16	187,424	1.43%
IGNITIS GRUPE AB	LT0000115768	LT	S&P	BBB+	EUR	19.89	172,037	19.02	164,523	1.25%
SAGE GROUP PLC	GB00B8C3BL03	GB	S&P	BBB+	GBP	7.39	138,906	8.43	158,459	1.21%
OMV PETROM SA	ROSNPPACNOR9	RO			RON	0.06	118,403	0.08	158,250	1.21%
OMV AG	AT0000743059	AT	Fitch	A-	EUR	19.20	60,049	48.10	150,457	1.15%
HUSQVARNA AB-B	SE0001662230	SE	S&P	BBB	SEK	6.55	149,689	6.55	149,553	1.14%
ENGIE LOYALTY 2023	FR0010208488	FR	S&P	BBB+	EUR	9.29	97,564	13.39	140,574	1.07%
SAP SE	DE0007164600	DE	S&P	A	EUR	94.70	129,744	96.39	132,054	1.01%
SWEDBANK AB	SE0000242455	SE	S&P	A+	SEK	12.61	100,872	15.87	126,961	0.97%
VISA INC	US92826C8394	US	S&P	AA-	USD	182.94	118,914	194.06	126,138	0.96%
TECHNOGYM SPA	IT0005162406	IT			EUR	6.90	118,613	7.15	122,980	0.94%
TALLINK GRUPP AS	EE3100004466	EE			EUR	0.81	188,998	0.52	122,102	0.93%
TALLINNA SADAM AS	EE3100021635	EE			EUR	1.73	145,473	1.42	119,424	0.91%
FIELMANN AG	DE0005772206	DE			EUR	53.20	164,926	37.02	114,762	0.87%
HAMBURGER HAFEN UND LOGISTIK	DE000A0S8488	DE			EUR	16.42	155,174	11.90	112,455	0.86%
CENTRALNIC GROUP PLC	GB00BCCW4X83	GB			GBP	0.84	46,244	1.76	96,993	0.74%
AENA SME SA	ES0105046009	ES	Fitch	A-	EUR	136.78	105,317	117.30	90,321	0.69%
DANONE SA	FR0000120644	FR	S&P	BBB+	EUR	55.17	99,303	49.23	88,614	0.67%
CTS EVENTIM AG and CO KGAA	DE0005470306	DE			EUR	37.47	50,584	59.60	80,460	0.61%
KRONES AG	DE0006335003	DE			EUR	65.55	49,164	105.00	78,750	0.60%
LENZING AG	AT0000644505	AT			EUR	46.04	64,460	54.80	76,720	0.58%
AIR LIQUIDE SA	FR0000120073	FR	S&P	A	EUR	115.86	63,724	132.40	72,820	0.55%
RAYSEARCH LABORATORIES AB	SE0000135485	SE			SEK	8.34	97,191	6.09	70,910	0.54%
SIXT SE PRFD	DE0007231334	DE			EUR	41.01	47,159	54.50	62,675	0.48%
KONE OYJ	FI0009013403	FI			EUR	47.84	58,847	48.30	59,409	0.45%
THULE GROUP AB	SE0006422390	SE			SEK	23.38	64,289	19.49	53,588	0.41%
JCDECAUX SA	FR0000077919	FR	S&P	BBB-	EUR	16.66	49,989	17.72	53,160	0.40%
FRESENIUS MEDICAL CARE AG	DE0005785802	DE	S&P	BBB	EUR	63.05	100,881	30.57	48,912	0.37%
ALIBABA GROUP HOLDING LTD	US01609W1027	CH	S&P	A+	USD	192.58	101,103	82.28	43,198	0.33%
ADIDAS AG	DE000A1EWWW0	DE	S&P	A+	EUR	202.11	56,591	127.46	35,689	0.27%
EUROCELL PLC	GB00BVV2KN49	GB			GBP	2.60	51,911	1.67	33,348	0.25%

