

# **AVALORN**

**Société d'Investissement à Capital Variable**

**Audited annual report  
for the year ended December 31, 2022**

R.C.S. Luxembourg B 196 536

No subscription can be received on the basis of these financial statements. Subscriptions may only be accepted on the basis of the current prospectus accompanied by an application form, the latest available annual report of the Fund and the latest semi-annual report if published thereafter.

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**Management and administration****Registered Office**

3, rue Gabriel Lippmann  
L-5365 Munsbach  
Luxembourg

**Board of Directors**

Marc Hoegger  
Chairman  
NS Partners S.A., Geneva  
Switzerland

Paolo Faraone  
Director  
NS Partners Europe S.A., Luxembourg  
Luxembourg

Patrick Piralla  
Director  
NS Partners S.A., Geneva  
Switzerland

**Management Company**

NS Partners Europe S.A.  
11, boulevard de la Foire  
L-1528 Luxembourg  
Luxembourg

**Conducting Officers of the  
Management Company**

Andrew Carter  
NS Partners Europe S.A., Luxembourg  
Luxembourg (since March 18, 2022)

Paolo Faraone  
NS Partners Europe S.A., Luxembourg  
Luxembourg

Girolamo Salice  
NS Partners Europe S.A., Luxembourg  
Luxembourg

Manaf Azmeh  
NS Partners Europe S.A., Luxembourg  
Luxembourg

**Investment Advisors**

CAM Global Investments Ltd  
160, Main Street, Road Town  
VG1110 Tortola  
British Virgin Islands  
(for Clarion Global Emerging Markets Bond Fund)

**Investment Managers**

Clarion Asset Management Ltda.  
Rua Helena 260, Cj 12 (1ro andar) Vila Olimpia  
04552-050 São Paulo  
Brazil  
(for Clarion Global Emerging Markets Bond Fund)

**Management and administration (continued)****Investment Managers (continued)**

NS Partners S.A.  
98, rue de Saint Jean  
CH-1201 Geneva  
Switzerland  
(for Flexible (formerly named Flexible Conservative),  
Global Dynamic, Colon and Tandala)

Gesfin Limited  
1st Floor Tudor House, Le Bordage  
GY1 1DB St Peter Port  
Guernsey  
(for International Market Opportunity Fund)

Milestone Asset Management Co. Ltd.  
4F Keyakizaka Terrace, 6-15-1 Roppongi Minato-ku  
106-0032 Tokyo  
Japan  
(for Milestone Japan Value Fund)

**Administrative, Registrar  
and Transfer Agent**

Apex Fund Services S.A.  
3, rue Gabriel Lippmann  
L-5365 Munsbach  
Luxembourg

**Depository Bank and Paying Agent**

UBS Europe SE, Luxembourg Branch  
33A, avenue J.F. Kennedy  
L-1855 Luxembourg  
Luxembourg

**Auditor of the Fund**

PricewaterhouseCoopers, Société coopérative  
2, rue Gerhard Mercator  
B.P. 1443  
L-1014 Luxembourg  
Luxembourg

## **Report of the Board of Directors**

Dear Shareholders,

We invite you to read the below Report of the Board of Directors as of December 31, 2022, for all the Sub-Funds.

### **Clarion Global Emerging Markets Bond Fund**

In 2022, the fund witnessed a decline in AUM and delivered a negative performance of -17.61% while maintaining a BB+ average credit rating in the portfolio. In November it completed 7 (seven) years of track record.

Tight monetary conditions, and sharp volatility led by various headwinds such as geopolitical tension weighed on the performance. In addition, portfolio performance was also impacted by the defaults in Mexican NBFCs.

The year 2022 was marked by a series of events that drove volatility. The year was challenged by elevated inflation and supply chain issues, which got further fuel from the Russia-Ukraine war that complicated energy supply chain and caused energy crisis. Moreover, China's zero covid policy continues to put additional supply chain and inflationary pressure. To curb the mounted inflation, central banks started a series of rapid hikes. Varying expectations on the size and pace of the Fed's rate hikes increased market turbulence, caused sharp changes in bond yields, and had a detrimental effect on the equity market. Strong US dollar negatively impacted the currencies of EMs and created additional pressure, while boom in commodity prices provided a support. Moreover, US-China tension and rising political risks kept the geopolitical risk at high. Notably, the end of 2022 brought some positivity to the market when inflation started easing and China government eased its zero Covid policies along with property rescue measures. Investors also started price-in that the Fed will slow down the pace of rate hikes and pause the tightening in 2023.

The hopes of the Fed reaching peak of its tightening soon continued in 2023. This along with China's reopening and weakening US Dollar boosted the performance of the EM assets. However, the strong US job data print of January month brought a rally to the market which argues for Fed to stay in a hawkish mood. While other indicators are pointing towards a mild recession in 1H23 in the US, the tight labor market keeps the hope alive for a soft landing. GDP growth in EMs would slow given the tight monetary policies, energy crisis and geopolitical headwinds. However, economies are expected to recover in 2H23. Additionally, China's reopening would support the EM recovery. Given resilient EM fundamentals and cheap valuations along with attractive yield, investors could find EM hard currency bonds attractive. Moreover, with the decline in US treasury yield, waning inflationary pressure and weakening dollar strength along with favorable EM-DM growth alpha, EM hard currency bonds are expected to deliver attractive returns in 2023.

### **Colon**

Colon ended 2022 with a performance of -16.57% vs. the MSCI World AC Equity market that posted negative return of 17.5% and the Bloomberg Aggregate Investment Grade 1-5 yr. bond index that lost 6.1%. Assets decreased from EUR 23.7 million to EUR 19.7 million due to performance.

The fixed-income portion of the portfolio had a poor performance due to an increase in interest rates and increase in spreads.

The equity portion of the portfolio had an overexposure to growth stocks (Information Technology and Health Care), which suffered bigger corrections than the market. During the year the portfolio became more balanced, yet it still has a bias towards growth.

The exposure to absolute return funds was mitigating the negative performance of the other asset classes as they did not lose money in 2022.

The average beta equity exposure to equity during the year was 55%.

**Report of the Board of Directors (continued)****OUTLOOK FOR 2023:**

Looking forward to 2023, the valuations of many assets have corrected after a poor 2022. The world economy is expected to slow down to mild recessions in some areas but recover in 2024. Interest rates will continue to rise, but less than in 2022. Fixed-income assets, particularly in the investment grade medium duration tranche, are expected to do well due to yields at attractive levels compared to history. Equities will have almost 0% earnings growth in 2023 and 10% earnings growth in 2024 (consensus), but equities discount what will happen 1-2 years forward, so the outlook might still be positive. The reopening of the Chinese economy will positively impact growth, but it will also be inflationary, although the net is good for capital markets.

**Flexible (formerly Flexible Conservative)**

Flexible ended 2022 with a performance of -7.77% vs. the MSCI World AC Equity market that posted negative return of 17.5% and the Bloomberg Aggregate Investment Grade 1-5 yr. bond index that lost 6.1%. Assets decreased from EUR 43.5 million to EUR 40.6 million due to performance.

The fixed-income portion of the portfolio had a poor performance due to an increase in interest rates and increase in spreads.

The equity portion of the portfolio had a balanced exposure between value and growth stocks. The equity exposure was biased towards Europe, which was a relative positive contributor to the fund performance.

The fund's 40% average USD exposure was the main contributor to the good relative performance.

The average beta equity exposure to equity during the year was 58% and was increased over the year.

**OUTLOOK FOR 2023:**

Looking forward to 2023, the valuations of many assets have corrected after a poor 2022. The world economy is expected to slow down to mild recessions in some areas but recover in 2024. Interest rates will continue to rise, but less than in 2022. Fixed-income assets, particularly in the investment grade medium duration tranche, are expected to do well due to yields at attractive levels compared to history. Equities will have almost 0% earnings growth in 2023 and 10% earnings growth in 2024 (consensus), but equities discount what will happen 1-2 years forward, so the outlook might still be positive. The reopening of the Chinese economy will positively impact growth, but it will also be inflationary, although the net is good for capital markets.

**Global Dynamic**

Global Dynamic ended 2022 with a performance of -8.65% vs. the MSCI World AC Equity market that posted negative return of 17.5% and the Bloomberg Aggregate Investment Grade 1-5 yr. bond index that lost 6.1%. Assets decreased from EUR 30.6 million to EUR 28.0 million due to performance.

The fixed-income portion of the portfolio had a poor performance due to an increase in interest rates and increase in spreads.

The equity portion of the portfolio had a balanced exposure between value and growth stocks. The equity exposure was biased towards Europe, which was a relative positive contributor to the fund performance.

The fund's 40% average USD exposure was the main contributor to the good relative performance.

The average beta equity exposure to equity during the year was 62%.

**Report of the Board of Directors (continued)****OUTLOOK FOR 2023:**

Looking forward to 2023, the valuations of many assets have corrected after a poor 2022. The world economy is expected to slow down to mild recessions in some areas but recover in 2024. Interest rates will continue to rise, but less than in 2022. Fixed-income assets, particularly in the investment grade medium duration tranche, are expected to do well due to yields at attractive levels compared to history. Equities will have almost 0% earnings growth in 2023 and 10% earnings growth in 2024 (consensus), but equities discount what will happen 1-2 years forward, so the outlook might still be positive. The reopening of the Chinese economy will positively impact growth, but it will also be inflationary, although the net is good for capital markets.

**International Market Opportunity Fund**

During the first semester, due to the conflict in Ukraine that started in February, we decided to reduce the risk (volatility) so we lowered the equity weighting from 58% to just under 50% and increased the risk-free cash portion. The fund was not impacted directly by the conflict in Ukraine. A further strategic decision implemented in the first half of the year was to cancel the USD hedging beginning of March (on the basis that the USD plays the role of safe haven in case of tensions). During this period though there were an important number of client redemptions, diminishing the fund's assets under management to around EUR 15 million during the second quarter. This signified a higher cost base, potentially increasing with further redemptions, so it was decided to close the fund. The liquidation took place during the month of July. Everything was settled in an orderly manner and the fund was definitively closed by the end of the year. The final performance on the last NAV calculated on July 22 was in EUR -15.73% (-15.09% in USD).

**Milestone Japan Value Fund**

Over the last calendar year, the Fund's NAV denominated in Japanese Yen rose 1%. By contrast, the Fund's NAV denominated in US\$ fell 11.8%.

By way of comparison, Topix denominated in US\$ lost 16.7% over the same period. Topix denominated in Yen did somewhat less badly, down by 5.1% for CY2022.

**The Portfolio**

It was a mixed and complicated year; but we were gratified to make our way to a positive annual return in Yen. The currency is wholly out of our control. Yet it led to our experiencing a drop in the US\$ value of the Fund, a loss by which we are embarrassed and frustrated.

Consistent commitment to any coherent investment strategy involves periods of underperformance. Underperformance is always unwelcome and unpleasant, but it is inevitable. Underperformance relative to a legitimately chosen index is one thing; experiencing a fall in value, however it is derived, is another. 2022 maximised frustration by pairing outperformance with a US\$ loss.

Other than the currency, the background against which these results were achieved was characterized by a sharp divergence within the market between sector performance. To take the best and worst performing large cap sectors, Banks were up 33%, while Electric Appliances ("tech") were down 25%.

The winning sectors last year contained two financial sectors, Banks and Insurance, in which we do not invest because their accounting is unassimilable with our Earnings Power Value (EPV) approach. We had nothing in the other top three sectors either. Fortunately, we had next to nothing (<10%) in the worst sectors as well.

**Report of the Board of Directors (continued)**

As well as this sector skews, there was a marked bias against large shares. It is, therefore comforting that one of our top performance contributors was a super-large capitalization share (an oil company). At the other end of the spectrum, it was less comforting to lag Small Value.

The performance of major shares was severely divided too in terms of “style”, Growth versus Value. The MSCI Indices, which are made up of large capitalisation shares, show a 20 %age point gap in favour of Value over the full year despite a sharp rally in Q4CY22. For small caps the gap was only 10.7 percentage points. For our portfolio, however, style, sector and size considerations were less significant than individual stock factors.

Our 57% of NAV allocation to Industrials may appear excessive. In our opinion, this may be a misleading impression. Industrials fell 6% last year; clearly ours didn't. (Source: S&P Industrial Total Return Index JPY). Big winners and losers ignored sector classifications, with construction-related companies in both groups.

In Japan, under the GICS classifications, the Industrials sector contains two disparate groups of stocks; the first, straightforward industrial/engineering companies that are plainly economic pace sensitive in colour; the second, a large group of construction and civil engineering-related businesses that, equally plainly, march to a different drummer.

Our holdings which are placed under the Industrials classification are actually split approximately half and half between the two groups, are small-cap, and, even where they are conventionally industrial, are speciality engineering-focused businesses catering to niche, and not mass, demands.

We are not clear as to why GICS classifications are so arranged as to mix up these different groups. Perhaps it's as simple as that they don't have a convenient “construction/contracting” sector into which to tip the Japanese speciality construction businesses in which we invest.

It might not be too cynical to suggest that, as other major markets have lesser weightings in construction, a business which is important to Japan disappears from sight under the “global view”. This type of thing should caution against “managing versus an index” when the compilers of the index are uninterested in the real business characteristics of their selections.

While no specific impact by the situation in Ukraine can be discerned, it is also clear that, at a highly generalised level, developments in the Ukraine coloured the macro environment (by, for instance, forming part of the argument for rising inflation and higher rates. As explained above, such influences were not decisive for the portfolio.

Our holdings demonstrated good earnings power in 2022; they project similar growth for 2023. Given that they beat a similar forecast by a small margin last year, we feel that it's a reasonable to look for around 9% growth this year and next. The lagged effects of a cheap Yen spread over time beyond the “exporting” sectors of the economy.

Indeed, currency depreciation is close to the equivalent of conventional monetary loosening, with its stimulatory effects materializing at a lag of a year. That is, the maximum positive effects of the moments the Yen spent at Y150/US\$ in October 2022 will be felt in the months leading up to October 2023.



**Report of the Board of Directors (continued)**

Of course, we acknowledge that the value of a currency is a slippery concept. We don't accept the theoretical substructure on which it stands, but we find Purchasing Power Parity (PPP) a useful shorthand for valuation. We tend to like the OECD version of PPP, largely because no commercial considerations are engaged in its compilation.

The OECD's latest estimate of PPP is 102 yen to the U.S. Dollar. The Yen was, at its lows, 50% too cheap. Now it's "only" 30%! All being well, FY2023 could be a blowout year for corporate earnings.

We kept to our low turnover discipline. Turnover in 2022 was 8%. The largest changes were sales into corporate transactions early in the year. These disposals allowed our equity position as a % of NAV to drift slightly lower.

We continue to look for new opportunities but sellers are reluctant to meet the prices we are willing to offer. 2 new holdings entered the portfolio in 2022. They were a chemical company focused on compounds for the high-tech industries; and a firm supplying pipes and other steel products for civil engineering.

The chemical company trades at 1.1x Book Value, 3.4x EV/EBITDA and 6 times earnings. The steel products firm is valued at 28% of Book Value, 7 1/2 times earnings and 3.2x EV/EBITDA. Both produce net cash.

As the Table below shows, our portfolio is materially cheaper than the market yet our companies are more financially productive than the average of the investment universe. That universe is some 3,355 non-financial companies. Only 1,995 are financially productive (that is, ROCE is higher than WACC). We hold 57 of them. 6 holdings are <0.5% positions which are making their way into, or out of, the portfolio.

We are confident that we hold only superior companies. When and by what process other investors will reach conclusions about their worth similar to our own is, as usual, not clear. Something, usually a development few have foreseen will come along. It always does. All we can do is to buy only good companies, buy them at low valuations, and then do as little as possible.

**Portfolio Valuation in Perspective**

Item	Market	Portfolio
PE Ratio	11.1x	8.3x
EV/EBITDA Ratio	5.7x	3.2x
Price-to-Book	1.0x	0.6x
Average Margin of Safety	14.5%	44.0%
ROCE		
Normalised	6.2%	8.1%
Last 12M	6.4%	8.5%

*Note: Ratios are medians. Margin of Safety describes the average discount to our estimate of EPV.*

*Source: Company data, Bloomberg, Milestone Asset Management*

**Report of the Board of Directors (continued)****Tandala**

Tandala ended 2022 with a performance of -15.0% vs. the MSCI World AC Equity market that posted negative return of 17.5% and the Bloomberg Aggregate Investment Grade 1-5 yr. bond index that lost 6.1%. Assets decreased from EUR 28.9 million to EUR 24.5 million due to performance.

The fixed-income portion of the portfolio had a poor performance due to an increase in interest rates and increase in spreads.

The equity portion of the portfolio had a small overexposure to growth stocks (Information Technology and Health Care), which suffered bigger corrections than the market. During the year the portfolio became balanced between value and growth.

The exposure to absolute return funds was mitigating the negative performance of the other asset classes as they did not lose money in 2022.

The average beta equity exposure to equity during the year was 70%.

