

# **AVALORN**

**Société d'Investissement à Capital Variable**

## **Audited annual report for the year ended December 31, 2021**

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 Lippman  
L-5365 Munsbach  
Luxembourg

**Board of Directors**

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

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

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

**Management Company**

NS Partners Europe S.A.  
(formerly named Notz, Stucki Europe S.A. until September  
14, 2021)  
11, boulevard de la Foire  
L-1528 Luxembourg  
Luxembourg

**Conducting Officers of the  
Management Company**

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)**

NS Partners S.A.  
(formerly named Notz, Stucki & Cie S.A. until September 14, 2021)  
98, rue de Saint Jean  
CH-1201 Genève  
Switzerland  
(for 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)

Soteira Capital, LLC  
19200 Von Karman, Suite 600  
CA 92612 Irvine,  
United States of America  
(for Huntress Dividend Strategy (launched on March 31, 2021 and liquidated on June 16, 2021))  
(until May 31, 2021)

NS Partners Europe S.A.  
(formerly named Notz, Stucki Europe S.A. until September 14, 2021)  
11, boulevard de la Foire  
L-1528 Luxembourg  
Luxembourg  
(for Huntress Dividend Strategy (launched on March 31, 2021 and liquidated on June 16, 2021))  
(since June 1, 2021 until June 16, 2021)

**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

**Management and administration (continued)**

**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, 2021 for all the Sub-Funds.

**Clarion Global Emerging Markets Bond Fund**

The fund operations have not been jeopardized by the Covid-19 pandemic as the team is global and remote working was usual practice. Our investments in IT infrastructure and cybersecurity played an important roll during this period. We had continued to review and renegotiate several services, additionally, a weaker BRL reduced operational costs on a USD basis, and we improved workflows and efficiency in management and operations of the fund.

In 2021, the fund witnessed a decline in AUM and delivered a negative performance of -7.16% while maintaining a BB+ average credit rating in the portfolio. In November it completed 6 (six) years of track record.

Retrospectively, our portfolio performed in line with markets in 2021 but underestimation of risk in the China property sector and Chile's decarbonization move weighed on the performance.

The year 2021 started on a strong tailwind of recovery from pandemic amid the development of vaccines, but it was challenged by new Covid-19 waves and higher-than-expected inflation in major economies leading to market volatility and flattening/steepening of the yield curve. At the start of the year, the US central bank appeared set for a prolonged period of accommodative policy. However, a surge in inflation numbers changed the narrative and the market started pricing in the expectations that the Fed will normalize policy sooner rather than later, and at a faster pace than central banks in several other major economies, in particular the euro-zone and Japan. As a result, the US Dollar strengthened against most currencies and government bond yields experienced volatility. The commodity price boom also played a key role with energy prices standing out throughout the year.

Meanwhile, several idiosyncratic risks emerged including the Evergrande and China property sector defaults and Turkey's Lira crisis but remained well contained with limited or no contagion effects on the markets. Notably, equities in China and most of Latin America struggled, amid rising political risks. However, the US and some of the Asian and MENA stock markets delivered strong returns. US Treasuries remained resilient despite a surprisingly sharp increase in inflation.

As we move into 2022, EM debt investors are expected to face several headwinds in the first half of 2022. These issues include tighter monetary and financial conditions, supply chain disruptions, rising energy prices, stubbornly high inflation, and China's economic slowdown. That said the EM fundamentals are on track to keep strengthening. The IMF estimates GDP growth in EM and developing economies to hit 4.8% in 2022, below the 6.5% growth rate in 2021 but above pre-Covid trend levels. On the corporate side, balance sheets have improved post-pandemic and debt maturity profiles have remained healthy. Default rate expectations have also reduced. In addition to healthy fundamentals, the technical backdrop should be supportive as EM debt supplies are expected to reduce amid declining refinancing needs and rising interest rates. On a relative basis, EM hard currency high yield (HY) debt should remain attractive compared to other fixed-income assets. The asset class should benefit from high coupon carry, low duration of the bonds, and a still significant amount of negative-yielding debt globally. Hence, investor could look past the near-term headwinds expected in early 2022 and focus on long-term fundamentals of EM USD denominated debt.