**Statement of investments as of 31/12/2022 (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
<b>SHARES</b>										
<b>SHARES LISTED ON STOCK EXCHANGE:</b>										
HERMAN MILLER INC	US6005441000	US	S&P	BB	USD	20.47	27,637	19.62	26,493	0.20%
DETSKY MIR PJSC	RU000A0JSQ90	RU			USD	1.56	194,704	0.00	0	0.00%
MAGNIT PJSC	RU000A0JKQU8	RU			USD	86.94	199,965	0.00	0	0.00%
POLYUS PJSC	RU000A0JNAA8	RU	Fitch	WD	USD	167.76	100,655	0.00	0	0.00%
<b>SHARES TOTAL</b>						<b>4,089,326</b>			<b>3,629,932</b>	<b>27.64%</b>
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 assets
<b>FUNDS</b>										
<b>CLOSED-END FUNDS LISTED ON STOCK EXCHANGE:</b>										
BULGARIA REAL ESTATE FUND	BG1100001053	BG	REAL ESTATE MANAGEMENT LTD		BGN	0.80	180,932	1.02	230,413	1.75%
<b>CLOSED-END FUNDS TOTAL</b>						<b>180,932</b>			<b>230,413</b>	<b>1.75%</b>
<b>EXCHANGE TRADED COMMODITIES:</b>										
XTRACKER IE PHYSICAL GOLD ETC	DE000A2TOVU5	DE	DEUTCHE BANK AG		EUR	22.05	377,662	26.31	450,601	3.43%
<b>EXCHANGE TRADED COMMODITIES TOTAL</b>						<b>377,662</b>			<b>450,601</b>	<b>3.43%</b>
<b>EXCHANGE TRADED FUNDS:</b>										
KRANESHARES CSI CHINA INTERNET ETF	IE00BFXR7892	CH	WAYSTONE MANAGEMENT COMPANY		USD	25.20	216,719	18.89	162,425	1.24%
<b>EXCHANGE TRADED FUNDS TOTAL</b>						<b>216,719</b>			<b>162,425</b>	<b>1.24%</b>
<b>VENTURE CAPITAL FUNDS:</b>										
Specialist VC Primary and Secondary Fund II	-	EE	Specialist Fund Management OÜ		EUR	1.00	38,922	0.90	35,205	0.27%
<b>VENTURE CAPITAL FUNDS TOTAL</b>						<b>38,922</b>			<b>35,205</b>	<b>0.27%</b>
<b>FUNDS TOTAL</b>						<b>814,235</b>			<b>878,643</b>	<b>6.69%</b>
<b>SHARES AND FUNDS TOTAL</b>						<b>4,903,561</b>			<b>4,508,575</b>	<b>34.33%</b>