**OUTLOOK FOR 2023:**

Looking forward to 2023, the valuations of many assets have corrected after a poor 2022. The world economy is expected to slow down to mild recessions in some areas but recover in 2024. Interest rates will continue to rise, but less than in 2022. Fixed-income assets, particularly in the investment grade medium duration tranche, are expected to do well due to yields at attractive levels compared to history. Equities will have almost 0% earnings growth in 2023 and 10% earnings growth in 2024 (consensus), but equities discount what will happen 1-2 years forward, so the outlook might still be positive. The reopening of the Chinese economy will positively impact growth, but it will also be inflationary, although the net is good for capital markets.

The Board of Directors

Luxembourg, March 15, 2023

The figures stated in this report are historical and not necessarily indicative of future performance.



## **Audit report**

To the Shareholders of  
**Avalorn**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Avalorn (the "Fund") and of each of its sub-funds as at 31 December 2022, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund's financial statements comprise:

- the combined statement of net assets for the Fund and the statement of net assets for each of the sub-funds as at 31 December 2022;
- the combined statement of operations and changes in net assets for the Fund and the statement of operations and changes in net assets for each of the sub-funds for the year then ended;
- the statement of investments as at 31 December 2022; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Responsibilities of the Board of Directors of the Fund for the financial statements**

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or close any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

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**Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;



- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund or any of its sub-funds (except for International Market Opportunity where a decision to liquidate exists) to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 30 March 2023

Bertrand Jaboulay

# AVALORN

Société d'Investissement à Capital Variable

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## Combined statement of net assets as at December 31, 2022

	Notes	EUR
<b>ASSETS</b>		
Investments in securities at market value	2.3	155,126,844.71
Cash at banks		3,663,201.73
Income receivable		781,853.54
Prepaid expenses		11,827.00
Unrealised gain on forward foreign exchange contracts	2.3, 10, 11	1,846,883.14
Other assets		1,159.50
<b>Total Assets</b>		<b>161,431,769.62</b>
<b>LIABILITIES</b>		
Options written at market value	2.3, 10, 12	37,020.38
Management Company fees payable	3	77,047.73
Accrued expenses and other liabilities		201,612.40
Unrealised loss on forward foreign exchange contracts	2.3, 10, 11	17,807.27
<b>Total Liabilities</b>		<b>333,487.78</b>
<b>Net Asset Value</b>		<b>161,098,281.84</b>

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The accompanying notes form an integral part of these financial statements.

**Statement of net assets as at December 31, 2022**

		<b>Clarion Global Emerging Markets Bond Fund</b>	<b>Colon</b>	<b>Flexible<sup>(1)</sup></b>
	<b>Notes</b>	<b>USD</b>	<b>EUR</b>	<b>EUR</b>
<b>ASSETS</b>				
Investments in securities at market value	2.3	23,096,290.67	18,829,264.39	40,040,156.88
Cash at banks		632,145.14	211,802.14	60,253.69
Income receivable		401,456.00	55,737.59	153,942.38
Prepaid expenses		2,103.92	1,971.50	1,971.50
Unrealised gain on forward foreign exchange contracts	2.3, 10, 11	37,813.22	713,227.78	346,047.29
Other assets		-	1,159.52	-
<b>Total Assets</b>		<b>24,169,808.95</b>	<b>19,813,162.92</b>	<b>40,602,371.74</b>
<b>LIABILITIES</b>				
Options written at market value	2.3, 10, 12	-	37,020.38	-
Management Company fees payable	3	32,357.82	6,611.13	12,913.65
Accrued expenses and other liabilities		35,262.52	30,950.05	25,156.26
Unrealised loss on forward foreign exchange contracts	2.3, 10, 11	-	-	-
<b>Total Liabilities</b>		<b>67,620.34</b>	<b>74,581.56</b>	<b>38,069.91</b>
<b>Net Asset Value</b>		<b>24,102,188.61</b>	<b>19,738,581.36</b>	<b>40,564,301.83</b>

<sup>(1)</sup> See note 1.

**Statement of net assets as at December 31, 2022 (continued)**

	<b>Number of shares outstanding</b>	<b>Net Asset Value per share</b>
<b>Clarion Global Emerging Markets Bond Fund - USD</b>		
Class A-CHF	3,989.756	CHF 78.77
Class AD-USD	750.000	USD 75.47
Class A-EUR	15,536.072	EUR 69.07
Class A-USD	190,656.425	USD 92.34
Class B-USD	40,187.860	USD 86.33
Class PRD-USD	3,130.735	USD 71.16
Class PR-USD	15,910.024	USD 79.44
<b>Colon - EUR</b>		
Class EUR	179,693.103	EUR 109.85
<b>Flexible - EUR <sup>(1)</sup></b>		
Class EUR	367,129.839	EUR 110.49

<sup>(1)</sup> See note 1.



**Statement of net assets as at December 31, 2022 (continued)**

		Global Dynamic	Milestone Japan Value Fund	Tandala
	Notes	EUR	JPY	EUR
<b>ASSETS</b>				
Investments in securities at market value	2.3	27,225,376.20	3,284,036,325	23,923,280.88
Cash at banks		543,014.53	306,736,088	63,873.31
Income receivable		63,407.93	14,773,933	27,031.35
Prepaid expenses		1,971.50	275,629	1,971.50
Unrealised gain on forward foreign exchange contracts	2.3, 10, 11	165,687.14	-	586,490.41
Other assets		-	-	-
<b>Total Assets</b>		<b>27,999,457.30</b>	<b>3,605,821,975</b>	<b>24,602,647.45</b>
<b>LIABILITIES</b>				
Options written at market value	2.3, 10, 12	-	-	-
Management Company fees payable	3	8,906.80	1,115,176	10,328.19
Accrued expenses and other liabilities		23,017.15	8,222,040	30,693.44
Unrealised loss on forward foreign exchange contracts	2.3, 10, 11	-	-	17,807.27
<b>Total Liabilities</b>		<b>31,923.95</b>	<b>9,337,216</b>	<b>58,828.90</b>
<b>Net Asset Value</b>		<b>27,967,533.35</b>	<b>3,596,484,759</b>	<b>24,543,818.55</b>

**Statement of net assets as at December 31, 2022 (continued)**

	<b>Number of shares outstanding</b>	<b>Net Asset Value per share</b>
<b>Global Dynamic - EUR</b>		
Class A-EUR	255,014.932	EUR 109.67
<b>Milestone Japan Value Fund - JPY</b>		
Class B2-USD	242,000.000	USD 98.70
Class P-JPY	26,964.000	JPY 16,429.31
<b>Tandala - EUR</b>		
Class EUR	228,018.419	EUR 107.64

**Combined statement of operations and changes in net assets for the year ended  
December 31, 2022**

	Notes	EUR
Net Asset Value at the beginning of the year/period		226,284,921.41
<b>INCOME</b>		
Interest income	2.6	2,528,738.68
Dividend income, net	2.6	1,266,821.12
Bank interest income	2.6	102,652.53
Other income	2.7	78,087.16
<b>Total Income</b>		<b>3,976,299.49</b>
<b>EXPENSES</b>		
Management Company fees	3	1,258,449.15
Depository bank fees	3	108,049.95
Administration fees	3	259,602.41
Bank and interest expenses		49,796.92
Director fees		52,307.02
Distribution fees		38,414.15
Liquidation fees	13	20,500.00
Transaction fees	9	71,099.10
Operating fees		55,459.01
Professional fees		79,636.12
Taxe d'abonnement	5	49,471.35
Register fees		10,974.84
Regulatory fees		72,193.80
Risk management fees		53,949.70
Research fees		105,589.84
Other expenses		178,204.31
<b>Total Expenses</b>		<b>2,463,697.67</b>
<b>Net investment income/(loss)</b>		<b>1,512,601.82</b>

**Combined statement of operations and changes in net assets for the year ended December 31, 2022 (continued)**

	Notes	EUR
<b>Net investment income/(loss)</b>		<b>1,512,601.82</b>
<b>Net realised gain/(loss):</b>		
- on investments	2.4	282,065.62
- on forward foreign exchange contracts	2.3	(3,547,646.64)
- on futures contracts	2.3	576,262.09
- on foreign exchange translation	2.5	23,938.62
- on options	2.3	19,000.15
<b>Net realised gain/(loss) for the year/period</b>		<b>(2,646,380.16)</b>
<b>Change in net unrealised gain/loss:</b>		
- on investments		(27,481,532.69)
- on forward foreign exchange contracts	2.3	2,525,547.65
- on futures contracts	2.3	23,424.69
- on foreign exchange translation	2.5	939,840.42
- on options	2.3	(20,295.18)
<b>Change in net unrealised gain/loss for the year/period</b>		<b>(24,013,015.11)</b>
<b>Net profit/(loss) from operations</b>		<b>(25,146,793.45)</b>
Subscriptions		843,151.44
Redemptions		(42,018,707.57)
Dividends distributed	8	(17,399.22)
Exchange difference	2.5	1,153,109.23
<b>Net Asset Value at the end of the year/period</b>		<b>161,098,281.84</b>

The accompanying notes form an integral part of these financial statements.

## Statement of operations and changes in net assets for the year ended December 31, 2022

		Clarion Global Emerging Markets Bond Fund	Colon	Flexible <sup>(1)</sup>
	Notes	USD	EUR	EUR
Net Asset Value at the beginning of the year/period		50,472,271.00	23,659,882.32	43,516,266.44
<b>INCOME</b>				
Interest income	2.6	1,633,050.10	196,098.69	400,038.24
Dividend income, net	2.6	-	26,391.56	278,197.40
Bank interest income	2.6	87,726.95	6,391.64	7,097.00
Other income	2.7	1,490.63	41,886.57	2,655.80
<b>Total Income</b>		<b>1,722,267.68</b>	<b>270,768.46</b>	<b>687,988.44</b>
<b>EXPENSES</b>				
Management Company fees	3	518,693.27	82,978.66	157,452.06
Depository bank fees	3	21,516.70	10,060.69	20,094.84
Administration fees	3	53,941.68	36,715.10	36,617.68
Bank and interest expenses		39,408.65	2,756.99	777.82
Director fees		7,901.61	7,500.00	7,500.00
Distribution fees		30,320.54	-	2,500.00
Liquidation fees		-	-	-
Transaction fees	9	22,098.33	14,381.59	10,861.19
Operating fees		-	20,355.27	10,018.87
Professional fees		11,655.86	11,068.64	12,320.55
Taxe d'abonnement	5	12,571.26	1,273.47	14,713.79
Register fees		1,282.52	1,521.54	1,521.53
Regulatory fees		11,686.91	11,314.92	10,224.06
Risk management fees		21,768.59	3,660.00	3,660.00
Research fees		112,690.76	-	-
Other expenses		62,941.54	18,526.58	19,857.11
<b>Total Expenses</b>		<b>928,478.22</b>	<b>222,113.45</b>	<b>308,119.50</b>
<b>Net investment income/(loss)</b>		<b>793,789.46</b>	<b>48,655.01</b>	<b>379,868.94</b>

<sup>(1)</sup> See note 1.

**Statement of operations and changes in net assets for the year ended  
December 31, 2022 (continued)**

		Clarion Global Emerging Markets Bond Fund	Colon	Flexible <sup>(1)</sup>
	Notes	USD	EUR	EUR
<b>Net investment income/(loss)</b>		<b>793,789.46</b>	<b>48,655.01</b>	<b>379,868.94</b>
<b>Net realised gain/(loss):</b>				
- on investments	2.4	(4,583,915.15)	142,222.08	70,885.97
- on forward foreign exchange contracts	2.3	(224,036.16)	(1,535,572.31)	(129,261.70)
- on futures contracts	2.3	615,015.72	-	-
- on foreign exchange translation	2.5	13,956.53	19,985.99	7,915.49
- on options	2.3	-	20,038.23	-
<b>Net realised gain/(loss) for the year/period</b>		<b>(4,178,979.06)</b>	<b>(1,353,326.01)</b>	<b>(50,460.24)</b>
<b>Change in net unrealised gain/loss:</b>				
- on investments		(4,259,491.81)	(3,525,959.96)	(4,756,914.29)
- on forward foreign exchange contracts	2.3	22,022.29	899,346.55	449,975.92
- on futures contracts	2.3	25,000.00	-	-
- on foreign exchange translation	2.5	(25,869.83)	30,278.63	575,565.06
- on options	2.3	-	(20,295.18)	-
<b>Change in net unrealised gain/loss for the year/period</b>		<b>(4,238,339.35)</b>	<b>(2,616,629.96)</b>	<b>(3,731,373.31)</b>
<b>Net profit/(loss) from operations</b>		<b>(7,623,528.95)</b>	<b>(3,921,300.96)</b>	<b>(3,401,964.61)</b>
Subscriptions		419,590.87	-	450,000.00
Redemptions		(19,147,574.99)	-	-
Dividends distributed	8	(18,569.32)	-	-
<b>Net Asset Value at the end of the year/period</b>		<b>24,102,188.61</b>	<b>19,738,581.36</b>	<b>40,564,301.83</b>

<sup>(1)</sup> See note 1.

**Statement of operations and changes in net assets for the year ended  
December 31, 2022 (continued)**

		<b>Global Dynamic</b>	<b>International Market Opportunity Fund<sup>(1)</sup></b>	<b>Milestone Japan Value Fund</b>
	<b>Notes</b>	<b>EUR</b>	<b>EUR</b>	<b>JPY</b>
<b>Net Asset Value at the beginning of the year/period</b>		<b>30,615,511.17</b>	<b>28,069,613.68</b>	<b>3,555,555,330</b>
<b>INCOME</b>				
Interest income	2.6	232,560.12	48.48	-
Dividend income, net	2.6	222,168.36	-	97,050,792
Bank interest income	2.6	3,946.60	596.22	249,641
Other income	2.7	4,094.14	7,399.69	33,797
<b>Total Income</b>		<b>462,769.22</b>	<b>8,044.39</b>	<b>97,334,230</b>
<b>EXPENSES</b>				
Management Company fees	3	108,381.47	200,269.00	13,274,066
Depository bank fees	3	13,809.31	11,356.36	2,812,755
Administration fees	3	36,614.56	16,037.32	6,487,507
Bank and interest expenses		89.78	1,082.48	812,113
Director fees		7,500.00	7,500.00	1,036,003
Distribution fees		2,504.18	2,500.00	-
Liquidation fees	13	-	20,500.00	-
Transaction fees	9	7,075.25	-	1,146,333
Operating fees		8,138.05	-	-
Professional fees		12,320.55	11,068.64	1,520,806
Taxe d'abonnement	5	10,177.67	2,123.32	355,726
Register fees		1,521.54	1,354.01	326,472
Regulatory fees		10,223.60	10,744.49	1,038,499
Risk management fees		3,660.00	15,300.00	505,567
Research fees		-	-	-
Other expenses		19,374.04	22,846.97	2,462,622
<b>Total Expenses</b>		<b>241,390.00</b>	<b>322,682.59</b>	<b>31,778,469</b>
<b>Net investment income/(loss)</b>		<b>221,379.22</b>	<b>(314,638.20)</b>	<b>65,555,761</b>

<sup>(1)</sup> Sub-Fund liquidated on July 22, 2022.

**Statement of operations and changes in net assets for the year ended  
December 31, 2022 (continued)**

		<b>Global Dynamic</b>	<b>International Market Opportunity Fund<sup>(1)</sup></b>	<b>Milestone Japan Value Fund</b>
	<b>Notes</b>	<b>EUR</b>	<b>EUR</b>	<b>JPY</b>
<b>Net investment income/(loss)</b>		<b>221,379.22</b>	<b>(314,638.20)</b>	<b>65,555,761</b>
<b>Net realised gain/(loss):</b>				
- on investments	2.4	656,102.32	2,927,139.83	73,792,069
- on forward foreign exchange contracts	2.3	(193,711.54)	(371,969.79)	-
- on futures contracts	2.3	-	-	-
- on foreign exchange translation	2.5	156.92	(27,679.25)	-
- on options	2.3	-	-	-
<b>Net realised gain/(loss) for the year/period</b>		<b>462,547.70</b>	<b>2,527,490.79</b>	<b>73,792,069</b>
<b>Change in net unrealised gain/loss:</b>				
- on investments		(3,978,912.25)	(6,275,254.06)	(102,109,349)
- on forward foreign exchange contracts	2.3	320,226.20	172,893.77	-
- on futures contracts	2.3	-	-	-
- on foreign exchange translation	2.5	326,781.31	(102,438.46)	3,690,948
- on options	2.3	-	-	-
<b>Change in net unrealised gain/loss for the year/period</b>		<b>(3,331,904.74)</b>	<b>(6,204,798.75)</b>	<b>(98,418,401)</b>
<b>Net profit/(loss) from operations</b>		<b>(2,647,977.82)</b>	<b>(3,991,946.16)</b>	<b>40,929,429</b>
Subscriptions		-	-	-
Redemptions		-	(24,077,667.52)	-
Dividends distributed	8	-	-	-
<b>Net Asset Value at the end of the year/period</b>		<b>27,967,533.35</b>	<b>-</b>	<b>3,596,484,759</b>

<sup>(1)</sup> Sub-Fund liquidated on July 22, 2022.