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

2021 has been a very good year for equities in Developed Markets, but less so for Emerging Markets. To highlight this, the MSCI World has posted a +20.1% return, while the MSCI Emerging Markets has lost 4.6%. Hopes for a decreasing economic impact from the COVID crisis coupled with the extremely strong reports and perspectives published by mega caps like Apple, Microsoft, Alphabet, Amazon and others have pushed many equity indices to all time high levels, while on the other side of the performance spectrum, China's increased pressure on its national champions like Baidu, Tencent or Alibaba has triggered outflows from the Emerging Markets space.

Under the surface, it has been a complicated year for active managers because 2021 has seen no less than 11 style rotations between Growth and Value, mostly linked to gyrations in interest rates. The latter have trended up during the year, but this move was far from linear and was accompanied by heightened volatility because many factors had a significant influence, like commodity prices rising steadily, the Fed announcing a more hawkish policy, questions about the durability of inflationary pressures, and the list goes on. In this context, 2021 has been marked by a change in leadership, which is yet to be confirmed.

Fixed income markets have also been extremely difficult for active managers, but in a zero interest rates and ultra-low spreads world; therefore, it should come as no surprise that most fixed income investments were barely profitable, no to say in negative territory, in 2021. This is of course linked to rising interest rates (which still remain at historical lows), and a level of spreads at the beginning of the year which did not give much room for a compression that would have compensated for higher yields.

Despite this higher level of interest rates at the end of the year, we believe that fixed income markets carry a lot of risks and very little rewards going forward. Also, it seems that equity markets investors start to incorporate a world with higher inflation and higher interest rates in their expectations, but disinflationary pressures have lasted for so long that habits will not change easily; this means that 2022 could be a very volatile year for many financial assets and that active management should prove challenging, once again.

When it comes to the COVID situation, the pandemic has not prevented NS Partners' funds to be actively managed with full capacity to do so from any aspect; the company has provided its employees all necessary means to work on site or remotely, which has ensured a continuous and flawless access to the full working environment for all parties involved in portfolio management, trading, middle-office, risk, fund oversight and back office.

**GENERAL COMMENT**

Colon ended 2021 with a performance of +7.32% vs. the MSCI World AC Equity market that posted 19.1% return and the Bloomberg Aggregate Investment Grade 1-5 yr. bond index that lost 1.18%. Assets increased from 22.1 million € to 23.7 million € due to performance.

The overall better performance of equity value stocks vs growth stocks was the main performance detractor as the fund was more positioned to higher quality growth stocks. The fixed-income book was managed cautiously to have relatively low interest-rate duration and spread duration.

The average beta equity exposure to equity during the year was 51%.

**OUTLOOK FOR 2022:**

2022 was expected to be a challenging year as we started with a good economic environment with good expected earnings growth, which is positive for the market; simultaneously, the market was expecting the FED to tighten monetary policy with higher rates, which is negative for the market. Normally this battle is balanced positively towards earnings growth. Unfortunately, by the time of this writing the Russian invasion of Ukraine with the dramatic increase in energy prices is changing the perspectives with many uncertainties. If history is of any guide, these geopolitical events do not last for a long time, and earnings growth is the main driver of equity markets. When monetary policy tightens, fixed-income assets do not tend to perform well.

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

2021 has been a very good year for equities in Developed Markets, but less so for Emerging Markets. To highlight this, the MSCI World has posted a +20.1% return, while the MSCI Emerging Markets has lost 4.6%. Hopes for a decreasing economic impact from the COVID crisis coupled with the extremely strong reports and perspectives published by mega caps like Apple, Microsoft, Alphabet, Amazon and others have pushed many equity indices to all time high levels, while on the other side of the performance spectrum, China's increased pressure on its national champions like Baidu, Tencent or Alibaba has triggered outflows from the Emerging Markets space.

Under the surface, it has been a complicated year for active managers because 2021 has seen no less than 11 style rotations between Growth and Value, mostly linked to gyrations in interest rates. The latter have trended up during the year, but this move was far from linear and was accompanied by heightened volatility because many factors had a significant influence, like commodity prices rising steadily, the Fed announcing a more hawkish policy, questions about the durability of inflationary pressures, and the list goes on. In this context, 2021 has been marked by a change in leadership, which is yet to be confirmed.