## 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
<b>BONDS*</b>												
CAPITALICA BALT 6.50% 30.10.23	LT0000404725	LT			EUR	6.50%	30/10/2023	102.18	306,531	100.00	303,250	2.31%
INVESTMIRA 6.000% 28.12.2023 <sup>1</sup>	LT0000405334	LT			EUR	6.00%	28/12/2023	100.00	200,000	100.00	206,017	1.57%
ADMIRAL MK ALLUT 8% 05.02.31	EE3300001999	EE			EUR	8.00%	05/02/2031	100.00	200,000	98.57	203,578	1.55%
EASTNINE FRN 08.07.2024	SE0013719788	SE			EUR	5.00%	08/07/2024	100.00	200,000	99.77	202,351	1.54%
BALTIC HORIZON 4.250% 08.05.23	EE3300111467	EE			EUR	4.25%	08/05/2023	100.20	200,400	100.00	201,228	1.53%
ARCO VARA 10% 13.12.2024 <sup>1</sup>	EE3300003003	EE			EUR	10.00%	13/12/2024	100.00	200,000	100.00	200,889	1.53%
MAXIMA 6.250% 12.07.2027	XS2485155464	LT	S&P	BB+	EUR	6.25%	12/07/2027	98.96	197,922	97.40	200,647	1.53%
ADVANZIA FRN SUBORD 24.03.31	NO0010955909	LU			EUR	5.25%	24/03/2031	100.00	200,000	97.88	195,873	1.49%
B2 HOLDING ASA FRN 22.09.2026	NO0012704107	NO	S&P	B+	EUR	8.98%	22/09/2026	100.00	200,000	97.00	194,399	1.48%
MEDIA AND GAMES FRN 21.06.26	SE0018042277	MT			EUR	8.31%	21/06/2026	98.00	196,000	95.81	192,031	1.46%
CULLINAN HOLDCO FRN 15.10.2026	XS2397354015	LU	S&P	B+	EUR	7.04%	15/10/2026	88.25	176,500	94.38	191,275	1.46%
STENA 7% 01.02.2024	USW8758PAK22	SE			USD	7.00%	01/02/2024	90.88	181,760	90.84	187,086	1.42%
INTL PETROL 7.25% 01.02.2027	NO0012423476	CA	S&P	B	USD	7.25%	01/02/2027	88.39	176,772	87.33	180,274	1.37%
BEERENBERG FRN NOK 13.11.2023	NO0010904782	NO			NOK	8.79%	13/11/2023	10.40	189,852	9.63	178,284	1.36%
INBANK SUBORDINATED 19.12.2029	EE3300001544	EE			EUR	6.00%	19/12/2029	100.00	176,000	98.24	172,952	1.32%
BIGBANK 8.000% SUBT2 21.09.203	EE3300002690	EE			EUR	8.00%	21/09/2032	100.00	164,000	102.25	171,334	1.30%
LHV GROUP VAR% 09.09.2025	XS2379637767	EE			EUR	0.88%	09/09/2025	88.36	176,718	85.00	170,536	1.30%
LHV GROUP SUBORDIN 28.11.28	EE3300111558	EE			EUR	6.00%	28/11/2028	100.00	166,000	99.40	165,889	1.26%
LUMINOR BANK VAR% 29.08.24	XS2523337389	EE			EUR	5.00%	29/08/2024	100.00	150,000	99.20	151,327	1.15%
MAINOR ULEMISTE 5.5% 05.04.23	EE3300111343	EE			EUR	5.50%	05/04/2023	100.00	150,000	98.75	150,073	1.14%
AIDER KONSERN FRN 20.05.26	NO0012520495	NO			NOK	9.33%	20/05/2026	10.00	149,936	9.30	140,953	1.07%
WALDORF 9.75% 01.10.2024 <sup>1</sup>	NO0011100935	GB			USD	9.75%	01/10/2024	84.61	112,812	94.10	128,469	0.98%
NORSKE VIKING FRN 03.05.2024 <sup>1</sup>	NO0011140402	NO			NOK	8.75%	03/05/2024	10.31	134,000	9.53	126,076	0.96%
CLEANR GRUPA FRN EUR 09.12.25	LV0000802676	LV			EUR	8.70%	09/12/2025	100.00	120,000	100.00	120,539	0.92%
SEAMLESS DISTR FRN 05.05.2024	SE0015811914	SE			SEK	8.75%	05/05/2024	9.89	123,578	8.87	112,655	0.86%
VNV GL 5.5% 24.06.2024	SE0016275077	SE			SEK	5.50%	24/06/2024	9.79	122,333	8.48	106,116	0.81%
VNV GL 5.0% 31.01.2025	SE0017483019	SE			SEK	5.00%	31/01/2025	9.58	119,732	8.23	103,869	0.79%
JOTTA GRP FRN 28.05.2025	NO0010998586	NO			NOK	7.31%	28/05/2025	9.99	109,901	9.27	102,853	0.78%
COOP PANK 10% PERP 2022 AT1 <sup>1</sup>	EE3300002641	EE			EUR	10.00%	30/06/2072	100.00	100,000	100.00	102,500	0.78%
LAKERS FRN 09.06.2025	NO0011017113	SE			NOK	6.28%	09/06/2025	10.21	112,259	9.26	102,451	0.78%
ELKO GRUPA 6% 12.02.2026	LV0000870079	LV			EUR	6.00%	12/02/2026	100.00	100,000	100.00	102,300	0.78%
IUTECR 13.000% 07.08.2023	XS2033386603	LU			EUR	13.00%	07/08/2023	100.00	100,000	96.69	101,808	0.78%
BAKKGRUPPEN FRN NOK 03.02.2025	NO0010917750	NO			NOK	7.75%	03/02/2025	9.65	106,170	9.04	101,143	0.77%
GL AGRAJES FRN EUR 22.12.2025	NO0010912801	ES			EUR	6.00%	22/12/2025	100.00	100,000	99.72	99,901	0.76%