**Statement of operations and changes in net assets for the year ended  
December 31, 2022 (continued)**

	Notes	Tandala EUR
Net Asset Value at the beginning of the year/period		28,876,753.48
<b>INCOME</b>		
Interest income	2.6	169,845.48
Dividend income, net	2.6	46,535.73
Bank interest income	2.6	638.06
Other income	2.7, 14	20,412.75
<b>Total Income</b>		<b>237,432.02</b>
<b>EXPENSES</b>		
Management Company fees	3	128,501.90
Depository bank fees	3	12,467.83
Administration fees	3	36,715.13
Bank and interest expenses		2,361.05
Director fees		7,500.00
Distribution fees		2,500.00
Liquidation fees		-
Transaction fees	9	9,883.48
Operating fees		16,946.82
Professional fees		11,068.62
Taxe d'abonnement	5	6,861.96
Register fees		1,521.54
Regulatory fees		11,315.09
Risk management fees		3,660.00
Research fees		-
Other expenses		21,026.19
<b>Total Expenses</b>		<b>272,329.61</b>
<b>Net investment income/(loss)</b>		<b>(34,897.59)</b>

The accompanying notes form an integral part of these financial statements.

**Statement of operations and changes in net assets for the year ended  
December 31, 2022 (continued)**

		<b>Tandala</b>
	<b>Notes</b>	<b>EUR</b>
<b>Net investment income/(loss)</b>		<b>(34,897.59)</b>
<b>Net realised gain/(loss):</b>		
- on investments	2.4	293,444.45
- on forward foreign exchange contracts	2.3	(1,107,212.20)
- on futures contracts	2.3	-
- on foreign exchange translation	2.5	10,482.37
- on options	2.3	-
<b>Net realised gain/(loss) for the year/period</b>		<b>(803,285.38)</b>
<b>Change in net unrealised gain/loss:</b>		
- on investments		(4,223,724.43)
- on forward foreign exchange contracts	2.3	662,470.60
- on futures contracts	2.3	-
- on foreign exchange translation	2.5	66,501.87
- on options	2.3	-
<b>Change in net unrealised gain/loss for the year/period</b>		<b>(3,494,751.96)</b>
<b>Net profit/(loss) from operations</b>		<b>(4,332,934.93)</b>
Subscriptions		-
Redemptions		-
Dividends distributed	8	-
<b>Net Asset Value at the end of the year/period</b>		<b>24,543,818.55</b>

The accompanying notes form an integral part of these financial statements.

**Statistical information**

		December 31, 2022	December 31, 2021	December 31, 2020
<b>Net Asset Value</b>	<b>USD</b>	<b>24,102,188.61</b>	<b>50,472,271.00</b>	<b>81,926,386.71</b>
<b>Class A-CHF</b>				
Number of shares outstanding		3,989.756	3,989.756	8,517.951
Net Asset Value per share	CHF	78.77	97.61	106.72
<b>Class AD-USD</b>				
Number of shares outstanding		750.000	750.000	750.000
Net Asset Value per share	USD	75.47	97.30	111.35
<b>Class A-EUR</b>				
Number of shares outstanding		15,536.072	21,452.187	38,272.145
Net Asset Value per share	EUR	69.07	86.02	93.47
<b>Class A-USD</b>				
Number of shares outstanding		190,656.425	354,992.119	572,226.597
Net Asset Value per share	USD	92.34	112.07	120.72
<b>Class B-USD</b>				
Number of shares outstanding		40,187.860	60,567.348	60,567.348
Net Asset Value per share	USD	86.33	103.84	110.85
<b>Class PRD-USD</b>				
Number of shares outstanding		3,130.735	2,872.051	3,861.352
Net Asset Value per share	USD	71.16	91.89	105.31
<b>Class PR-USD</b>				
Number of shares outstanding		15,910.024	15,910.024	2,300.000
Net Asset Value per share	USD	79.44	96.57	104.17

**Statistical information (continued)**

		December 31, 2022	December 31, 2021	December 31, 2020
Net Asset Value	EUR	19,738,581.36	23,659,882.32	22,047,008.97

<b>Class EUR</b>				
Number of shares outstanding		179,693.103	179,693.103	179,693.103
Net Asset Value per share	EUR	109.85	131.67	122.69

**Statistical information (continued)**

		December 31, 2022	December 31, 2021	December 31, 2020
Net Asset Value	EUR	40,564,301.83	43,516,266.44	31,343,041.20

<b>Class EUR<sup>(1)</sup></b>				
Number of shares outstanding		367,129.839	363,234.140	290,987.923
Net Asset Value per share	EUR	110.49	119.80	107.71

<sup>(1)</sup> See note 1.

**Statistical information (continued)**

		December 31, 2022	December 31, 2021	December 31, 2020
Net Asset Value	EUR	27,967,533.35	30,615,511.17	27,346,742.18

<b>Class A-EUR</b>				
Number of shares outstanding		255,014.932	255,014.932	255,014.932
Net Asset Value per share	EUR	109.67	120.05	107.24

**Statistical information (continued)**

		July 22, 2022 <sup>(2)</sup>	December 31, 2021	December 31, 2020
Net Asset Value	EUR	14,019,245.34	28,069,613.68	31,007,752.96
<b>Class A-EUR<sup>(3)</sup></b>				
Number of shares outstanding		14,236.918	25,181.603	29,635.322
Net Asset Value per share	EUR	878.27	1,042.16	989.99
<b>Class A-USD<sup>(3)</sup></b>				
Number of shares outstanding		1,629.381	1,853.381	1,923.381
Net Asset Value per share	USD	951.52	1,120.58	1,061.67

<sup>(1)</sup> Sub-Fund liquidated on July 22, 2022.<sup>(2)</sup> Last Net Asset Value calculated as at July 22, 2022.<sup>(3)</sup> Liquidated on July 22, 2022.

**Statistical information (continued)**

		December 31, 2022	December 31, 2021	December 31, 2020
Net Asset Value	JPY	3,596,484,759	3,555,555,330	3,188,589,976

**Class B2-USD**

Number of shares outstanding		242,000.000	242,000.000	250,000.000
Net Asset Value per share	USD	98.70	111.87	108.71

**Class P-JPY**

Number of shares outstanding		26,964.000	26,964.000	26,964.000
Net Asset Value per share	JPY	16,429.31	16,270.77	14,205.48



**Statistical information (continued)**

		December 31, 2022	December 31, 2021	December 31, 2020
Net Asset Value	EUR	24,543,818.55	28,876,753.48	26,393,018.16

<b>Class EUR</b>				
Number of shares outstanding		228,018.419	228,018.419	228,018.419
Net Asset Value per share	EUR	107.64	126.64	115.75

**Statement of investments as at December 31, 2022**

Currency	Quantity/ Nominal	Description	Cost USD	Market Value USD	% of Net Asset Value
<b><u>Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</u></b>					
<b>Bonds</b>					
<i>Argentina</i>					
USD	400,000	CITY OF BUENOS AIRES 7.500% 06/01/27	381,411.67	364,000.00	1.51%
USD	550,000	PAMPA ENERGIA SA 7.500% 24/01/27 REGS	441,210.00	504,625.00	2.08%
USD	200,000	YPF SOCIEDAD ANONIMA 7.000% 12/15/47	106,700.00	114,500.00	0.48%
USD	500,000	YPF SOCIEDAD ANONIMA 8.750% 04/04/24	294,619.04	331,625.00	1.38%
<i>Total Argentina</i>			1,223,940.71	1,314,750.00	5.45%
<i>Austria</i>					
USD	400,000	KLABIN AUSTRIA GMBH 7.000% 04/03/49	417,450.00	391,000.00	1.62%
USD	400,000	SUZANO AUSTRIA GMBH 7.000% 03/16/47	450,400.00	399,000.00	1.66%
<i>Total Austria</i>			867,850.00	790,000.00	3.28%
<i>Brazil</i>					
USD	450,000	BANCO DO BRASIL (CAYMAN) FRN PERP	480,825.00	448,312.50	1.86%
USD	99,000	BRASKM 6.450% 02/03/24	103,059.00	99,247.50	0.41%
USD	500,000	CEMIG GERACAO E TRANSM 9.250% 12/05/24	578,000.00	516,250.00	2.14%
USD	200,000	ITAU UNIBANCO HLDG SA/KY FRN PERP	199,400.00	195,000.00	0.81%
<i>Total Brazil</i>			1,361,284.00	1,258,810.00	5.22%
<i>British Virgin Islands</i>					
USD	250,000	DALWAN 7.250% 01/29/24 CORP	249,085.60	222,907.50	0.92%
USD	400,000	GOLD FIELDS OROGEN HOLD 6.125% 05/15/29	413,000.00	407,000.00	1.69%
USD	200,000	GOLD FIELDS OROGEN HOLDING [BVI] LTD. 5.125% 05/15/24	197,400.00	198,500.00	0.82%
USD	400,000	GTL TRADE FINANCE INC 7.250% 04/15/44	485,020.00	454,000.00	1.89%
<i>Total British Virgin Islands</i>			1,344,505.60	1,282,407.50	5.32%
<i>Canada</i>					
USD	200,000	VOTORA 5.750% 01/28/27	216,833.33	200,682.00	0.83%
<i>Total Canada</i>			216,833.33	200,682.00	0.83%
<i>Cayman Islands</i>					
USD	500,000	ALIBABA GROUP HOLDING 3.400% 12/06/27	473,000.00	460,579.00	1.91%
USD	550,000	COSAN OVERSEAS LTD 8.250% PERP	549,200.00	548,625.00	2.28%
USD	2,800,000	EVERRE 8.750% 06/28/25 CORP	2,164,470.00	217,000.00	0.90%
USD	800,000	SINIC HOLDINGS GROUP CO 9.500% 10/18/2021*	-	19,016.00	0.08%
USD	250,000	SUZANO 5.500% 01/17/27	281,375.00	249,687.50	1.04%
USD	600,000	TERMOCANDELARIA POWER 7.875% 01/30/29	493,663.00	473,025.00	1.96%
USD	200,000	VALE OVERSEAS LIMITED 8.250% 01/17/34	241,200.00	237,000.00	0.98%
<i>Total Cayman Islands</i>			4,202,908.00	2,204,932.50	9.15%
<i>Chile</i>					
USD	2,000,000	EMPRESA ELECTRICA GUACOLDA SA 4.560% 04/30/25	1,693,156.25	520,000.00	2.16%
<i>Total Chile</i>			1,693,156.25	520,000.00	2.16%

\* Default title

The accompanying notes form an integral part of these financial statements.

**AVALORN**

Société d'Investissement à Capital Variable

**Clarion Global Emerging Markets Bond Fund****Statement of investments as at December 31, 2022 (continued)**

<b>Currency</b>	<b>Quantity/ Nominal</b>	<b>Description</b>	<b>Cost USD</b>	<b>Market Value USD</b>	<b>% of Net Asset Value</b>
<i>China</i>					
USD	350,000	COGARD 8.000% 01/27/24	349,487.50	269,500.00	1.12%
USD	900,000	SUNSHINE LIFE INSURANCE 4.500% 04/20/26	866,850.00	777,375.00	3.22%
<i>Total China</i>			1,216,337.50	1,046,875.00	4.34%
<i>Colombia</i>					
USD	200,000	COLOM 8.125% 05/21/24	205,900.00	206,480.20	0.86%
USD	1,000,000	CREDIVALORES SA 8.875% 02/07/25	877,410.71	280,000.00	1.16%
USD	600,000	ECOPETROL SA 7.375% 09/18/43	606,401.67	513,750.00	2.13%
<i>Total Colombia</i>			1,689,712.38	1,000,230.20	4.15%
<i>Hungary (Republic)</i>					
USD	250,000	HUNGARY 5.375% 03/25/24	247,200.00	249,688.00	1.04%
<i>Total Hungary (Republic)</i>			247,200.00	249,688.00	1.04%
<i>India</i>					
USD	200,000	TATAIN 5.950% 07/31/24	199,800.00	199,250.00	0.83%
<i>Total India</i>			199,800.00	199,250.00	0.83%
<i>Indonesia</i>					
USD	200,000	PGASIJ 5.125% 05/16/24	198,280.00	198,250.00	0.82%
<i>Total Indonesia</i>			198,280.00	198,250.00	0.82%
<i>Kazakhstan</i>					
USD	400,000	KAZMUNAYGAS NATIONAL CO 6.375% 10/24/48	350,400.00	330,000.00	1.37%
<i>Total Kazakhstan</i>			350,400.00	330,000.00	1.37%
<i>Luxembourg</i>					
USD	500,000	NEXA RESOURCES SA 6.500% 01/18/28	537,946.43	483,125.00	2.00%
USD	400,000	UNIGEL LUXEMBOURG SA 8.750% 10/01/26	390,227.69	399,000.00	1.66%
<i>Total Luxembourg</i>			928,174.12	882,125.00	3.66%
<i>Mexico</i>					
USD	400,000	ALFA S.A. 6.875% 03/25/44	397,000.00	389,000.00	1.61%
USD	700,000	CEMEX SAB DE CV 7.375% 06/07/27	726,250.00	717,500.00	2.98%
USD	3,650,000	CREDITO REAL SAB DE CV 9.500% 02/07/26	3,653,450.00	109,281.00	0.45%
USD	650,000	DOCUFORMAS SA 10.250% 07/24/24	619,533.14	130,000.00	0.54%
USD	700,000	GRUPO BIMBO SAB DE CV FRN PERP	706,150.00	693,875.00	2.88%
USD	600,000	PETROLEOS MEXICANOS FRN 06/02/29	575,500.00	564,682.07	2.34%
USD	800,000	UNIFIN FINANCIERA SA DE 8.375% 01/27/28	740,634.44	16,000.00	0.07%
<i>Total Mexico</i>			7,418,517.58	2,620,338.07	10.87%
<i>Oman</i>					
USD	400,000	OMAN 7.000% 01/25/51	398,400.00	386,008.00	1.60%
USD	1,000,000	OTELOM 6.625% 04/24/28 CORP	986,289.06	1,000,000.00	4.15%
<i>Total Oman</i>			1,384,689.06	1,386,008.00	5.75%

The accompanying notes form an integral part of these financial statements.

# AVALORN

Société d'Investissement à Capital Variable

## Clarion Global Emerging Markets Bond Fund

### Statement of investments as at December 31, 2022 (continued)

Currency	Quantity/ Nominal	Description	Cost USD	Market Value USD	% of Net Asset Value
<i>Peru</i>					
USD	1,000,000	HUNT OIL CO OF PERU 6.375% 06/01/28	899,934.46	832,485.00	3.46%
USD	300,000	PETROLEOS DEL PERU SA 4.750% 06/19/32	292,450.00	231,750.00	0.96%
USD	300,000	PETRPE 5.625% 06/19/47	278,016.00	198,000.00	0.82%
<i>Total Peru</i>			1,470,400.46	1,262,235.00	5.24%
<i>South Africa</i>					
USD	200,000	SASOL 5.625% 03/27/2024 CORP	193,700.00	195,250.00	0.81%
<i>Total South Africa</i>			193,700.00	195,250.00	0.81%
<i>Swaziland</i>					
USD	800,000	ASIAN DEVELOPMENT Bank 1.500% 10/18/24	835,200.00	757,633.60	3.14%
<i>Total Swaziland</i>			835,200.00	757,633.60	3.14%
<i>The Netherlands</i>					
USD	250,000	BRASKEM NETHERLANDS FRN 01/22/81	247,500.00	241,250.00	1.00%
USD	550,000	EMBRAER NETHERLANDS FINA 5.400% 02/01/27	539,334.78	528,000.00	2.19%
USD	400,000	PETROBRAS GLOBAL FINANCE 6.900% 03/19/49	421,869.14	358,000.00	1.49%
USD	500,000	TEVA PHARMACEUTICALS NE 6.750% 03/01/28	532,501.16	487,500.00	2.02%
<i>Total The Netherlands</i>			1,741,205.08	1,614,750.00	6.70%
<i>United States of America</i>					
USD	3,139,676	BBFI LIQUIDAT. 0.000% PERP	1,762,416.47	784,919.00	3.26%
USD	200,000	EUROPEAN BK RECON & DEV 2.750% 03/07/23	199,913.33	199,456.20	0.83%
USD	200,000	EUROPEAN INVESTMENT BANK 2.500% 03/15/23	199,550.00	199,204.80	0.83%
USD	1,000,000	INTER-AMERICAN DEVEL BK 3.000% 02/21/24	1,085,740.00	979,880.00	4.07%
USD	200,000	INTL DEVELOPMENT ASSOC 2.750% 04/24/23	199,878.00	198,743.20	0.82%
USD	800,000	INTL FINANCE CORP 1.375% 10/16/24	831,712.00	756,590.40	3.14%
USD	200,000	NBM US HOLDINGS INC. 6.625% 08/06/29	207,200.00	194,000.00	0.80%
USD	200,000	NORDIC INVESTMENT BANK 2.875% 07/19/23	199,907.00	197,782.20	0.82%
USD	300,000	SASOL 6.500% 09/27/28	279,750.00	271,500.00	1.13%
<i>Total United States of America</i>			4,966,066.80	3,782,075.80	15.70%
<b>Total Bonds</b>			<b>33,750,160.87</b>	<b>23,096,290.67</b>	<b>95.83%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>33,750,160.87</b>	<b>23,096,290.67</b>	<b>95.83%</b>
<b>Total investments</b>			<b>33,750,160.87</b>	<b>23,096,290.67</b>	<b>95.83%</b>

The accompanying notes form an integral part of these financial statements.