Fixed income markets have also been extremely difficult for active managers, but in a zero interest rates and ultra-low spreads world; therefore, it should come as no surprise that most fixed income investments were barely profitable, no to say in negative territory, in 2021. This is of course linked to rising interest rates (which still remain at historical lows), and a level of spreads at the beginning of the year which did not give much room for a compression that would have compensated for higher yields.

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When it comes to the COVID situation, the pandemic has not prevented NS Partners' funds to be actively managed with full capacity to do so from any aspect; the company has provided its employees all necessary means to work on site or remotely, which has ensured a continuous and flawless access to the full working environment for all parties involved in portfolio management, trading, middle-office, risk, fund oversight and back office.

**GENERAL COMMENT**

Flexible Conservative ended 2021 with a performance of +11.22% vs. the MSCI World AC Equity market that posted 19.1% return and the Bloomberg Aggregate Investment Grade 1-5 yr. bond index that lost 1.18%. Assets increased from 31.3 million € to 43.5 million € due to performance and subscriptions.

The overall performance was satisfactory during the year. The equity exposure was balanced between value and growth stocks. On the other hand, the fixed-income book was performing relative well. The relatively high exposure to USD was the main contributor to the good relative performance.

The average beta equity exposure to equity during the year was 56%.

**OUTLOOK FOR 2022:**

2022 was expected to be a challenging year as we started with a good economic environment with good expected earnings growth, which is positive for the market; simultaneously, the market was expecting the FED to tighten monetary policy with higher rates, which is negative for the market. Normally this battle is balanced positively towards earnings growth. Unfortunately, by the time of this writing the Russian invasion of Ukraine with the dramatic increase in energy prices is changing the perspectives with many uncertainties. If history is of any guide, these geopolitical events do not last for a long time, and earnings growth is the main driver of equity markets. When monetary policy tightens, fixed-income assets do not tend to perform well.



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

2021 has been a very good year for equities in Developed Markets, but less so for Emerging Markets. To highlight this, the MSCI World has posted a +20.1% return, while the MSCI Emerging Markets has lost 4.6%. Hopes for a decreasing economic impact from the COVID crisis coupled with the extremely strong reports and perspectives published by mega caps like Apple, Microsoft, Alphabet, Amazon and others have pushed many equity indices to all time high levels, while on the other side of the performance spectrum, China's increased pressure on its national champions like Baidu, Tencent or Alibaba has triggered outflows from the Emerging Markets space.

Under the surface, it has been a complicated year for active managers because 2021 has seen no less than 11 style rotations between Growth and Value, mostly linked to gyrations in interest rates. The latter have trended up during the year, but this move was far from linear and was accompanied by heightened volatility because many factors had a significant influence, like commodity prices rising steadily, the Fed announcing a more hawkish policy, questions about the durability of inflationary pressures, and the list goes on. In this context, 2021 has been marked by a change in leadership, which is yet to be confirmed.

Fixed income markets have also been extremely difficult for active managers, but in a zero interest rates and ultra-low spreads world; therefore, it should come as no surprise that most fixed income investments were barely profitable, no to say in negative territory, in 2021. This is of course linked to rising interest rates (which still remain at historical lows), and a level of spreads at the beginning of the year which did not give much room for a compression that would have compensated for higher yields.

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When it comes to the COVID situation, the pandemic has not prevented NS Partners' funds to be actively managed with full capacity to do so from any aspect; the company has provided its employees all necessary means to work on site or remotely, which has ensured a continuous and flawless access to the full working environment for all parties involved in portfolio management, trading, middle-office, risk, fund oversight and back office.

**GENERAL COMMENT**

Global Dynamic ended 2021 with a performance of +11.95% vs. the MSCI World AC Equity market that posted 19.1% return and the Bloomberg Aggregate Investment Grade 1-5 yr. bond index that lost 1.18%. Assets increased from 27.4 million € to 30.6 million € due to performance.

The overall performance was satisfactory during the year. The equity exposure was balanced between value and growth stocks. On the other hand, the fixed-income book was performing relative well. The relatively high exposure to USD was the main contributor to the good relative performance.

