

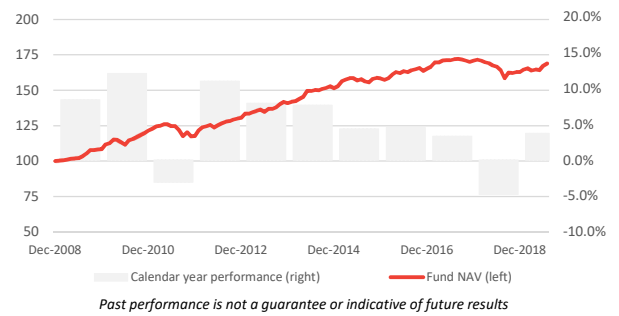
Investment Objectives & Approach

The Fund is targeted to private individuals and corporate investors who wish to preserve their capital through business cycles but are willing to accept risk in order to earn moderate returns. The assets of the Fund may be invested in any liquid financial asset (incl. cash, deposits, bonds, equities, other investment funds, derivatives). The Fund's assets shall be invested globally, with a focus on Central and Eastern Europe. The Fund's risk level and portfolio allocation shall vary over time in accordance with the views of Avaron investment managers. Overall investors should accept that relatively high risk is associated with investing into the Fund. There is no guarantee that investors will get back the amount invested. The Fund is suited to an investor who does not want to follow the markets daily himself or herself and wishes the Avaron investment team to decide the allocation of each asset class (equities, bonds, deposits). Fund units can be redeemed with prior notice of 7 or 30 calendar days. However, arising from the Fund's investment strategy an investor should have an investment horizon of at least 3 years. Should the horizon fall below three years, investor should consider exiting the Fund.

Fund Manager's Comment, July 2019

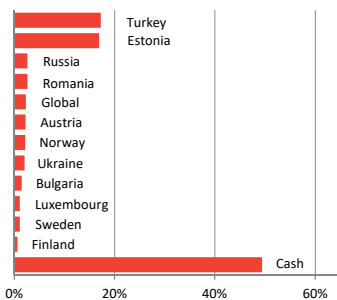
Global equities were mixed in July following the strong surge in a month before. MSCI World was up 0.4% in \$ (+3.1% in €) while Emerging Markets lost 1.7% in \$ (+0.9% in €) as investors pulled money out from the region with the exception of China amid softer global demand and continuing weakness in manufacturing. In July Emerging Europe ex-Russia equities gained 2.7% in € terms, outperforming global emerging markets and developed Europe (-0.1%). Emerging Europe performance was driven by strong boost of Turkey (+5.8% in lira, +12.7% in €) and Greece (+3.6%). Turkish lira rallied despite the 425bp cut in policy rate to 19.75% versus market consensus of -250bp. The central bank referenced the ongoing disinflation process, cut its 2019 inflation forecast down to 13.9% from 14.6% (in 2020 expects 8.2%), signalling further cuts to come this year. Greece extended its rally on the general election outcome as the centre-right New Democracy led by Kyriakos Mitsotakis secured 40% support in the parliament. Positive performance of fixed income markets reflected investors' expectation of continuing supportive monetary policy. Gold continued to rally, up 3%. Avaron Flexible Strategies Fund gained 0.9% in June driven by positive performance of Turkish corporate bonds. As at the end of the month 13% of the Fund is invested in equities, 35% in bonds, 2% in commodities and 50% is kept in cash, waiting for better entry points.

Performance since launch

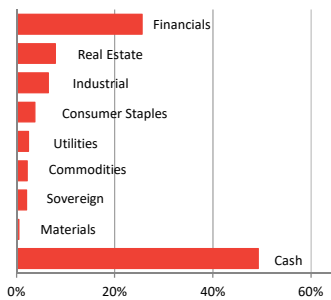


Performance overview	Net return	Calendar year net return	
1 month	0.9%	2018	-4.8%
YTD	3.7%	2017	3.3%
3 months	2.5%	2016	4.5%
6 months	2.5%	2015	4.4%
1 year	2.8%	2014	7.6%
3 years	3.7%	2013	7.9%
5 years	12.4%	2012	11.0%
7 years	33.2%	2011	-3.1%
10 years	63.5%	2010	12.1%
Since inception	68.9%		