**Geographical classification of investments as at December 31, 2022**

	% of Net Assets
United States of America	15.70%
Mexico	10.87%
Cayman Islands	9.15%
The Netherlands	6.70%
Oman	5.75%
Argentina	5.45%
British Virgin Islands	5.32%
Peru	5.24%
Brazil	5.22%
China	4.34%
Colombia	4.15%
Luxembourg	3.66%
Austria	3.28%
Swaziland	3.14%
Chile	2.16%
Kazakhstan	1.37%
Hungary (Republic)	1.04%
Canada	0.83%
India	0.83%
Indonesia	0.82%
South Africa	0.81%
<b>Total</b>	<b>95.83%</b>

**Economic classification of investments as at December 31, 2022**

	% of Net Assets
Energy	18.79%
Government	15.52%
Financial	13.47%
Materials	11.31%
Basic Materials	10.98%
Utilities	7.08%
Communications	6.06%
Industrial	6.00%
Consumer Staples	2.88%
Consumer, Non-cyclical	2.82%
Non financial corporations	0.92%
<b>Total</b>	<b>95.83%</b>

**Statement of investments as at December 31, 2022**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<b>Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>					
<b>Bonds</b>					
<i>Finland</i>					
USD	400,000	NDASS 6.625% PERP	392,785.20	367,767.63	1.86%
<i>Total Finland</i>			392,785.20	367,767.63	1.86%
<i>France</i>					
EUR	800,000	CREDIT AGRICOLE SA 3.000% 12/21/25	887,200.00	771,736.00	3.91%
<i>Total France</i>			887,200.00	771,736.00	3.91%
<i>Germany</i>					
EUR	600,000	LB BADEN-WUERTTEMBERG 3.625% 06/16/25	660,000.00	579,276.00	2.94%
EUR	400,000	VOLKSWAGEN FIN SERV AG 0.875% 04/12/23	397,340.00	397,692.00	2.01%
<i>Total Germany</i>			1,057,340.00	976,968.00	4.95%
<i>Great Britain</i>					
EUR	400,000	LLOYDS BANKING GROUP PLC 6.375% PERP	398,800.00	380,692.00	1.93%
<i>Total Great Britain</i>			398,800.00	380,692.00	1.93%
<i>Spain</i>					
EUR	400,000	BANCO SANTANDER SA 4.750% PERP	386,888.00	349,456.00	1.77%
EUR	400,000	CAIXABANK SA FRN PERP	391,000.00	345,208.00	1.75%
EUR	500,000	SPAIN I/L BOND 0.650% 11/30/27	613,940.93	593,003.55	3.01%
<i>Total Spain</i>			1,391,828.93	1,287,667.55	6.53%
<i>Switzerland</i>					
USD	400,000	UBS GROUP AG FRN PERP	388,849.85	369,709.10	1.87%
<i>Total Switzerland</i>			388,849.85	369,709.10	1.87%
<i>The Netherlands</i>					
EUR	400,000	COOPERATIEVE RABOBANK UA FRN PERP	372,400.00	339,672.00	1.72%
<i>Total The Netherlands</i>			372,400.00	339,672.00	1.72%
<i>United States of America</i>					
USD	1,000,000	US TREASURY N/B 0.125% 01/31/23	925,421.64	933,766.69	4.73%
<i>Total United States of America</i>			925,421.64	933,766.69	4.73%
<b>Total Bonds</b>			<b>5,814,625.62</b>	<b>5,427,978.97</b>	<b>27.50%</b>

The accompanying notes form an integral part of these financial statements.

**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<b>Equities</b>					
<i>Germany</i>					
EUR	1,700	CTS EVENTIM	107,353.64	101,320.00	0.51%
<i>Total Germany</i>			107,353.64	101,320.00	0.51%
<i>Guernsey</i>					
GBP	83,000	HIPGNOSIS SONGS FUND LIMITED	100,433.83	80,733.22	0.41%
USD	110,000	ROUND HILL MUSIC ROYALTY FUN	107,191.38	80,393.53	0.41%
<i>Total Guernsey</i>			207,625.21	161,126.75	0.82%
<i>Spain</i>					
EUR	150,000	BANCO SANTANDER SA	419,069.43	420,375.00	2.13%
<i>Total Spain</i>			419,069.43	420,375.00	2.13%
<i>The Netherlands</i>					
EUR	10,000	UNIVERSAL MUSIC GROUP BV	177,877.22	225,100.00	1.14%
<i>Total The Netherlands</i>			177,877.22	225,100.00	1.14%
<i>United States of America</i>					
USD	3,000	ALPHABET INC-CL C	291,819.51	249,416.73	1.26%
USD	2,000	AMAZON.COM INC	281,942.84	157,413.91	0.80%
USD	2,494	APPLE INC	273,148.84	303,626.54	1.54%
USD	2,600	LIVE NATION ENTERTAINMENT INC CMN	242,429.61	169,898.34	0.86%
USD	700	MICROSOFT CORP	158,780.99	157,295.85	0.80%
USD	2,110	PAYPAL HOLDINGS INC	182,263.67	140,805.06	0.71%
USD	6,170	WARNER MUSIC GROUP CORP-CL A	209,829.14	202,458.09	1.03%
USD	1,300	ZOETIS INC	175,548.67	178,510.19	0.90%
<i>Total United States of America</i>			1,815,763.27	1,559,424.71	7.90%
<b>Total Equities</b>			<b>2,727,688.77</b>	<b>2,467,346.46</b>	<b>12.50%</b>
<b>Exchange traded funds</b>					
<i>Ireland</i>					
EUR	2,127	SPDR EUROPE HEALTH CARE.	414,527.66	394,697.18	2.00%
USD	23,000	VANECK SEMICONDUCTOR UCITS	544,022.69	415,512.86	2.10%
<i>Total Ireland</i>			958,550.35	810,210.04	4.10%
<b>Total Exchange traded funds</b>			<b>958,550.35</b>	<b>810,210.04</b>	<b>4.10%</b>
<b>Investment funds</b>					
<i>Luxembourg</i>					
EUR	2,327	BELLEVUE-BELL DIGI HEA-I EUR	718,158.74	494,208.26	2.50%
EUR	2,840	BREXAN HOWARD ABSOL.RETURN GOV. BOND A -EUR- HEDG	288,769.98	304,763.70	1.54%
EUR	5,945	DGC - CONVERTIBLE AND CREDIT CLASS A EUR	874,016.96	890,258.80	4.51%
EUR	7,711	DGC - FRANCK MULLER LUXURY FUND CLASS A EUR.	907,605.04	1,032,003.02	5.23%
USD	13,000	DGC - MEDTECH DPM USD	1,218,083.86	1,032,813.31	5.23%

The accompanying notes form an integral part of these financial statements.

**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
EUR	6,634	DGC STOCK SELECTION CLASS A EUR	1,070,398.51	1,489,200.32	7.55%
EUR	179	ELEV - ABSO LRET EURO FD-S EUR	227,361.10	253,584.39	1.28%
EUR	256	MANDARINE GLOBAL TRAN - IEURA	468,298.24	383,992.32	1.95%
<i>Total Luxembourg</i>			5,772,692.43	5,880,824.12	29.79%
<i>Switzerland</i>					
CHF	8,840	NS CH FUNDS-SWISS EXCE-DPM	895,262.67	836,802.02	4.24%
<i>Total Switzerland</i>			895,262.67	836,802.02	4.24%
<b>Total Investment funds</b>			<b>6,667,955.10</b>	<b>6,717,626.14</b>	<b>34.03%</b>
<b>Structured product</b>					
<i>Great Britain</i>					
USD	1,000,000	BARCLAYS BANK PLC 0.000% 08/19/24	936,987.58	926,493.32	4.70%
EUR	600,000	VONTOB/INDICES 3.650% 11/12/23	600,000.00	577,200.00	2.92%
<i>Total Great Britain</i>			1,536,987.58	1,503,693.32	7.62%
<i>Jersey</i>					
USD	1,000,000	GS/SP 500 CERT 07/07/25	936,987.58	908,409.46	4.60%
<i>Total Jersey</i>			936,987.58	908,409.46	4.60%
<i>United Arab Emirates</i>					
EUR	1,000,000	VONTOBEL DIFC DUBAI 2.6% 04/03/23	1,000,000.00	994,000.00	5.04%
<i>Total United Arab Emirates</i>			1,000,000.00	994,000.00	5.04%
<b>Total Structured product</b>			<b>3,473,975.16</b>	<b>3,406,102.78</b>	<b>17.26%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>19,642,795.00</b>	<b>18,829,264.39</b>	<b>95.39%</b>
<b>Total investments</b>			<b>19,642,795.00</b>	<b>18,829,264.39</b>	<b>95.39%</b>

The accompanying notes form an integral part of these financial statements.



**Geographical classification of investments as at December 31, 2022**

	% of Net Assets
Luxembourg	29.79%
United States of America	12.63%
Great Britain	9.55%
Spain	8.66%
Switzerland	6.11%
Germany	5.46%
United Arab Emirates	5.04%
Jersey	4.60%
Ireland	4.10%
France	3.91%
The Netherlands	2.86%
Finland	1.86%
Guernsey	0.82%
<b>Total</b>	<b>95.39%</b>

**Economic classification of investments as at December 31, 2022**

	% of Net Assets
Financial	40.15%
Investment funds	33.68%
Technology	5.55%
Other financial intermediaries	4.08%
Consumer Discretionary	3.22%
Government	3.01%
Communications	2.40%
Consumer, Cyclical	2.40%
Non financial corporations	0.90%
<b>Total</b>	<b>95.39%</b>

**Statement of investments as at December 31, 2022**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<b>Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>					
<b>Bonds</b>					
<i>France</i>					
EUR	200,000	AXA SA FRN PERPETUAL	206,000.00	181,750.00	0.45%
EUR	200,000	CNP ASSURANCES FRN (EURONEXT-AMSTER) PERPETUAL	203,500.00	191,226.00	0.47%
USD	400,000	SOCIETE GENERALE FRN PERP	363,551.18	317,189.04	0.78%
<i>Total France</i>			773,051.18	690,165.04	1.70%
<i>Germany</i>					
GBP	200,000	DEUTSCHE BANK AG 3.875% 02/12/24	216,511.86	220,767.79	0.54%
USD	600,000	DEUTSCHE BANK AG 4.100% 01/13/26	615,038.65	537,149.12	1.33%
EUR	300,000	VOLKSWAGEN FIN SERV AG 2.500% 06/04/23	316,500.00	299,649.00	0.74%
<i>Total Germany</i>			1,148,050.51	1,057,565.91	2.61%
<i>Great Britain</i>					
USD	500,000	HSBC 6.250% PERP	473,647.22	458,046.38	1.14%
EUR	300,000	LLOYDS BANKING GROUP PLC 6.375% PERP	295,800.00	285,519.00	0.70%
USD	400,000	SANTANDER 5.000% 11/07/23 CORP	391,574.61	370,074.12	0.91%
<i>Total Great Britain</i>			1,161,021.83	1,113,639.50	2.75%
<i>Italy</i>					
EUR	300,000	BUONI POLIENNALI DEL TES 0.000% 08/01/26	267,450.00	263,211.90	0.65%
<i>Total Italy</i>			267,450.00	263,211.90	0.65%
<i>Peru</i>					
USD	216,000	BANCO INTERNAC DEL PERU 3.375% 01/18/23	202,447.29	201,322.73	0.50%
<i>Total Peru</i>			202,447.29	201,322.73	0.50%
<i>Spain</i>					
USD	135,000	ABENGOA FINANCE ABGSM 0.000% 03/31/27	69,257.62	442.73	0.00%
EUR	400,000	BANCO BILBAO VIZCAYA ARG 6.000% PERP	400,700.00	388,924.00	0.96%
EUR	200,000	BANCO SANTANDER SA 4.750% PERP	197,640.00	174,728.00	0.43%
USD	400,000	BANCO SANTANDER SA FRN PERP	353,506.68	303,776.62	0.75%
EUR	400,000	CAIXABANK SA FRN PERP	401,200.00	345,208.00	0.85%
<i>Total Spain</i>			1,422,304.30	1,213,079.35	2.99%
<i>Switzerland</i>					
EUR	300,000	UBS GROUP AG 1.250% 09/01/26	274,050.00	270,075.00	0.67%
<i>Total Switzerland</i>			274,050.00	270,075.00	0.67%

The accompanying notes form an integral part of these financial statements.

**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>The Netherlands</i>					
GBP	200,000	ENEL FINANCE INTL NV 5.625% 08/14/24	229,083.56	226,917.27	0.56%
EUR	200,000	IBERDROLA INTERNATIONAL BV IBESM 2.625% PERPETUAL	201,980.00	194,128.00	0.48%
USD	400,000	ING BANK NV 5.800% 09/25/23	379,667.37	373,596.06	0.92%
USD	298,000	STELLANTIS NV 5.250% 04/15/23	281,623.61	277,477.16	0.68%
<i>Total The Netherlands</i>			1,092,354.54	1,072,118.49	2.64%
<i>United States of America</i>					
USD	200,000	APPLE INC 3.000% 06/20/27	179,620.52	176,661.14	0.44%
USD	200,000	BANK OF AMERICA CORP 3.500% 04/19/26	179,433.12	179,148.84	0.44%
USD	600,000	BOEING CO 2.250% 06/15/26	564,862.97	504,742.09	1.24%
USD	200,000	CATERPILLAR FINL SERVICE 3.250% 12/01/24	183,368.47	182,015.27	0.45%
USD	1,000,000	CITADEL FINANCE LLC 3.375% 03/09/26	931,365.66	836,591.24	2.06%
USD	200,000	EXXON MOBIL CORPORATION 3.043% 03/01/26	179,339.42	179,227.36	0.44%
EUR	200,000	GENERAL MOTORS FINL CO 1.000% 02/24/25	187,900.00	186,346.00	0.46%
USD	600,000	GENERAL MOTORS FINL CO 1.700% 08/18/23	556,289.53	549,029.37	1.35%
USD	400,000	GLENCORE FUNDING LLC 4.125% 03/12/24	374,795.03	369,125.51	0.91%
USD	200,000	GOLDMAN SACHS GROUP INC 3.625% 02/20/24	185,242.45	184,414.34	0.45%
USD	200,000	JPMORGAN CHASE & CO 3.875% 09/10/24	185,757.79	183,590.35	0.45%
USD	400,000	METLIFE INC 3.600% 04/10/24	371,421.88	367,506.77	0.91%
USD	400,000	MICROSOFT CORP 3.625% 12/15/23	373,858.05	370,762.24	0.91%
USD	304,000	ORACLE CORP 2.400% 09/15/23	281,383.37	279,048.50	0.69%
USD	400,000	SPRINT CORP 7.875% 09/15/23	387,538.07	380,416.96	0.94%
USD	800,000	US TREASURY N/B 0.250% 06/15/23	734,891.08	735,066.76	1.81%
USD	1,090,000	US TREASURY N/B 2.125% 31/12/22	1,035,708.75	1,021,316.47	2.51%
USD	1,000,000	US TREASURY N/B 2.500% 01/31/24	911,513.23	914,734.13	2.26%
USD	400,000	VOLKSWAGEN GROUP AMERICA 3.350% 13/05/25	374,607.64	358,480.21	0.88%
<i>Total United States of America</i>			8,178,897.03	7,958,223.55	19.60%
<b>Total Bonds</b>			<b>14,519,626.68</b>	<b>13,839,401.47</b>	<b>34.11%</b>
<b>Equities</b>					
<i>France</i>					
EUR	938	LVMH MOET HENNESSY LOUIS VUITTON SA	228,843.00	637,746.20	1.57%
EUR	1,240	PERNOD RICARD SA	201,774.54	227,850.00	0.56%
EUR	3,421	SANOFI-AVENTIS	306,122.09	307,342.64	0.76%
EUR	10,000	VEOLIA ENVIRONNEMENT EUR	208,641.07	240,000.00	0.59%
EUR	3,047	VINCI SA	184,101.15	284,254.63	0.70%
<i>Total France</i>			1,129,481.85	1,697,193.47	4.18%
<i>Germany</i>					
EUR	1,468	ALLIANZ SE	233,338.60	294,921.20	0.73%
EUR	7,190	BAYER	438,966.14	349,038.55	0.87%
EUR	725	CARL ZEISS MEDITEC AG	99,837.58	85,477.50	0.21%
EUR	4,853	MERCEDES-BENZ GROUP AG	300,674.89	297,974.20	0.73%
EUR	5,588	DEUTSCHE POST	198,103.54	196,585.84	0.48%
EUR	32,000	E.ON AG GY	287,694.89	298,688.00	0.74%
EUR	2,359	SIEMENS AG	243,486.80	305,820.76	0.75%
EUR	1,100	VOLKSWAGEN AG	272,543.15	162,415.00	0.40%
<i>Total Germany</i>			2,074,645.59	1,990,921.05	4.91%

The accompanying notes form an integral part of these financial statements.