The average beta equity exposure to equity during the year was 60%.

**OUTLOOK FOR 2022:**

2022 was expected to be a challenging year as we started with a good economic environment with good expected earnings growth, which is positive for the market; simultaneously, the market was expecting the FED to tighten monetary policy with higher rates, which is negative for the market. Normally this battle is balanced positively towards earnings growth. Unfortunately, by the time of this writing the Russian invasion of Ukraine with the dramatic increase in energy prices is changing the perspectives with many uncertainties. If history is of any guide, these geopolitical events do not last for a long time, and earnings growth is the main driver of equity markets. When monetary policy tightens, fixed-income assets do not tend to perform well.

**Report of the Board of Directors (continued)****International Market Opportunity Fund**

For our portfolio, we have chosen during the year to remain invested in the equity markets at an average of 55% without making too many movements. We have balanced slightly the Growth/Value ratio in favour of the latter, with the economic recovery in mind.

At the bond level, we reduced the duration in order to take into account runaway inflation and in focus of the Fed less accommodating speech: reduction in asset buybacks and rising interest rates in 2022.

On the currency side, despite USD favourable parameters, we decided to hedge 100% of the position against the EUR.

The Covid-19 pandemic has remained during the year a looming threat over the global economy with the appearance of Delta variant in spring/summer and Omicron in November/December.

Stocks have swung wildly since both variants of the coronavirus emerged, once again raising concerns about the pandemic's potential to damage the global economy.

Omicron is the latest round of market upheaval since the outbreak of Covid-19 roughly two years ago, with the virus repeatedly tilting Wall Street's assumptions about whether people would shop, travel or even turn up for work. Each new phase of the pandemic has brought new requirements for testing, border closings or warnings against public gatherings. Much is still unknown about the Omicron variant, including how much protection vaccines provide but financial markets have taken the news in stride relative to earlier outbreaks. This follows a pattern, each bout of pandemic-driven volatility in the stock market since February 2020 has been shorter than the one before and followed by a recovery to a new high. The S&P 500 had recovered nearly all its losses from its previous peak after Omicron's existence was announced by officials on November 26.

The stock market has often been a barometer for the path of the pandemic, tumbling after concerning milestones and rising on advancements of vaccinations and new treatments. However, the two haven't always moved in lock step, and the equity market performances have at times disregarded the human toll of the pandemic as it instead zeroed in on other factors that could drive corporate profits, like low interest rates and government spending.

**Milestone Japan Value Fund**

2021 was a satisfactory year for the Fund, but we are left with the feeling that it could have been better.

There are always different ways of cutting up a year into differing periods. On this occasion the simplest would be to divide it into pre-Omicron Corona and post-Omicron periods. Omicron struck in Q4 CY21. Up to Q3 CY21 the fund was performing very well; we gave back a great deal of performance in Q4 and thus ended 2021 with a merely acceptable result.

The fund gained 14.55% in Japanese Yen in 2021. Dollar appreciation versus the Yen limited its gains in US Dollars to a mere 2.93%. By way of comparison, Topix lost 0.95% in US\$ despite gaining 10.4% in JPY. (Note: The US Dollar share class is unhedged.)

Our benchmark, the Topix Small with Dividend Sub-Index was up 11.04% in Japanese Yen but down 0.35% in US Dollars. It can be seen that we did better than both our benchmark and Topix in 2021.

But the portfolio had been up 20.45% (in Japanese Yen) at the end of September. Giving back so much was the fault of a dreadful October and November. Over these two months the fund was down 10%. November (-7%), indeed, was one of our four worst months ever, another two of which were also Corona-related.

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

At the year end, the portfolio was selling for 13x earnings (vs the market on 14x), 4.5x EV/EBITDA (vs 7.2x), and 80% of Book (vs 110%). Its constituents have an operating profit margin of 8% vs the market's 5.4% and an ROIC of 6% versus 4.9%.

The portfolio finished the year at 3.5 billion Japanese Yen of net assets. It held 55 names at year end.

**2022 Prospects**

2021 was pregnant with promise for the fund in that large capitalization value shares (the MSCI Japan style index) far outpaced large growth shares. Value gained 15.1%; growth only 7.9%. This contrasts with the global position, where value (16.9%) only marginally outpaced growth (16.3%). But this incipient rotation was ultimately unable to bear fruit because of Corona. Crucially, it benefited relatively cheap large caps and failed fully to encompass absolutely cheap small caps.