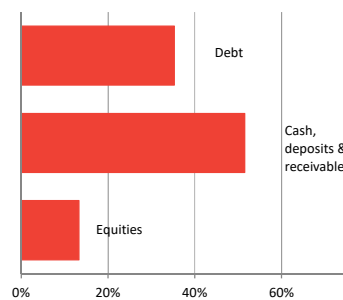
Geographic breakdown



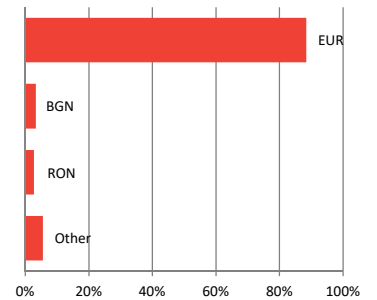
Sector breakdown



Asset class breakdown



Net currency breakdown



Country allocation

	Jul-19	Change				
		1 mo	3 mo	12 mo	3 years	5 years
Turkey	17.1%	0.7%	2.9%	2.7%	14.4%	15.3%
Estonia	16.8%	-0.1%	-0.5%	-3.0%	6.5%	8.5%
Russia	2.5%	0.0%	0.1%	0.2%	2.5%	2.5%
Romania	2.5%	0.0%	0.2%	0.5%	-0.2%	-1.4%
Global	2.2%	0.1%	0.2%	2.2%	2.2%	2.2%
Austria	2.1%	0.2%	0.1%	-2.6%	0.9%	2.1%
Norway	2.1%	0.0%	0.0%	0.1%	2.1%	2.1%
Ukraine	1.9%	0.1%	0.1%	0.3%	1.9%	1.9%
Others	3.5%	1.1%	1.1%	-1.0%	-67.0%	-59.6%

Contribution analysis

	Contribution analysis					
	1 mo	3 mo	12m	YTD	3 years	5 years
Turkey	1.0%	1.8%	3.4%	2.5%	1.7%	1.8%
Estonia	0.1%	0.3%	1.4%	0.9%	3.4%	4.8%
Russia	0.0%	0.3%	0.3%	0.8%	-0.4%	-0.4%
Romania	0.0%	0.5%	0.6%	0.7%	1.4%	1.6%
Global	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Austria	0.2%	0.2%	0.1%	0.3%	0.5%	1.2%
Norway	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ukraine	0.1%	0.1%	0.3%	0.3%	0.3%	0.3%
Others	-0.5%	-0.3%	-1.6%	-0.8%	2.0%	12.0%

Risk metrics	5Y risk
Volatility	2.2%
Sharpe ratio	1.22

Sector allocation

	Change					
	Jul-19	1 mo	3 mo	12 mo	3 years	5 years
Financials	25.6%	1.4%	1.5%	1.9%	21.9%	21.9%
Real Estate	7.9%	0.2%	0.1%	-1.8%	-0.1%	6.2%
Industrial	6.5%	0.0%	-0.4%	3.5%	6.5%	6.5%
Consumer Staples	3.8%	0.2%	0.2%	0.3%	3.8%	3.8%
Utilities	2.5%	0.0%	0.2%	0.5%	-0.2%	-5.4%
Commodities	2.2%	0.1%	0.2%	2.2%	2.2%	2.2%
Sovereign	2.1%	0.1%	2.1%	2.1%	2.1%	2.1%
Others	0.5%	0.0%	0.5%	-7.9%	-72.8%	-63.6%
FX Derivatives	-0.3%	-0.5%	0.0%	1.1%	-0.3%	-0.4%
Cash	49.3%	-1.4%	-4.4%	-1.9%	36.9%	26.7%