# AVALORN

Société d'Investissement à Capital Variable

Flexible<sup>(1)</sup>

## Statement of investments as at December 31, 2022 (continued)

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>Italy</i>					
EUR	1,282	FERRARI NV	195,417.30	256,656.40	0.63%
<i>Total Italy</i>			195,417.30	256,656.40	0.63%
<i>Norway</i>					
NOK	18,340	TELENOR ASA	263,199.62	159,789.53	0.39%
<i>Total Norway</i>			263,199.62	159,789.53	0.39%
<i>Spain</i>					
EUR	5,085	AMADEUS IT HOLDING SA-A SHS	275,410.75	246,876.75	0.61%
EUR	2,500	CELLNEX TELECOM SAU	99,525.00	77,300.00	0.19%
EUR	14,000	GRIFOLS SA	287,838.62	150,780.00	0.37%
EUR	59,592	IBERDROLA	295,340.01	651,340.56	1.61%
EUR	8,515	INDUSTRIA DE DISENO TEXTIL	197,292.55	211,597.75	0.52%
<i>Total Spain</i>			1,155,406.93	1,337,895.06	3.30%
<i>Sweden</i>					
SEK	14,250	ASSA ABLOY B	309,693.49	286,660.47	0.71%
SEK	24,000	ATLAS COPCO AB-A SHS	242,216.19	265,678.40	0.65%
<i>Total Sweden</i>			551,909.68	552,338.87	1.36%
<i>Switzerland</i>					
CHF	10,000	ABB LTD	216,688.79	284,175.01	0.70%
CHF	3,698	ALCON INC.	290,982.45	236,616.34	0.58%
CHF	6,247	NESTLE SA-REG	638,827.28	677,830.90	1.67%
CHF	5,387	NOVARTIS AG-REG	441,290.41	456,036.40	1.12%
CHF	187	PARTNERS GROUP	208,604.81	154,687.62	0.38%
CHF	1,432	ROCHE HOLDING AG VX	472,162.06	421,296.03	1.04%
CHF	2,145	SCHINDLER HOLDING AG-REG	345,706.90	362,344.40	0.89%
CHF	1,932	ZURICH INSURANCE GROUP AG	579,302.84	865,410.73	2.16%
<i>Total Switzerland</i>			3,193,565.54	3,458,397.43	8.54%
<i>The Netherlands</i>					
EUR	4,434	KONINKLIJKE PHILIPS NV	197,096.26	62,093.74	0.15%
<i>Total The Netherlands</i>			197,096.26	62,093.74	0.15%
<i>United States of America</i>					
USD	1,249	AIRBNB INC - CLASS A	223,869.76	100,060.44	0.25%
USD	880	ALPHABET INC-CL C	118,012.76	73,162.24	0.18%
USD	2,180	AMAZON.COM INC	338,334.60	171,581.17	0.42%
USD	1,847	APPLE INC	221,857.08	224,858.95	0.55%
USD	440	BEYOND MEAT INC	58,198.44	5,075.10	0.01%
USD	935	BOEING CO/THE	250,974.83	166,885.13	0.41%
USD	2,632	BRISTOL-MYERS SQUIBB CO	185,947.81	177,439.59	0.44%
USD	4,546	COCA COLA CO	225,327.93	270,949.69	0.67%
USD	660	ELI LILLY & CO	185,523.54	226,239.78	0.56%
USD	1,323	JOHNSON & JOHNSON	209,865.38	218,981.45	0.54%
USD	1,177	MCDONALD'S CORP	236,984.42	290,629.95	0.72%
USD	1,388	MICROSOFT CORP	340,251.86	311,895.21	0.77%
USD	1,350	NIKE INC -CL B	183,883.35	148,009.84	0.36%
USD	1,258	PAYPAL HOLDINGS INC	203,552.66	83,949.18	0.21%

The accompanying notes form an integral part of these financial statements.

**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
USD	1,545	PROCTER & GAMBLE CO	110,571.19	219,405.20	0.54%
USD	595	S&P GLOBAL	184,574.05	186,731.60	0.46%
USD	1,288	THE WALT DISNEY COMPANY	224,488.58	104,850.26	0.26%
USD	1,062	VISA INC-CLASS A SHARES	225,282.84	206,737.94	0.51%
<i>Total United States of America</i>			3,727,501.08	3,187,442.72	7.86%
<b>Total Equities</b>			<b>12,488,223.85</b>	<b>12,702,728.27</b>	<b>31.32%</b>
<b>Exchange traded funds</b>					
<i>Germany</i>					
EUR	14,600	ISHR EUROPE600 OIL & GAS DE	298,064.84	513,190.00	1.27%
<i>Total Germany</i>			298,064.84	513,190.00	1.27%
<i>Ireland</i>					
USD	2,700	FIRST TRUST CLOUD COMPUTING	115,719.38	61,341.67	0.15%
USD	56,620	ISHARES S&P IT SECTOR	764,362.07	828,973.04	2.05%
USD	15,674	SPDR S&P US ENERGY SLCT	468,995.16	467,520.65	1.15%
USD	27,180	VANECK RARE EARTH UCITS ETF	465,754.04	372,457.05	0.92%
USD	4,760	VANECK SEMICONDUCTOR UCITS	117,062.33	85,993.10	0.21%
<i>Total Ireland</i>			1,931,892.98	1,816,285.51	4.48%
<i>Luxembourg</i>					
USD	3,700	AMUNDI FLOAT RATE USD CORP	374,244.07	391,962.52	0.97%
EUR	7,590	BSF-UK EM CO A/R-D2 EUR HDG	888,638.60	776,532.90	1.91%
EUR	13,550	LYXOR EURSTX600 BANKS	296,100.02	273,331.96	0.67%
<i>Total Luxembourg</i>			1,558,982.69	1,441,827.38	3.55%
<b>Total Exchange traded funds</b>			<b>3,788,940.51</b>	<b>3,771,302.89</b>	<b>9.30%</b>
<b>Investment funds</b>					
<i>Great Britain</i>					
GBP	91,480	FUNDSMITH EQUITY FUND - CL I GBP ACC	446,114.46	603,425.31	1.49%
<i>Total Great Britain</i>			446,114.46	603,425.31	1.49%
<i>Ireland</i>					
USD	6,280	KEP KLS ARETE ACCUM SHS -I- USD	742,213.91	679,687.53	1.68%
<i>Total Ireland</i>			742,213.91	679,687.53	1.68%
<i>Luxembourg</i>					
EUR	1,500	ARGOS ARGONAUT A EUR	522,480.00	634,110.00	1.56%
USD	25,000	BGF-SUSTAIN ENRGY-I2 USD	325,260.10	405,012.88	1.00%
EUR	5,097	BLACKROCK STRATEGIC FUNDS - EUROPEAN ABSOLUTE RETURN FUND	761,797.62	823,165.50	2.03%
USD	8,421	BREXAN HOWARD AB RT G-A USD	936,987.83	1,002,795.63	2.47%
USD	6,300	DGC - MEDTECH DPM USD	590,302.18	500,517.22	1.23%
EUR	2,201	DGC STOCK SELECTION CLASS A EUR	506,066.29	494,080.48	1.22%

The accompanying notes form an integral part of these financial statements.

**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
EUR	892	ELEV - ABSO LRET EURO FD-S EUR	1,199,414.88	1,261,698.32	3.11%
EUR	6,552	LMY-MW SYSTM ALPH UCI-B EUR	748,804.17	813,159.55	2.00%
EUR	4,000	MAGALLANES VALUE EUROPN EQ-I	485,730.80	671,470.00	1.66%
NOK	4,699	PARETO NORDIC CORP BOND-A	480,061.14	545,183.68	1.34%
USD	0.20000	UBS LUX BOND 2024 USD-K1ACCU	1,004,371.39	838,213.42	2.07%
<i>Total Luxembourg</i>			7,561,276.40	7,989,406.68	19.69%
<b>Total Investment funds</b>			<b>8,749,604.77</b>	<b>9,272,519.52</b>	<b>22.86%</b>
<b>Structured product</b>					
<i>Jersey</i>					
USD	500,000	GS/SP 500 CERT 07/07/25	468,493.79	454,204.73	1.12%
<i>Total Jersey</i>			468,493.79	454,204.73	1.12%
<b>Total Structured product</b>			<b>468,493.79</b>	<b>454,204.73</b>	<b>1.12%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>40,014,889.60</b>	<b>40,040,156.88</b>	<b>98.71%</b>
<b>Total investments</b>			<b>40,014,889.60</b>	<b>40,040,156.88</b>	<b>98.71%</b>

<sup>(1)</sup> See note 1.

**Geographical classification of investments as at December 31, 2022**

	% of Net Assets
United States of America	27.46%
Luxembourg	23.24%
Switzerland	9.21%
Germany	8.79%
Spain	6.29%
Ireland	6.16%
France	5.88%
Great Britain	4.24%
The Netherlands	2.79%
Sweden	1.36%
Italy	1.28%
Jersey	1.12%
Peru	0.50%
Norway	0.39%
<b>Total</b>	<b>98.71%</b>

**Economic classification of investments as at December 31, 2022**

	% of Net Assets
Investment funds	29.69%
Financial	22.71%
Non financial corporations	10.64%
Consumer, Non-cyclical	7.05%
Government	4.72%
Consumer, Cyclical	4.28%
Industrial	3.93%
Technology	2.98%
Utilities	2.17%
Insurance corporations	2.16%
Consumer Discretionary	1.81%
Communications	1.70%
Other financial intermediaries	1.20%
Telecommunication Services	0.94%
Materials	0.91%
Credit institutions	0.74%
Industrials	0.64%
Energy	0.44%
<b>Total</b>	<b>98.71%</b>

<sup>(1)</sup> See note 1.

**Statement of investments as at December 31, 2022**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<b><u>Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</u></b>					
<b>Bonds</b>					
<i>Canada</i>					
USD	300,000	CANADIAN PACIFIC RAILWAY 2.900% 02/01/25	275,755.45	268,966.69	0.96%
<i>Total Canada</i>			275,755.45	268,966.69	0.96%
<i>France</i>					
EUR	200,000	AXA SA FRN PERPETUAL	206,000.00	181,750.00	0.65%
<i>Total France</i>			206,000.00	181,750.00	0.65%
<i>Great Britain</i>					
USD	480,000	HSBC 6.250% PERP	456,200.52	439,724.53	1.58%
EUR	300,000	LLOYDS BANKING GROUP PLC 6.375% PERP	297,600.00	285,519.00	1.02%
USD	400,000	SANTANDER 5.000% 11/07/23 CORP	391,574.61	370,074.12	1.32%
<i>Total Great Britain</i>			1,145,375.13	1,095,317.65	3.92%
<i>Italy</i>					
EUR	400,000	BUONI POLIENNALI DEL TES 0.000% 08/01/26	358,964.00	350,949.20	1.25%
<i>Total Italy</i>			358,964.00	350,949.20	1.25%
<i>Peru</i>					
USD	216,000	BANCO INTERNAC DEL PERU 3.375% 01/18/23	202,447.29	201,322.73	0.72%
<i>Total Peru</i>			202,447.29	201,322.73	0.72%
<i>Spain</i>					
USD	190,000	ABENGOA FINANCE ABGSM 0.000% 03/31/27	97,473.69	623.10	0.00%
USD	400,000	BANCO BILBAO VIZCAYA ARG FRN PERP	366,924.34	359,803.23	1.30%
EUR	200,000	BANCO SANTANDER SA 4.750% PERP	197,660.00	174,728.00	0.62%
USD	200,000	BANCO SANTANDER SA FRN PERP	176,753.34	151,888.31	0.54%
<i>Total Spain</i>			838,811.37	687,042.64	2.46%
<i>Switzerland</i>					
USD	400,000	CREDIT SUISSE GROUP AG FRN PERP	363,438.74	270,602.01	0.97%
<i>Total Switzerland</i>			363,438.74	270,602.01	0.97%
<i>The Netherlands</i>					
EUR	200,000	IBERDROLA INTERNATIONAL BV IBESM 2.625% PERPETUAL	201,980.00	194,128.00	0.69%
USD	400,000	ING BANK NV 5.800% 09/25/23	379,105.18	373,596.06	1.34%
<i>Total The Netherlands</i>			581,085.18	567,724.06	2.03%

The accompanying notes form an integral part of these financial statements.



**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>United States of America</i>					
USD	308,000	BOEING CO 1.950% 02/01/24	279,432.26	276,869.85	0.99%
USD	300,000	GLENCORE FUNDING LLC 4.125% 03/12/24	279,184.82	276,844.13	0.99%
USD	400,000	MICROSOFT CORP 3.625% 12/15/23	373,858.05	370,762.24	1.33%
USD	304,000	ORACLE CORP 2.400% 09/15/23	281,426.10	279,048.50	1.00%
USD	320,000	SPRINT CORP 7.875% 06/15/24	306,690.28	305,457.95	1.09%
USD	900,000	US TREASURY N/B 2.500% 01/31/24	821,214.72	823,260.72	2.93%
USD	300,000	VOLKSWAGEN GROUP AMERICA 3.125% 05/12/23	280,449.75	278,699.18	1.00%
<i>Total United States of America</i>			2,622,255.98	2,610,942.57	9.33%
<b>Total Bonds</b>			<b>6,594,133.14</b>	<b>6,234,617.55</b>	<b>22.29%</b>
<b>Equities</b>					
<i>Belgium</i>					
EUR	2,046	GROUPE BRUXELLES LAMBERT SA	139,742.75	152,590.68	0.55%
<i>Total Belgium</i>			139,742.75	152,590.68	0.55%
<i>Finland</i>					
EUR	35,000	NOKIA OYJ (FH)	203,000.00	151,445.00	0.54%
<i>Total Finland</i>			203,000.00	151,445.00	0.54%
<i>France</i>					
EUR	1,320	L'OREAL	263,102.53	440,352.00	1.57%
EUR	775	LVMH MOET HENNESSY LOUIS VUITTON SA	131,440.00	526,922.50	1.88%
EUR	3,595	SANOFI-AVENTIS	317,966.94	322,974.80	1.15%
EUR	5,493	SOCIETE GENERALE	211,548.00	128,975.64	0.46%
EUR	23,209	VEOLIA ENVIRONNEMENT EUR	490,928.05	557,016.00	2.01%
EUR	4,145	VINCI SA	281,240.55	386,687.05	1.38%
<i>Total France</i>			1,696,226.07	2,362,927.99	8.45%
<i>Germany</i>					
EUR	1,350	ALLIANZ SE	215,122.50	271,215.00	0.97%
EUR	4,300	BAYER	314,140.91	207,797.50	0.74%
EUR	2,450	BAYERISCHE MOTOREN WERKE AG	210,141.51	204,281.00	0.73%
EUR	3,450	MERCEDES-BENZ GROUP AG	221,760.08	211,830.00	0.76%
EUR	1,725	DAIMLER TRUCK HOLDING AG	42,413.14	49,930.13	0.18%
EUR	10,000	DEUTSCHE POST	381,027.17	351,800.00	1.25%
EUR	1,999	SIEMENS AG	204,116.00	259,150.36	0.93%
<i>Total Germany</i>			1,588,721.31	1,556,003.99	5.56%
<i>Great Britain</i>					
GBP	29,122	BP PLC	98,332.89	155,878.68	0.56%
EUR	138,480	INTL CONSOLIDATED AIRLINE GROUP SA	325,092.89	192,556.44	0.69%
<i>Total Great Britain</i>			423,425.78	348,435.12	1.25%

The accompanying notes form an integral part of these financial statements.

**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>Spain</i>					
EUR	5,517	AMADEUS IT HOLDING SA-A SHS	297,710.77	267,850.35	0.96%
EUR	31,829	BANCO BILBAO VIZCAYA ARGENTARIA	238,214.02	179,324.59	0.64%
EUR	34,500	GESTAMP AUTOMOCION SA	199,006.08	124,683.00	0.45%
EUR	61,042	IBERDROLA	300,295.59	667,189.06	2.39%
EUR	19,730	INDUSTRIA DE DISEÑO TEXTIL	511,121.20	490,290.50	1.75%
EUR	12,828	REPSOL SA (SM)	102,722.85	190,495.80	0.68%
EUR	38,881	TELEFONICA SA	367,745.07	131,612.19	0.47%
<i>Total Spain</i>			2,016,815.58	2,051,445.49	7.34%
<i>Sweden</i>					
SEK	9,150	ESSITY AKTIEBOLAG-B	-	224,878.37	0.80%
<i>Total Sweden</i>			-	224,878.37	0.80%
<i>Switzerland</i>					
CHF	18,240	ABB LTD	372,005.06	518,335.21	1.85%
CHF	912	ACCELLERON INDUSTRIES AG	13,423.31	17,682.69	0.06%
CHF	2,100	MEDMIX AG	77,411.01	37,430.89	0.13%
CHF	5,845	NESTLE SA-REG	613,624.09	634,211.88	2.27%
CHF	1,785	SCHINDLER HOLDING AG-REG	290,684.90	301,531.35	1.08%
CHF	2,100	SULZER AG REG	154,133.94	153,126.38	0.55%
CHF	1,890	ZURICH INSURANCE GROUP AG	567,575.43	846,597.45	3.03%
<i>Total Switzerland</i>			2,088,857.74	2,508,915.85	8.97%
<b>Total Equities</b>			<b>8,156,789.23</b>	<b>9,356,642.49</b>	<b>33.46%</b>
<b>Exchange traded funds</b>					
<i>Great Britain</i>					
USD	8,823	SPDR S&P US COMMS SELECT	189,456.98	172,737.35	0.62%
<i>Total Great Britain</i>			189,456.98	172,737.35	0.62%
<i>Ireland</i>					
USD	8,200	FIRST TRUST CLOUD COMPUTING	280,298.38	186,296.93	0.67%
EUR	63,161	ISHARES EDGE MSCI EUROPE VAL FCTOR UCITS	400,467.90	439,044.74	1.56%
USD	16,877	ISHARES S&P IT SECTOR	192,648.18	247,096.04	0.88%
USD	74,468	ISHARES US MEDICAL DEVICES A NAV LINE	453,038.96	379,321.05	1.36%
USD	15,285	VANECK RARE EARTH UCITS ETF	278,928.16	209,455.70	0.75%
USD	22,770	VANECK SEMICONDUCTOR UCITS	530,471.12	411,357.73	1.47%
<i>Total Ireland</i>			2,135,852.70	1,872,572.19	6.69%
<i>Luxembourg</i>					
EUR	8,605	BSF-UK EM CO A/R-D2 EUR HDG	1,008,183.59	880,377.55	3.15%
<i>Total Luxembourg</i>			1,008,183.59	880,377.55	3.15%
<b>Total Exchange traded funds</b>			<b>3,333,493.27</b>	<b>2,925,687.09</b>	<b>10.46%</b>

The accompanying notes form an integral part of these financial statements.