## 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
<b>BONDS*</b>												
DELFINGROUP FRN 25.09.2024 MEDIA AND GAMES FRN 27.11.2024	LV0000850055	LV			EUR	10.83%	25/09/2024	96.70	96,700	96.70	96,850	0.74%
CAYBON HOLD FRN 03.12.2025	SE0017084478	SE			SEK	6.50%	03/12/2025	9.81	122,674	7.43	93,566	0.71%
AXACTOR FRN 15.09.2026	NO0011093718	NO	S&P	B	EUR	5.35%	15/09/2026	100.00	100,000	88.22	88,528	0.67%
IUTECR 11.000% 06.10.2026	XS2378483494	LU			EUR	11.00%	06/10/2026	100.00	90,000	92.99	85,998	0.65%
HKSCAN 5% 24.03.2025	FI4000490990	FI			EUR	5.00%	24/03/2025	100.07	100,070	84.05	85,383	0.65%
EXPLORER II 3.375% EUR 24.02.2	NO0010874548	NO			EUR	3.38%	24/02/2025	100.00	100,000	83.08	84,264	0.64%
AKROPOLIS 2.875% 02.06.2026	XS2346869097	LT	S&P	BB+	EUR	2.88%	02/06/2026	85.25	85,250	81.92	83,584	0.64%
KERNEL HOLDING 6.75% 27.10.27	XS2244927823	LU			USD	6.75%	27/10/2027	84.61	169,218	39.70	81,601	0.62%
MAINOR EUR 4.75% 10.06.2026	EE3300002138	EE			EUR	4.75%	10/06/2026	100.00	82,500	94.50	78,180	0.60%
DDM DEBT 9% 20.04.2026	SE0015797683	SE			EUR	9.00%	19/04/2026	100.00	100,000	67.87	69,640	0.53%
INBANK ALLUT 5.5% 15.12.2031	EE3300002302	EE			EUR	5.50%	15/12/2031	100.00	56,000	92.84	52,008	0.40%
<b>BONDS TOTAL</b>									<b>6,623,587</b>		<b>6,365,868</b>	<b>48.48%</b>

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
<b>DERIVATIVES</b>										
FX-Swap EUR/USD Swedbank AS	Swap	EE	S&P	A+ (Swedbank AB)	USD	10/11/2022			30,108	0.23%
<b>DERIVATIVES TOTAL</b>									<b>30,108</b>	<b>0.23%</b>

**DERIVATIVES**

FX-Swap EUR/USD Swedbank AS	Swap	EE	S&P	A+ (Swedbank AB)	USD	10/11/2022			30,108	0.23%
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**DERIVATIVES TOTAL**

<b>INSTRUMENTS TOTAL</b>									<b>11,557,256</b>		<b>10,904,551</b>	<b>83.04%</b>
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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
<b>DEPOSITS*</b>												
Bigbank AS	Term deposit	EE			EUR	0.50%	19/12/2022	19/01/2023	100,000		100,017	0.76%
Bigbank AS	Term deposit	EE			EUR	5.00%	30/12/2022	30/01/2023	100,000		100,001	0.76%

**DEPOSITS\***

Bigbank AS	Term deposit	EE			EUR	0.50%	19/12/2022	19/01/2023	100,000		100,017	0.76%
Bigbank AS	Term deposit	EE			EUR	5.00%	30/12/2022	30/01/2023	100,000		100,001	0.76%

**DEPOSITS TOTAL**

<b>DEPOSITS TOTAL</b>									<b>200,000</b>		<b>200,018</b>	<b>1.52%</b>
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\*Accrued interest in the amount of 17.81 EUR has been added to the value of deposits