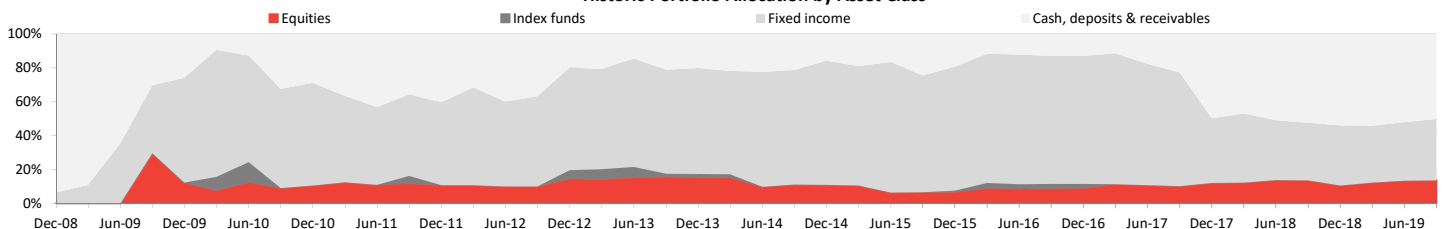
Contribution analysis

	Contribution analysis					
	1 mo	3 mo	12m	YTD	3 years	5 years
Financials	0.7%	1.7%	3.8%	3.0%	2.9%	3.3%
Real Estate	0.3%	0.4%	0.6%	0.9%	2.0%	3.0%
Industrial	0.1%	0.1%	0.6%	0.4%	0.8%	0.8%
Consumer Staples	0.2%	0.3%	0.4%	0.7%	-0.7%	-0.7%
Utilities	0.0%	0.5%	0.6%	0.7%	1.4%	2.0%
Commodities	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Sovereign	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Others	0.0%	0.0%	0.1%	0.1%	4.7%	15.1%
FX Derivatives	-0.5%	-0.4%	-1.8%	-1.1%	-2.3%	-2.2%
Cash	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%

Fund statistics

Number of positions	26
Top5	18.7%
Top10	29.2%

Historic Portfolio Allocation by Asset Class



Fund Facts - Avaron Flexible Strategies Fund

Investment Manager	AS Avaron Asset Management	Min. Investment	-
Fund type	non-UCITS, public common alternative investment fund	Front-end load	-
Asset class	Flexible, all asset classes	Management fee	1.25%
Launch date	December 17, 2008	Performance fee	10% over EURIBOR 12-months, annual reset (Dec 31)
Domicile	Estonia	Back-end load (to the fund)	Rate depends on advance notice period - Advance notice 7 calendar days: 1.5% - Advance notice 30 calendar days: 0%
Currency	EUR	Bloomberg ticker	AVFLXSB ET
Dividends	reinvested	Contact Information	Avaron Asset Management Narva mnt 7D, 10117 Tallinn ESTONIA Phone: +372 66 44 205 Fax: +372 66 44 201 E-mail: info@avaron.com www.avaron.com
Fund size, MEUR	10.3	See Lipper, TK Valoren tickers:	www.avaron.com/fundfacts_flex
Total AUM, MEUR	375+	ISIN Code	EE3500100922
Unit	NAV 31-Jul-2019 16.8876 EUR	NAV calculation	Swedbank AS
Cut-off subscriptions	10am CET	External auditor	KPMG
Cut-off redemptions	10am CET, notice period 7 or 30 calendar days (redemption price will be fixed after the notice period)	Internal auditor	PWC
NAV frequency	Daily dealing, T+3	Fund documents & prospectus	www.avaron.com/documents
Public offering	Estonia		
Supervised by	Estonian FSA		
Custodian	Swedbank AS		
Transfer agent	Swedbank AS		

About Avaron Asset Management

Avaron Asset Management (founded in 2007) is an independent management-owned investment manager with a clear focus on stock-picking (bottom-up) and value investing in Emerging Europe region. We aim to deliver positive risk-adjusted return to our clients over the market cycle. Our portfolios are long-only and invest in listed stocks.

Investment ideas are generated through in-house proprietary research of approximately 250 Emerging Europe companies, backed by regular on the ground visits and meetings. Our stock selection is primarily driven by the upside to internally set target prices on single company level. We invest only in business models that we understand and can model ourselves focusing on companies with leading market positions and strong recurring revenue streams. In addition, we have integrated ESG analysis into our investment process and adhere to the UN Principles for Responsible Investment (UN PRI). Our team of 19 professionals (including 11 in the investment team), based in Estonia and Poland, takes care of around 400 million euros of mainly professional investor assets.

We adhere to the UN Principles for Responsible Investment (PRI) and are supervised by the Estonian Financial Supervision Authority.

Signatory of:



Kristel Kivnurm-Priisalm
Managing Partner,
CEO & COO



Peter Priisalm
Partner, co-CIO,
Investment Manager



Valdur Jaht
Partner, co-CIO,
Investment Manager

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