**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<b>Investment funds</b>					
<i>Great Britain</i>					
GBP	92,640	FUNDSMITH EQUITY FUND - CL I GBP ACC	451,771.36	611,076.96	2.18%
<i>Total Great Britain</i>			451,771.36	611,076.96	2.18%
<i>Ireland</i>					
EUR	1,402	AKO GLOBAL UCITS-B2	199,999.83	217,873.25	0.78%
USD	26,586	PIMCO GIS-INCOME FUND-INS AC	394,502.65	393,589.88	1.41%
<i>Total Ireland</i>			594,502.48	611,463.13	2.19%
<i>Luxembourg</i>					
EUR	1,500	ARGOS ARGONAUT A EUR	522,480.00	634,110.00	2.27%
USD	1,286	BELLEVUE-BB ADAMANT DH-IUSD	396,084.39	225,943.18	0.81%
USD	43,444	BGF-SUSTAIN ENRGY-I2 USD	559,014.98	703,815.19	2.52%
USD	7,600	DGC - MEDTECH DPM USD	712,110.56	603,798.55	2.16%
EUR	3,833	DGC STOCK SELECTION CLASS A EUR	905,511.90	860,431.84	3.08%
EUR	773	ELEV - ABSO LRET EURO FD-S EUR	1,000,830.22	1,093,377.58	3.89%
EUR	219	JPM INV-GLOBAL BAL FND-C	402,679.68	354,576.33	1.27%
EUR	3,400	MAGALLANES VALUE EUROPN EQ-I	409,056.09	570,749.50	2.04%
USD	1,569	MFS MERIDIAN FD SICAV - US VALUE FUND -II- USD	461,724.83	522,558.96	1.87%
USD	2,575	SERVICED PL-SEL EQ L/S-X1USD	379,700.37	355,411.77	1.27%
CHF	1,500	UBS EQ-LONG TERM THM-QACCH	216,640.40	243,847.68	0.87%
USD	1,300	UBS EQ-LONG TERM THM US-QACC	191,275.71	234,042.63	0.84%
USD	0.10000	UBS LUX BOND 2024 USD-K1ACCU	502,185.70	419,106.71	1.50%
USD	1,349	UBS LUX EQUITY FUND - GREATER CHINA USD	472,178.18	300,755.27	1.08%
<i>Total Luxembourg</i>			7,131,473.01	7,122,525.19	25.47%
<b>Total Investment funds</b>			<b>8,177,746.85</b>	<b>8,345,065.28</b>	<b>29.84%</b>
<b>Structured product</b>					
<i>Jersey</i>					
USD	400,000	GS/SP 500 CERT 07/07/25	374,795.03	363,363.79	1.30%
<i>Total Jersey</i>			374,795.03	363,363.79	1.30%
<b>Total Structured product</b>			<b>374,795.03</b>	<b>363,363.79</b>	<b>1.30%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>26,636,957.52</b>	<b>27,225,376.20</b>	<b>97.35%</b>
<b>Total investments</b>			<b>26,636,957.52</b>	<b>27,225,376.20</b>	<b>97.35%</b>

The accompanying notes form an integral part of these financial statements.

**Geographical classification of investments as at December 31, 2022**

	% of Net Assets
Luxembourg	28.62%
Switzerland	9.94%
Spain	9.80%
United States of America	9.33%
France	9.10%
Ireland	8.88%
Great Britain	7.97%
Germany	5.56%
The Netherlands	2.03%
Jersey	1.30%
Italy	1.25%
Canada	0.96%
Sweden	0.80%
Peru	0.72%
Belgium	0.55%
Finland	0.54%
<b>Total</b>	<b>97.35%</b>

**Economic classification of investments as at December 31, 2022**

	% of Net Assets
Investment funds	39.03%
Non financial corporations	16.19%
Financial	13.06%
Consumer, Cyclical	5.05%
Government	4.18%
Industrial	3.62%
Insurance corporations	3.03%
Utilities	2.39%
Technology	2.33%
Consumer, Non-cyclical	1.89%
Other financial intermediaries	1.53%
Industrials	1.20%
Communications	1.09%
Consumer Discretionary	1.00%
Materials	0.99%
Financial auxiliaries	0.64%
Health Care	0.13%
<b>Total</b>	<b>97.35%</b>

**Statement of investments as at December 31, 2022**

Currency	Quantity/ Nominal	Description	Cost JPY	Market Value JPY	% of Net Asset Value
<b>Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>					
<b>Equities</b>					
<i>Japan</i>					
JPY	23,400	ALPHA CORP	27,824,600	21,551,400	0.60%
JPY	101,500	ALPS LOGISTICS CO LTD	75,580,358	116,217,500	3.23%
JPY	211,700	DAIHATSU DIESEL MFG CO LTD	138,244,386	107,967,000	3.00%
JPY	49,400	DAI-ICHI CUTTER KOGYO KK	40,636,435	52,611,000	1.46%
JPY	41,100	DAIICHI KENSETSU CORP	54,293,493	58,156,500	1.62%
JPY	150,100	FUJIKURA KASEI CO., LTD. ORD CMN	94,476,771	60,790,500	1.69%
JPY	1,100	HAGIHARA INDUSTRIES INC	1,337,422	1,315,600	0.04%
JPY	60,000	HASEKO ORD	74,097,078	88,380,000	2.46%
JPY	177,400	HITACHI Zosen CORP ORD CMN	92,726,955	146,532,400	4.07%
JPY	30,000	INPEX CORP	26,915,059	41,880,000	1.16%
JPY	43,600	KANEFUSA CORP	45,062,300	34,051,600	0.95%
JPY	62,400	KANTO DENKA KOGYO CO., LTD.	56,779,600	57,720,000	1.60%
JPY	16,008	KAWASAKI KISEN KAISHA LTD	31,340,755	44,614,296	1.24%
JPY	25,500	KOKUSAI CO LTD	19,077,100	12,418,500	0.35%
JPY	47,200	KONOIKE TRANSPORT CO LTD	55,765,174	75,897,600	2.11%
JPY	34,700	KRS CORP	30,835,200	33,069,100	0.92%
JPY	52,900	KUNIMINE INDUSTRIES CO LTD CMN	55,189,101	43,378,000	1.21%
JPY	10,300	KURIMOTO LTD	16,875,100	17,963,200	0.50%
JPY	131,900	KYORITSU CO LTD	40,870,896	15,959,900	0.44%
JPY	61,400	MAEZAWA KYUSO INDUSTRIES CO	57,122,700	56,181,000	1.56%
JPY	26,000	MARUZEN CO LTD	25,973,000	46,930,000	1.30%
JPY	8,600	MEDIKIT CO LTD	18,741,000	22,119,200	0.62%
JPY	19,200	MUSASHI CMN	28,741,762	27,820,800	0.77%
JPY	101,500	NADEX CO LTD (JT)	102,469,900	88,102,000	2.45%
JPY	29,800	NAKANO REFRIGERATORS CO LTD	85,354,689	180,290,000	5.02%
JPY	7,200	NEW COSMOS ELECTRIC CO LTD	12,700,000	13,752,000	0.38%
JPY	61,020	NICHIRIN CO LTD	101,789,358	108,432,540	3.01%
JPY	8,000	NIHON DENGHI CO LTD	13,195,642	24,880,000	0.69%
JPY	74,200	NIHON FLUSH CO LTD	92,216,200	64,999,200	1.81%
JPY	30,000	NIITAKA CO LTD	71,225,500	59,040,000	1.64%
JPY	54,800	NIPPON DRY-CHEMICAL CO LTD	63,079,379	80,062,800	2.23%
JPY	21,200	NIPPON KOEI CO LTD	65,377,000	69,748,000	1.94%
JPY	62,000	NIPPON SEIKI CO LTD	86,631,800	48,732,000	1.35%
JPY	6,600	NIPPON TELEGRAPH & TELEPHONE	16,831,100	24,829,200	0.69%
JPY	28,500	NISHIMOTO CO LTD	90,159,645	98,040,000	2.73%
JPY	100,000	NITTO CONSTRUCTION CO LTD	54,964,175	92,600,000	2.57%
JPY	10,100	OKADA AIYON CORP	9,745,652	15,069,200	0.42%
JPY	90,100	OSAKI ELECTRIC CO LTD	80,297,273	47,302,500	1.32%
JPY	6,100	POWDERTECH CO LTD	17,099,857	13,340,700	0.37%
JPY	22,700	SAKAI HEAVY INDUSTRIES	50,286,370	78,315,000	2.18%
JPY	16,200	SANKYO FRONTIER CO LTD	44,409,596	50,868,000	1.41%
JPY	70,700	SEMBA CORPORATION	68,189,600	51,398,900	1.43%
JPY	35,200	SOKEN CHEMICAL & ENGINEERING	55,543,991	60,684,800	1.69%
JPY	34,800	SPK CORP	43,667,800	47,850,000	1.33%
JPY	77,800	SRG TAKAMIYA CO LTD	42,061,212	28,941,600	0.80%
JPY	45,000	SUZUMO MACHINERY CO LTD	34,692,100	51,255,000	1.43%
JPY	70,000	TAKAHASHI CURTAIN WALL CORP	44,840,278	33,460,000	0.93%
JPY	38,000	TAKEMOTO YOHKI CO LTD	31,570,400	28,044,000	0.78%
JPY	26,900	TECHNOFLEX CORP	27,606,499	26,765,500	0.74%
JPY	57,500	TERASAKI ELECTRIC CO LTD	77,641,300	55,027,500	1.53%
JPY	15,200	TOA VALVE ENGINEERING INC	15,682,715	28,287,200	0.79%
JPY	52,300	TOMOKU CO LTD	84,401,500	88,334,700	2.46%
JPY	37,900	TOTETSU KOGYO CO LTD	94,435,100	99,639,100	2.77%
JPY	71,800	TOYO CONSTRUCTION CO LTD	33,466,090	61,676,200	1.71%
JPY	66,000	VERTEX CORP/JAPAN	40,405,607	86,658,000	2.41%

The accompanying notes form an integral part of these financial statements.

**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost JPY	Market Value JPY	% of Net Asset Value
JPY	101,000	VT HOLDINGS CO LTD	47,225,577	47,672,000	1.33%
JPY	79,400	WARABEYA NICHIO HOLDINGS CO	164,429,448	146,413,589	4.07%
<i>Total Japan</i>			3,072,198,598	3,284,036,325	91.31%
<b>Total Equities</b>			<b>3,072,198,598</b>	<b>3,284,036,325</b>	<b>91.31%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>3,072,198,598</b>	<b>3,284,036,325</b>	<b>91.31%</b>
<b>Total investments</b>			<b>3,072,198,598</b>	<b>3,284,036,325</b>	<b>91.31%</b>

The accompanying notes form an integral part of these financial statements.

**Geographical classification of investments as at December 31, 2022**

	% of Net Assets
Japan	91.31%
<b>Total</b>	<b>91.31%</b>

**Economic classification of investments as at December 31, 2022**

	% of Net Assets
Industrial	38.15%
Consumer, Cyclical	11.59%
Non financial corporations	11.11%
Consumer, Non-cyclical	9.86%
Basic Materials	6.71%
Industrials	5.95%
Materials	2.81%
Financial	1.85%
Real Estate	1.43%
Energy	1.16%
Communications	0.69%
<b>Total</b>	<b>91.31%</b>

**Statement of investments as at December 31, 2022**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<b>Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>					
<b>Bonds</b>					
<i>Finland</i>					
USD	600,000	NDASS 6.625% PERP	567,645.82	551,651.44	2.25%
<i>Total Finland</i>			567,645.82	551,651.44	2.25%
<i>France</i>					
USD	600,000	BNP PARIBAS FRN PERP	491,918.48	460,997.89	1.88%
EUR	800,000	CREDIT AGRICOLE SA 3.000% 12/21/25	887,200.00	771,736.00	3.14%
<i>Total France</i>			1,379,118.48	1,232,733.89	5.02%
<i>Germany</i>					
EUR	600,000	DEUTSCHE BANK AG 1.000% 11/19/25	613,860.00	559,566.00	2.28%
<i>Total Germany</i>			613,860.00	559,566.00	2.28%
<i>Great Britain</i>					
EUR	400,000	LLOYDS BANKING GROUP PLC 6.375% PERP	393,500.00	380,692.00	1.55%
<i>Total Great Britain</i>			393,500.00	380,692.00	1.55%
<i>Spain</i>					
EUR	400,000	BANCO BILBAO VIZCAYA ARG 6.000% PERP	400,800.00	388,924.00	1.58%
EUR	600,000	BANCO SANTANDER SA 4.750% PERP	595,200.00	524,184.00	2.14%
EUR	400,000	CAIXABANK SA FRN PERP	392,000.00	345,208.00	1.41%
EUR	900,000	SPAIN I/L BOND 0.650% 11/30/27	1,086,869.31	1,067,406.40	4.35%
<i>Total Spain</i>			2,474,869.31	2,325,722.40	9.48%
<i>The Netherlands</i>					
EUR	400,000	COOPERATIEVE RABOBANK UA FRN PERP	359,600.00	339,672.00	1.38%
<i>Total The Netherlands</i>			359,600.00	339,672.00	1.38%
<b>Total Bonds</b>			<b>5,788,593.61</b>	<b>5,390,037.73</b>	<b>21.96%</b>
<b>Equities</b>					
<i>Spain</i>					
EUR	280,000	BANCO SANTANDER SA	849,640.20	784,700.00	3.20%
EUR	25,000	NEINOR HOMES SAU	306,262.32	204,500.00	0.83%
<i>Total Spain</i>			1,155,902.52	989,200.00	4.03%
<b>Total Equities</b>			<b>1,155,902.52</b>	<b>989,200.00</b>	<b>4.03%</b>

The accompanying notes form an integral part of these financial statements.



**Statement of investments as at December 31, 2022 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<b>Exchange traded funds</b>					
<i>Ireland</i>					
EUR	5,500	SPDR EUROPE HEALTH CARE.	1,030,660.47	1,020,608.60	4.16%
USD	14,999	UBS ETF MSCI USA VALUE	1,312,235.77	1,319,980.86	5.37%
USD	39,496	VANECK RARE EARTH UCITS ETF	628,261.18	541,227.50	2.21%
USD	52,000	VANECK SEMICONDUCTOR UCITS	1,197,070.82	939,420.38	3.83%
<i>Total Ireland</i>			4,168,228.24	3,821,237.34	15.57%
<i>Luxembourg</i>					
EUR	39,889	LYXOR EURSTX600 BANKS	770,152.88	804,644.90	3.28%
<i>Total Luxembourg</i>			770,152.88	804,644.90	3.28%
<b>Total Exchange traded funds</b>			<b>4,938,381.12</b>	<b>4,625,882.24</b>	<b>18.85%</b>
<b>Investment funds</b>					
<i>Great Britain</i>					
GBP	619,295	FUNDSMITH SUSTAINBL EQU-IACC	744,705.65	1,190,105.11	4.85%
GBP	33,066	LIONTRUST UK SMALLER COMPANIES FUND	357,970.23	689,188.94	2.81%
<i>Total Great Britain</i>			1,102,675.88	1,879,294.05	7.66%
<i>Ireland</i>					
EUR	4,359	AKO GLOBAL UCITS-B2	549,885.41	677,612.23	2.76%
USD	44,155	WELL GLBL IMPACT FUND-SUSDA	933,959.46	700,009.37	2.85%
<i>Total Ireland</i>			1,483,844.87	1,377,621.60	5.61%
<i>Luxembourg</i>					
EUR	1,573	BLACKROCK STRATEGIC FUNDS - EUROPEAN ABSOLUTE RETURN FUND	241,801.56	254,039.50	1.04%
EUR	2,369	BREXAN HOWARD ABSOL.RETURN GOV. BOND A -EUR- HEDG	240,845.58	254,184.97	1.04%
EUR	8,108	DGC - CONVERTIBLE AND CREDIT CLASS A EUR	1,200,036.84	1,214,295.75	4.95%
EUR	9,981	DGC - FRANCK MULLER LUXURY FUND CLASS A EUR.	984,796.39	1,335,823.76	5.44%
EUR	12,000	DGC - MEDTECH DPM EUR	1,200,000.00	980,342.73	3.99%
USD	8,366	DGC - NS RAYMOND JAMES STRONG BUY SEL CLASS A	1,102,425.48	1,226,380.42	5.00%
EUR	10,651	DGC STOCK SELECTION CLASS A EUR	1,550,557.60	2,390,959.14	9.73%
EUR	398	ELEV - ABSO LRET EURO FD-S EUR	532,908.38	562,247.85	2.29%
EUR	962	MANDARINE GLOBAL TRAN - IEURA	1,646,838.88	1,442,971.14	5.88%
<i>Total Luxembourg</i>			8,700,210.71	9,661,245.26	39.36%
<b>Total Investment funds</b>			<b>11,286,731.46</b>	<b>12,918,160.91</b>	<b>52.63%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>23,169,608.71</b>	<b>23,923,280.88</b>	<b>97.47%</b>
<b>Total investments</b>			<b>23,169,608.71</b>	<b>23,923,280.88</b>	<b>97.47%</b>

The accompanying notes form an integral part of these financial statements.