## Statement of investments as of 31/12/2022 (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
<b>CASH</b>										
CURRENT ACCOUNT	EE	Swedbank	EUR				806,087		806,087	6.14%
CURRENT ACCOUNT	EE	Swedbank	BGN				229,894		229,894	1.75%
CURRENT ACCOUNT	EE	Swedbank	SEK				14,711		14,711	0.11%
CURRENT ACCOUNT	EE	Swedbank	USD				66,282		66,282	0.50%
CURRENT ACCOUNT	EE	Swedbank	PLN				191,560		191,560	1.43%
CURRENT ACCOUNT	EE	Swedbank	RSD				2,388		2,388	0.02%
CURRENT ACCOUNT	EE	Swedbank	NOK				56,182		56,182	43.00%
CURRENT ACCOUNT	EE	SEB	EUR				649,994		649,994	4.95%
CURRENT ACCOUNT	EE	Swedbank	GBP				5,201		5,201	0.04%
CURRENT ACCOUNT	EE	Swedbank	RON				22,140		22,140	0.17%
<b>CURRENT ACCOUNT TOTAL</b>							<b>2,044,439</b>		<b>2,044,439</b>	<b>15.57%</b>
<b>INVESTMENTS TOTAL</b>							<b>13,771,588</b>		<b>13,149,008</b>	<b>100.13%</b>
<b>OTHER ASSETS</b>										
DIVIDEND RECEIVABLE			EUR						166	0.00%
<b>OTHER ASSETS TOTAL</b>									<b>166</b>	<b>0.00%</b>
<b>TOTAL ASSETS OF THE FUND</b>							<b>13,771,588</b>		<b>13,149,174</b>	<b>100.13%</b>
LIABILITIES									17,915	-0.13%
<b>NET ASSETS OF THE FUND</b>									<b>13,131,259</b>	<b>100.00%</b>



## STATEMENT OF COMISSIONS

In EUR

01/01/2023-30/06/2023

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
<b>Regulated securities market transactions*</b>				
<b>Shares</b>				
Wood and Company Financial Services	4	201,739	1,105	0.55%
Pareto Securities AS	1	158,273	142	0.09%
Baader Bank AG (CACEIS Bank S.A.)	3	197,723	198	0.10%
<b>OTC trades</b>				
<b>Investment funds</b>	2	6 673	-	-
<b>Corporate actions</b>	7	547 527	-	-
<b>Bond issue</b>			-	-
Redgate Capital	1	600 000	-	-
Pareto Securities AS	2	311 185	-	-
Banca Promos SPA	2	306,015	-	-
Luminor Bank AS Lithuanian Branch	3	700,000	-	-
Arctic Securities AS	1	300,000	-	-
Bigbank AS	1	89 000	-	-
<b>Bonds</b>				
Pareto Securities AS	2	203 946	-	-
Banca Promos SPA	1	87 568	-	-
SEB Pank AS	7	278 622	-	-
J.P. Morgan	1	311,851	-	-
<b>TOTAL</b>	<b>38</b>	<b>4,300,123</b>	<b>1,445</b>	<b>0.03%</b>

	Number of transactions	Volume of transactions	Total commissions paid	Weighted average fee
<b>Regulated securities market transactions*</b>				
<b>Shares</b>				
Wood and Company Financial Services a.s.	14	894,864	1,421	0.16%
AS SEB Pank	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%
<b>Third country securities market transactions</b>				
<b>Shares</b>				
OYAK Yatirim Menku Degerler A.S.	2	139,856	70	0.05%
<b>OTC transactions</b>				
<b>Shares</b>				
Pareto Securities AS	1	58,847	53	0.09%
<b>Corporate actions</b>	4	215,382	-	-
<b>Investment Funds</b>	3	30,358	-	-
<b>Bond issue</b>	14	1,597,263	-	-
Pareto Securities AS	3	396,504	-	-
ABG Sundal Collier ASA	1	149,936	-	-
<b>Bonds</b>				
Pareto Securities AS	2	298,399	-	-
AS SEB Pank	1	71,077	-	-
<b>TOTAL</b>	<b>38</b>	<b>2,798,905</b>	<b>2,129</b>	<b>0.08%</b>

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