**Geographical classification of investments as at December 31, 2022**

	% of Net Assets
Luxembourg	42.64%
Ireland	21.18%
Spain	13.51%
Great Britain	9.21%
France	5.02%
Germany	2.28%
Finland	2.25%
The Netherlands	1.38%
<b>Total</b>	<b>97.47%</b>

**Economic classification of investments as at December 31, 2022**

	% of Net Assets
Investment funds	60.23%
Financial	18.44%
Other financial intermediaries	9.08%
Financial auxiliaries	5.37%
Government	4.35%
<b>Total</b>	<b>97.47%</b>

**Notes to the financial statements as at December 31, 2022****Note 1 - General**

AVALORN (the “Fund”), was incorporated in the Grand Duchy of Luxembourg on April 24, 2015. AVALORN is an investment company with variable capital (Société d’Investissement à Capital Variable, “SICAV”), established in the Grand Duchy of Luxembourg under Part I of the Luxembourg amended law of December 17, 2010 related to undertakings for collective investments.

The Fund is managed by NS Partners Europe S.A. (the “Management Company”).

The Fund is established for an undetermined duration and the capital, for which the minimum must be EUR 1,250,000 (one million two hundred fifty thousand EUR) shall at all times be equal to the value of the net assets of all the Sub-Funds of the Fund.

The registered office of the Fund is at 3, rue Gabriel Lippmann, L-5365 Munsbach.

As at December 31, 2022, the Fund had 6 active Sub-Funds:

- Clarion Global Emerging Markets Bond Fund
- Colon
- Flexible (formerly named Flexible Conservative)
- Global Dynamic
- Milestone Japan Value Fund
- Tandala

On October 18, 2022, the Board of Directors has decided to change the name of the Sub-Fund from Flexible Conservative to Flexible with effective date as of November 25, 2022.

On July 06, 2022, the Board of Directors of the Fund resolved to put in liquidation the Sub-Fund International Market Opportunity Fund with effective date as of July 22, 2022.

The Class EUR is denominated in EUR. The A share classes are denominated in EUR, USD and CHF. The AD-USD, B and B-USD share classes are denominated in USD. The P share classes are denominated in EUR, USD and JPY. The PR share class is denominated in USD. All share classes are accumulating, however dividends may be distributed on an annual basis depending on the net revenues. For share classes A-EUR, A-USD, A-CHF and B2-USD the currency risk associated with a depreciation of the Reference Currency of the Sub-Fund against the Reference Currency of the relevant class is hedged via forward foreign exchange contracts.

The PR and PRD share classes are reserved to investors subscribing via platforms which have contractual relationships with the Investment Manager.

**Note 2 - Summary of significant accounting policies****2.1 Basis of preparation**

The financial statements are prepared on a going concern basis of accounting in accordance with Luxembourg legal and regulatory requirement relating to the presentation of financial statements, except for the Sub-Fund International Market Opportunity Fund (in liquidation) whereby a decision to liquidate exists, as indicated in Note 1. As such, the financial statements for this Sub-Fund have been prepared on a non-going concern basis.

**Notes to the financial statements as at December 31, 2022 (continued)**

The net asset value of each Sub-Fund shall be determined by the Fund or its agent from time to time, but in no instance less than twice a month on such bank business day or days in Luxembourg as the Board of Directors by resolution may direct (every such valuation day for which the net asset value shall be determined will be referred to herein as “valuation day” and the day on which the net asset value will be calculated will be referred to as “calculation day”).

For the Sub-Funds except Clarion Global Emerging Markets Bond Fund and International Market Opportunity Fund, the valuation day is each month on the 15th day, and the last business day of the month which fall on a full bank business day in Luxembourg, or otherwise the next business day. If the valuation day falls on a public bank holiday this will be the next available day.

For the Sub-Funds Clarion Global Emerging Markets Bond Fund and International Market Opportunity Fund, the valuation day is Daily i.e every day of the week which falls on a business day in Luxembourg (referred as “business day”) or otherwise the next business day.

For the Sub-Fund Milestone Japan Value Fund, the valuation day is weekly and monthly. Weekly it is calculated every Friday of the week which falls on a full bank business day in Luxembourg or otherwise the next business day, and monthly it is calculated the last day of each month falling on a business day.

*2.2 Calculation of the Net Asset Value*

Any cash in hand or on deposit, lists of bills for discount, bills and sight bills, receivables, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are valued taking their full value into account, unless it is unlikely that such amount is paid or received in full, in which case the value thereof will be determined by applying a discount that the Board of Directors deems appropriate in order to reflect the true value of the asset.

The valuation of each Sub-Fund assets is, for transferable securities and money markets instruments or derivatives admitted to an official stock exchange or traded on any other regulated market, is based on the last available price on the principal market on which these securities, money market instruments or derivatives are traded, as provided by a recognised listing service approved by the Board of Directors. If such prices are not representative of the fair value, these transferable securities, money market instruments or derivatives as well as other authorised assets are valued on the basis of their foreseeable sales prices, as determined in good faith by the Board of Directors.

Securities and money market instruments which are not listed or traded on any regulated market are valued based on the last available price, unless such price is not representative of their true value; in this case, the valuation is based on the foreseeable sale price of the security, as determined in good faith by the Board of Directors.

The amortised cost valuation method may be used for short-term transferable securities of certain Sub-Funds of the Fund. This method involves valuing a security at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium regardless of the impact of fluctuating interest rates on the market value of the security.

While this method provides a fair valuation, the value determined by amortised cost may sometimes be higher or lower than the price the Sub-Fund would receive if it were to sell the securities. For some short-term transferable securities, the return for a shareholder may differ somewhat from the return that could be obtained from a similar Sub-Fund which values its portfolio securities at their market value.

**Notes to the financial statements as at December 31, 2022 (continued)***2.3 Valuation principles*

The value of investments in investment funds is calculated on the last available valuation. Generally, investments in investment funds is valued in accordance with the methods laid down for such investment funds. These valuations are usually provided by the fund administrator or by the agent in charge of valuations of this investment fund. To ensure consistency in the valuation of each Sub-Fund, if the time at which the valuation of an investment of an investment fund was calculated does not coincide with the Valuation Day of the Sub-Fund in question, and such valuation is determined to have changed substantially since its calculation, the Net Asset Value may be adjusted to reflect these changes as determined in good faith by the Board of Directors.

The valuation of derivatives traded over-the-counter (OTC), such as forwards or options not traded on a stock exchange or another regulated market, are based on their net liquidation value determined in accordance with the policies established by the Board of Directors, in a manner consistently applied for each type of contract. The net liquidation value of a derivative position corresponds to the unrealised profit/loss with respect to the relevant position.

The value of other assets is determined prudently and in good faith by the Board of Directors in accordance with generally accepted valuations principles and procedures.

Forward foreign exchange contracts remaining open at closing date are valued by reference to the forward foreign exchange rate corresponding to the remaining life of the contract.

Realised gains/(loss) and change in net unrealised gain/loss resulting therefrom are included in the statement of operations and changes in net assets respectively under “Net realised gain/(loss) on forward foreign exchange contracts” and “Change in net unrealised gain/loss on forward foreign exchange contracts”.

Futures contracts provide for the delayed delivery of the underlying instrument at a fixed price or a cash amount based on the change in the value of the underlying instrument at a specific date in the future. Upon entering into a futures contract, the Sub-Fund is required to deposit with the broker, cash or securities in an amount equal to a certain percentage of the contracts amount which is referred to as the initial margin account. Subsequent payments, referred to as variation margin, are made or received by the Sub-Fund periodically and are based on changes in the market value of open futures contracts.

Changes in the market value of open futures contracts are recorded as changes in net assets under “Change in net unrealised gain/loss on futures contracts”. Realised gains or (losses), representing the differences between the value of the contract at the time it was opened and the value at the time it was closed, are reported at the closing or expiration of futures contracts in the statement of operations and changes in net asset under “Net realised gain/(loss) on futures contracts”.

Outstanding options traded on a regulated market are valued based on the closing price or the last available market price of the instruments.

OTC options are marked to market based upon prices obtained from third party pricing agents and verified against the value from the counterparty.

The realised gains/(losses) and change in net unrealised gain/loss on options are disclosed in the statement of operations and changes in net assets respectively under the headings “Net realised gain/(loss) on options” and “Change in net unrealised gain/loss on options”.

*2.4 Net realised gain/(loss) on sales of securities*

The realised gain or (loss) on the sales of securities are calculated on the basis of the average acquisition cost.

**Notes to the financial statements as at December 31, 2022 (continued)***2.5 Foreign exchange translation*

The financial statements are kept in reference currency of each Sub-Fund and the consolidated financial statements of the Fund are kept in EUR.

Cash at banks, other net assets and the value of portfolio securities in currencies other than the reference currency of each Sub-Fund are converted into the reference currency at the foreign exchange rate prevailing the valuation date. Income and expenses in currencies other than the reference currency of each Sub-Fund are converted into the reference currency at the foreign exchange rate applicable at the date they are accrued in the Sub-Fund. Realised gains or (losses) and change in net unrealised gain/loss on foreign exchange translation are accounted for in the statement of operations and changes in net assets.

The acquisition cost of securities in currencies other than the reference currency of each Sub-Fund is converted into the reference currency at the foreign exchange rate valid at the date of acquisition.

The consolidated financial statements are kept in EUR. For this purpose, the financial statements of the Sub-Funds are converted into EUR at the foreign exchange rates as of December 31, 2022.

1	EUR =	0.987 CHF
1	EUR =	139.938 JPY
1	EUR =	1.067 USD

*2.6 Interest and dividend income*

Dividends, net of withholding taxes, are recognized as income on the date upon which the relevant securities are first listed as “ex-dividend”. Interest income is accrued on a daily basis.

*2.7 Other income*

Other income includes among other thing:

- The trailer commissions received during the year,
- Commissions on subscriptions/redemptions,
- Fund manager rebates.

*2.8 Formation expenses*

Formation expenses are amortised on a straight-line basis over a period not exceeding five years.

**Note 3 - Management Company fees, Depositary bank fees, Administration fees and Investment Advisory fees**

AVALORN shall pay a management company fee, payable monthly on the basis of the daily, weekly or bi-monthly Net Asset Value calculated during the relevant month; an administration fee, payable monthly and accrued on the basis of the Net Asset Value calculated on each valuation day; and depositary bank fee, payable monthly and accrued on the basis of the Net Asset Value calculated on each valuation day.

Clarion Global Emerging Markets Bond Fund pays a management company fee of 1.75% for Class A-USD, AD-USD, A-EUR and A-CHF shares, 0.85% for Class B-USD shares and 1.90% for Class PR-USD and PRD-USD shares, a depositary bank fee of 0.0475% and an administration fee of 0.05% p.a. with a minimum of USD 50,000 <sup>(1)</sup>.

<sup>(1)</sup> yearly increase of 3% applies following the agreement dated February 28, 2018.

**Notes to the financial statements as at December 31, 2022 (continued)**

Colon pays a management company fee of 0.40% p.a., a depositary bank fee of 0.0475% p.a. and an administration fee of 0.04% p.a. with a minimum of EUR 20,000 <sup>(1)</sup>. In addition, the maximum aggregated amount of management fee paid on Sub-Fund level and on target funds level is 3.0% p.a.

Flexible (formerly named Flexible Conservative) pays a management company fee of 0.38% p.a., a depositary bank fee of 0.0475% p.a. and an administration fee of 0.04% p.a. with a minimum of EUR 20,000 <sup>(1)</sup>. In addition, the maximum aggregated amount of management fee paid on Sub-Fund level and on target funds level is 5.0% p.a.

Global Dynamic pays a management company fee of 0.38% p.a., a depositary bank fee of 0.0475% p.a. and an administration fee of 0.04% p.a. with a minimum of EUR 20,000 <sup>(1)</sup>. In addition, the maximum aggregated amount of management fee paid on Sub-Fund level and on target funds level is 5.0% p.a.

International Market Opportunity Fund pays a management company fee of 1.65% for Class A-EUR and A-USD shares, a depositary bank fee of 0.0475% and an administration fee of 0.04% p.a. with a minimum of EUR 23,000 <sup>(1)</sup>. In addition, the maximum aggregated amount of management fee paid on Sub-Fund level and on target funds level is 2.5% p.a.

Milestone Japan Value Fund pays a management company fee of 0.35% for Class B2-USD shares and 0.55% for Class P-JPY shares, a depositary bank fee of 0.0475% p.a. and an administration fee of 0.04% p.a. with a minimum fee of EUR 37,500 <sup>(1)</sup>.

Tandala pays a management company fee of 0.50% p.a., a depositary bank fee of 0.0475% p.a. and an administration fee of 0.04% p.a. with a minimum of EUR 20,000 <sup>(1)</sup>. In addition, the maximum aggregated amount of management fee paid on Sub-Fund level and on target funds level is 3.0% p.a.

The annual fees indicated above are paid from the Sub-Fund's Net Asset Value to the Management Company which in return will pay the Investment Managers or Investment Advisors.

The Sub-Fund International Market Opportunity Fund invest in UCITS and other UCIs managed by the management company. Those UCITS or other UCIs will have a management fee which shall not exceed 2.5% of their respective net asset values.

The Sub-Funds Colon and Tandala invest in UCITS and other UCIs managed by the management company. Those UCITS or other UCIs will have a management fee which shall not exceed 3% of their respective net asset values.

The Sub-Funds Flexible (formerly named Flexible Conservative) and Global Dynamic invest in UCITS and other UCIs managed by the management company. Those UCITS or other UCIs will have a management fee which shall not exceed 5% of their respective net asset values.

<sup>(1)</sup> yearly increase of 3% applies following the agreement dated February 28, 2018.

**Note 4 - Performance fees****Clarion Global Emerging Markets Bond Fund**

The Sub-Fund pays the Investment Manager a Performance fee. The Performance fee is based on High watermark (HWM) principle. The HWM is assessed on the Net Asset Value of the last business day (Valuation Point) of the calendar year (Calculation Period). The HWM used for the purpose of the Performance fee calculation corresponds to the highest Net Asset Value of any previous Valuation Point.

**Notes to the financial statements as at December 31, 2022 (continued)**

The Performance fee is accrued at each Net Asset Value calculation and paid to the Investment Manager within 25 business days following the end of each Calculation Period. In case of redemptions requested during a Calculation Period, the corresponding Performance fee will be crystalized and paid at the end of the relevant Calculation Period.

**Performance fees formula:**

$$P = (GAV_w - HWM)$$

If P is equal to 0 or negative, no Performance fees shall be calculated nor accrued.

If P is positive, Performance fees will be calculated and accrued as follows:

$$\text{Performance fees} = (P * \text{Performance fees rate}) * \text{Shares}$$

Where:

**GAV<sub>w</sub>**: is the value of the NAV per share before accruing for Performance fees

**HWM**: is the highest NAV per share of any previous Valuation Point

**P**: is the difference between the GAV<sub>w</sub> and HWM

**Shares**: is the number of outstanding shares of NAV<sub>w</sub>

No performance fee was paid for Clarion Global Emerging Markets Bond Fund during the year.

**International Market Opportunity Fund**

The Fund pays the Investment Manager a Performance fee above a Euribor 3m + 2% p.a. hurdle rate. The Performance fee is calculated and accrued on each Valuation Date and is based on the High watermark (HWM) principle applicable during each calendar year distinctively. The HWM is assessed on the NAV of the last business day ("Valuation Point") of the calendar year ("Calculation Period").

The first Calculation Period begins on the first day following the closing of the initial subscription period and ends on the following Valuation Point. The HWM used for the purpose of the Performance fee calculation corresponds to the highest NAV of any previous Valuation Point during the current calendar year when a Performance fee was paid.

The HWM is reset to the NAV of the last business day of each calendar year whereby the HWM applicable to the first Calculation Period of a calendar year may not necessarily represent the highest NAV of a previous Valuation Point when a Performance fee was paid.

The Performance fee is paid to the Investment Manager within 25 days following the end of each Calculation Period. In case of redemptions requested during a Calculation Period, the Performance fee as at dealing date relating to the shares being redeemed is crystalized and paid at the end of the relevant Calculation Period. In the event of partial redemptions, shares are treated as redeemed on a first in, first out basis.

**Performance fees formula:**

$$P = (GAV_w - HWM)$$

If P is equal to 0 or negative, no Performance fees shall be calculated nor accrued.

If P is positive, Performance fees will be calculated and accrued as follows:

$$\text{Performance fees} = ((P - HWM * \text{Euribor } 3m + 2\%) * \text{Performance fee rate}) * \text{Shares}$$



**Notes to the financial statements as at December 31, 2022 (continued)**

Where:

**GAVw:** is the value of the NAV per share before accruing for the Performance fee

**HWM:** is the highest NAV per share of any previous Valuation Point during the relevant calendar year when a Performance fee was paid. The HWM applicable to the first Calculation Period during each calendar year is the NAV per share on the last Valuation Point of the preceding Calendar year.

**P:** is the difference between the GAVw and HWM

**Euribor 3m+ 2%:** is the hurdle rate per annum

**Shares:** is the number of outstanding shares at the Valuation Point

For each Calculation Period, the Performance fee in respect of each share is equal to the Performance Fee Rate of the relevant class multiplied by the appreciation in the Gross Asset Value per share above the High watermark per share adjusted with the Hurdle Rate.

The High watermark per share is the greater of the Net Asset Value per share at the time of issue of that share and the highest Net Asset Value per share achieved as of the end of any previous Calculation Period (if any) during which such share was in issue.

The Performance fee in respect of each Calculation Period is calculated by reference to the Gross Asset Value per share which is the Net Asset Value per share before the accrual of the Performance fee.

Performance fees rate is 10% for Class A-USD and Class A-EUR.

No performance fee was paid for International Market Opportunity Fund during the year.

**Milestone Japan Value Fund**

The Fund will pay the Investment Manager a Performance fee above a hurdle rate. Effective from the November 25, 2022, the Fund will pay the Investment Manager a performance fee above a benchmark being the Topix With Dividend Topix Small Index (ticker TPXDSMAL). The Performance fee is calculated and accrued on each Valuation Date and is based on the High watermark (HWM) principle. The HWM is assessed on the NAV of the last business day ("Valuation Point") of the calendar year ("Calculation Period"). The first Calculation Period begins on the first day following the closing of the initial subscription period and ends on the following Valuation Point. The HWM used for the purpose of the Performance fee calculation corresponds to the highest NAV of any previous Valuation Point when a Performance fee was paid. The Performance fee is paid to the Investment Manager within 25 days following the end of each Calculation Period. In case of redemptions requested during a Calculation Period, the Performance fee as at dealing date relating to the shares being redeemed is crystalized and paid at the end of the relevant Calculation Period.

**Performance fees formula:**

$$P = (GAVw - HWM)$$

If P is equal to 0 or negative, no Performance fees shall be calculated nor accrued.

If P is positive, Performance fees will be calculated and accrued as follows:

$$\text{Performance fees} = [(P - HWM * BR) * \text{Performance fee rate}] * \text{Shares}$$

Where:

**GAVw:** is the value of the NAV per share before accruing for the Performance fee

**HWM:** is the highest NAV per share of any previous Valuation Point when a Performance fee was paid

**P:** is the difference between the GAVw and HWM

**BR:** is the hurdle rate per annum being the price only appreciation or depreciation in the Topix With Dividend Topix Small Index (ticker TPXDSMAL)

**Shares:** is the number of outstanding shares

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**Notes to the financial statements as at December 31, 2022 (continued)**

For each Calculation Period, the Performance fee in respect of each share is equal to the Performance fee Rate of the relevant class multiplied by the appreciation in the Net Asset Value per share above the High watermark per share adjusted with the Benchmark Rate.

The High watermark per share is the greater of the Net Asset Value per share at the time of issue of that share and the highest Net Asset Value per share achieved as of the end of any previous Calculation Period (if any) during which such share was in issue. The Performance fee in respect of each Calculation Period is calculated by reference to the Gross Asset Value per share which is the Net Asset Value per share before the accrual of the Performance fee.

Performance fees rate is 10% for all share-classes.

No Performance fee was paid for Milestone Japan Value Fund during the year.

**Tandala**

Tandala pays the Investment Manager a Performance fee of 5%. The Performance fee is calculated based on the combined High Water Mark (HWM) and Benchmark principles.

The HWM is assessed on the NAV of the last business day ("Valuation Point") of the calendar year ("Calculation Period"). The first Calculation Period begins on the first day following the closing of the initial subscription period and ends on the following Valuation Point. The HWM used for the purpose of the Performance fee calculation corresponds to the highest NAV of any previous Valuation Point.

The Performance fee is accrued at each NAV calculation and paid to the Management Company within 25 days following the end of each Calculation Period. In case of redemptions requested during a Calculation Period, the corresponding Performance fee is crystalized and paid at the end of the relevant Calculation Period.

**Performance fees formula:**

$$P = (\text{NAV}_w - \text{HWM})$$

$$Q = (\text{NAV}_w - \text{BM}_w)$$

If  $\text{NAV}_w > \text{BM}_w$

If P is equal to 0 or negative, no Performance fees shall be calculated.

If P and Q are positive, the Performance fees will be calculated and accrued as follows:

$$\text{Performance fees} = (Q * \text{Performance fee rate}) * \text{Shares}$$

If  $\text{HWM} > \text{BM}_w$ :

If P is equal to 0 or negative, no Performance fees shall be calculated.

If P and Q are positive, the Performance fees will be calculated and accrued as follows:

$$\text{Performance fees} = (P * \text{Performance fee rate}) * \text{Shares}$$

**Notes to the financial statements as at December 31, 2022 (continued)**

Where:

**NAVw:** is the value of the current NAV per share

**BMw:** is the value of the Benchmark Euribor 1 year+ 2% expressed in basis 100 at fund launch date

**HWM:** is the highest NAV of any previous Valuation Point

**P:** is the difference between the NAVw and HWM

**Shares:** is the number of outstanding shares of NAVw

No Performance fee was paid for Tandala during the year.

**Note 5 - Taxe d'abonnement**

Under the prevailing laws and regulations, the SICAV is subject in Luxembourg, on the basis of its investments, to a "taxe d'abonnement" at the annual rate of 0.05%, payable quarterly and calculated on the basis of the net assets of each Sub-Fund at the end of each quarter. The portion of net assets, which is invested in other undertakings for collective investment in securities under Luxembourg law, is exempt from this tax.

This annual tax is however reduced to 0.01% on the aggregate net asset value of the shares in the classes reserved to institutional investors, as well as in Sub-Funds that invest exclusively in certain short term transferable debt securities and other instruments pursuant to the Grand Ducal Regulation of April 14, 2004.

**Note 6 - Portfolio movements**

A detailed statement of investments changes is available free of charge, upon request, at the registered office of the Fund.

**Note 7 - Risk management**

The global exposure of the Sub-Funds is calculated on the basis of the commitment approach.

**Note 8 - Dividend distribution**

Dividends may be distributed on an annual basis depending on the net revenues of each Sub-Fund share classes.

A dividend distribution of USD (18,569.32) was paid for Clarion Global Emerging Markets Bond Fund during the year as described below:

Payment date	Amount per share		Total amount	
	Class AD-USD	Class PRD-USD	Class AD-USD	Class PRD-USD
January 14, 2022	USD 1.4595696	USD 1.3783312	USD 1094.68	USD 3958.64
April 14, 2022	USD 1.2811096	USD 1.2093563	USD 960.83	USD 3786.17
July 14, 2022	USD 1.2232318	USD 1.1542885	USD 917.42	USD 3613.77
October 14, 2022	USD 1.1443753	USD 1.0794681	USD 858.28	USD 3379.53

**Note 9 - Transaction fees**

Transaction fees include brokerage fees, stamp duty, local taxes and other foreign charges if incurred during the year. Transaction fees are only charged by the broker for any transaction booked.

**Notes to the financial statements as at December 31, 2022 (continued)**

For the year ended December 31, 2022, each Sub-Fund incurred transaction fees relating to purchase or sale of investments in securities and similar transactions, (including derivatives instruments or other eligible assets).

Not all transaction fees are separately identifiable. For fixed income investments, forward currency contracts and for some other derivative contracts, transaction fees are included in the purchase and sales price of the investment. Whilst not separately identifiable these transaction fees are captured within the performance of each Sub-Funds.

Transaction fees are included in the Statement of operations and changes in net assets under "Transaction fees".

**Note 10 - Financial Derivative Instruments**

The Sub-Funds may engage in derivative transactions for the purpose of efficient portfolio management.

Depending on the type of derivatives held, collateral might be received from the different counterparties to reduce the counterparty exposure. No collateral was received by the Fund to reduce the counterparty risk as of December 31, 2022.

For future contracts, margin accounts might be used.

**Note 11 - Forward foreign exchange contracts**

As at December 31, 2022, Clarion Global Emerging Markets Bond Fund has entered into the following forward foreign exchange contracts:

Amount bought		Amount sold		Maturity	Unrealised gain USD	Counterparty	Share Class
EUR	1,050,967.63	USD	(1,102,948.38)	05/30/2023	29,745.06	UBS Europe SE, Luxembourg Branch	Class A - EUR Hedge
CHF	316,259.87	USD	(339,396.39)	05/30/2023	8,068.16	UBS Europe SE, Luxembourg Branch	Class A - CHF Hedge
<b>Total</b>					<b>37,813.22</b>		

As at December 31, 2022, Colon has entered into the following forward foreign exchange contracts:

Amount bought		Amount sold		Maturity	Unrealised gain EUR	Counterparty	Share Class
EUR	8,329,960.47	USD	(8,150,000.00)	01/13/2023	701,236.80	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
EUR	573,614.81	USD	(600,000.00)	01/13/2023	11,990.98	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
<b>Total</b>					<b>713,227.78</b>		

As at December 31, 2022, Flexible (formerly named Flexible Conservative) has entered into the following forward foreign exchange contracts:

Amount bought		Amount sold		Maturity	Unrealised gain EUR	Counterparty	Share Class
EUR	10,268,068.26	USD	(10,600,000.00)	01/13/2023	346,047.29	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
<b>Total</b>					<b>346,047.29</b>		

## Notes to the financial statements as at December 31, 2022 (continued)

As at December 31, 2022, Global Dynamic has entered into the following forward foreign exchange contracts:

Amount bought			Amount sold	Maturity	Unrealised gain EUR	Counterparty	Share Class
EUR	5,781,925.43	USD	(6,000,000.00)	01/13/2023	165,687.14	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
Total					165,687.14		

As at December 31, 2022, Tandala has entered into the following forward foreign exchange contracts:

Amount bought			Amount sold	Maturity	Unrealised gain EUR	Counterparty	Share Class
EUR	6,909,267.82	USD	(6,760,000.00)	01/13/2023	581,639.35	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
EUR	1,044,526.48	GBP	(923,000.00)	01/13/2023	4,851.06	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
Total					586,490.41		

Amount bought			Amount sold	Maturity	Unrealised (loss) EUR	Counterparty	Share Class
CHF	822,000.00	EUR	(850,764.34)	01/13/2023	(17,807.27)	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
Total					(17,807.27)		

<sup>(1)</sup> Not used for share class hedging purpose

### Note 12 - Options contracts

As at December 31, 2022, Colon has entered into the following option contracts:

Ccy	Description	Put/call	Strike price	Maturity	Quantity sold	Commitment	Market value EUR	Counterparty
USD	AMAZON US	Put	96	01/20/23	(30.00)	EUR 39,510.00	(37,020.38)	UBS Europe SE, Luxembourg Branch
Total							(37,020.38)	

### Note 13 - Liquidation of the Sub-Fund International Market Opportunity Fund

As at December 31, 2022, the liquidation of the Sub-Fund was closed. All payables were paid. As at December 31, 2022, there is no remaining cash at banks.

### Note 14 - Pledged securities

The Fund pledges in favour of UBS Europe SE, Luxembourg Branch. (hereinafter “UBS”) all of his present and future cash and money claims in relation to or standing to the credit of the accounts and any sub-accounts opened now or to be opened in the future in the name of and/or held by the fund with UBS and held with any third parties in the Fund’s name or in UBS’ name for the benefit of the Fund, regardless of the respective currency (together hereinafter the “Claims”). The Fund pledges in favour of UBS all financial instruments, which are now held or may be held at any time in the future.

**Notes to the financial statements as at December 31, 2022 (continued)****Note 15 - Swing pricing**

Milestone Japan Value Fund (the "Sub-Fund") operates on a single price and may suffer a reduction or dilution in value as a result of the transaction costs incurred in dealing in its underlying investments and of any spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Sub-Fund. In order to counter this dilution and to protect Shareholders' interests, the Management Company applies "swing pricing" as part of its valuation policy. This means that in certain circumstances the Management Company makes adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other transaction costs on occasions when these are deemed to be significant.

The application of a dilution adjustment depends upon the net value of subscriptions, switches and redemptions received by the Sub-Fund for each Valuation Day. The Management Company therefore reserves the right to make a dilution adjustment where the Sub-Fund's net cash movement in capital exceeds a pre-set threshold (established at 10% of the Total Net Asset Value of the Sub-Funds) of the previous Valuation Day's total Net Asset Value. The relevant thresholds are set by the Directors from time to time. The Management Company may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of existing Shareholders to do so.

Where a dilution adjustment is made, it typically increases the Net Asset Value per Share when there are net inflows into the Sub-Fund and decreases the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in the Sub-Fund is calculated separately but any dilution adjustment, in percentage terms, affects the Net Asset Value per Share of each Share Class identically.

The dilution adjustment for the Sub-Fund is calculated by reference to the costs of dealing in the underlying investments, including any dealing spreads, which can vary with market conditions. As a result, the amount of the dilution adjustment can vary over time; however the adjustment is capped at 3% of the relevant Net Asset Value.

As dilution is related to the inflows and outflows of money from the Sub-Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently, it is also not possible to accurately predict how frequently the Management Company will need to make such dilution adjustments.

The Board of Directors is authorised to apply other appropriate valuation principles for the assets of the Funds and/or the assets of a given Share Class if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

No Swing Price has been applied during the year ended December 31, 2022.

**Note 16 - Subsequent events**

On January 20, 2023, the Board of Directors has decided to launch the Sub-Fund Dreamvest Growth Opportunity Fund as of January 31, 2023. On February 20, 2023, the Board of Directors has decided to launch the Sub-Fund Intervalor as of February 27, 2023.

**Unaudited information****Remuneration policy**

NS Partners Europe S.A. is licensed under Chapter 15 of the Luxembourg Law of December 17, 2010 (the "2010 Law"), as amended, on undertakings for collective investments as well as under Chapter 2 of the Luxembourg Law of July 12, 2013 ("AIFM Law"). NS Partners Europe S.A. has established and maintains a remuneration policy in accordance with the principles laid out in Directive 2011/61/EC ("AIFMD"), the recast Directive 2009/65/EC on Undertakings for Collective Investments in Transferable Securities ("UCITS V") and the implementing measures in relation to the foregoing, all as implemented into Luxembourg law and regulations.

NS Partners Europe S.A. ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, NS Partners Europe S.A. 's employees who are identified as risk-takers under AIFMD and UCITS V are not remunerated based on the performance of the funds under management.

NS Partners Europe S.A. applies a remuneration policy for identified staff based on the proportionality principles foreseen by AIFMD and UCITS V whereby fixed and variable remuneration is based on the achievement of individual targets as well as collective targets at the level of NS Partners Europe S.A., the achievement of which are independent from the performance of any fund for which NS Partners Europe S.A. acts.

A paper version of this remuneration policy is made available free of charge to investors upon request at the registered office of the Fund.

Key figures as of end of year 2022 for NS Partners Europe S.A.:

- Total amount of fixed remuneration for the year ended: EUR 3,073,302.31
- Total amount of variable remuneration for the year ended: EUR 917,274.35
- Number of NS Partners Europe S.A. staff: 33
- Total amount of compensation paid by NS Partners Europe S.A. to Senior managers: EUR 1,245,886.38

**Unaudited information (continued)****Information concerning the SFTR disclosures**

At the date of the financial statements, AVALORN does not use any instruments falling into the scope of the SFTR regulation 2015/2365 on transparency of securities financing transactions and of reuse.

**Information concerning the SFDR disclosures**

The Fund and its sub-funds are classified as Article 6 within the meaning of SFDR regulation (regulation EU 2019/2088 of November 27, 2019 on sustainability-related disclosures in the financial services sector) and are not taking into account the EU criteria for environmentally sustainable economic activities in their investment strategy.

**Total Expense Ratio (TER)**

	<b>Total Expense Ratio (TER)</b>
<b>Clarion Global Emerging Markets Bond Fund - USD</b>	
Class A-CHF	2.84%
Class AD-USD	2.84%
Class A-EUR	2.84%
Class A-USD	-
Class B-USD	-
Class PRD-USD	1.95%
Class PR-USD	2.99%
<b>Colon - EUR</b>	
Class EUR	0.99%
<b>Flexible (formerly named Flexible Conservative) - EUR</b>	
Class EUR	0.71%
<b>Global Dynamic - EUR</b>	
Class A-EUR	0.82%
<b>Milestone Japan Value Fund - JPY</b>	
Class B2-USD	-
Class P-JPY	0.81%
	0.87%*
<b>Tandala - EUR</b>	
Class EUR	1.01%

\* TER has been annualized.