So, while our portfolio enjoyed some investor attention in 2021, it was sufficient to close the bid/offer spread, but little more.

It is noteworthy that the relative performance of our kind of shares bottomed together with market interest rates in 2020. This relation leads one to the supposition that further rises in interest rates (whether in the US or in Japan) should be accompanied by more benign conditions for small-cap value shares.

But the inflationary forces leading to higher interest rates might not be unalloyed positives for the businesses in our portfolio. To the extent that higher inflation is a matter of supply chain disruptions and higher mineral/commodity prices it is likely to squeeze margins. The evidence of company results so far, though not overwhelming, is that margins have been impacted.

Of course, as we invest only in niche businesses with defensible market positions and already substantial market shares, we would expect our companies to be able to pass through any input cost increases – eventually. But this process takes time. 2022 promises to be a transitional year at the macro level, but performance more a matter of careful micro analysis than the imposition of top-down preconceptions.

If the sell-side economists are right (unlikely!), the Federal Reserve will raise policy rates between 5 and 7 times this year. Whatever the true number of rate increases, rates are going up. At one level, rising rates might appear to be bad news; bad for economic pace and bad for valuations. However, in the past the best period for the relative performance of Japanese shares is between the first rise in US policy rates and the last.

Moreover, the vast majority of our shares are in net cash companies. Accordingly, their non-operating earnings stand to benefit from higher rates.

A complicating factor this time is the possibility of Quantitative Tightening (QT). Experience in Japan in 2000 and 2006 indicates that QT is an unmitigated negative for stocks. This seems likely to be challenging for equities at some point in 2022.

Overall, therefore, there are good reasons to be optimistic about the environment that will confront our shares this year, but also reasons that counsel caution. We remain confident that we own a portfolio of superior businesses, in particular companies with high market shares in niche areas catering to sources of necessary demand. 2022 may appear to be a “macro” year, but we will continue to rely on micro analysis and the fact that we own only very undervalued shares.

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

2021 has been a very good year for equities in Developed Markets, but less so for Emerging Markets. To highlight this, the MSCI World has posted a +20.1% return, while the MSCI Emerging Markets has lost 4.6%. Hopes for a decreasing economic impact from the COVID crisis coupled with the extremely strong reports and perspectives published by mega caps like Apple, Microsoft, Alphabet, Amazon and others have pushed many equity indices to all time high levels, while on the other side of the performance spectrum, China's increased pressure on its national champions like Baidu, Tencent or Alibaba has triggered outflows from the Emerging Markets space.

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Despite this higher level of interest rates at the end of the year, we believe that fixed income markets carry a lot of risks and very little rewards going forward. Also, it seems that equity markets investors start to incorporate a world with higher inflation and higher interest rates in their expectations, but disinflationary pressures have lasted for so long that habits will not change easily; this means that 2022 could be a very volatile year for many financial assets and that active management should prove challenging, once again.

When it comes to the COVID situation, the pandemic has not prevented NS Partners' funds to be actively managed with full capacity to do so from any aspect; the company has provided its employees all necessary means to work on site or remotely, which has ensured a continuous and flawless access to the full working environment for all parties involved in portfolio management, trading, middle-office, risk, fund oversight and back office.

**GENERAL COMMENT**

Tandala ended 2021 with a performance of +9.41% vs. the MSCI World AC Equity market that posted 19.1% return and the Bloomberg Aggregate Investment Grade 1-5 yr. bond index that lost 1.18%. Assets increased from 26.4 million € to 28.9 million € due to performance.

The overall performance was in line with the risk profile of the fund. The better performance of equity value stocks vs growth stocks was the main performance detractor as the fund was more positioned to higher quality growth stocks. On the other hand, the fixed-income book was managed cautiously to have relatively low interest-rate duration and spread duration, which contributed positively.

The average beta equity exposure to equity during the year was 57%.

**Report of the Board of Directors (continued)****OUTLOOK FOR 2022:**

2022 was expected to be a challenging year as we started with a good economic environment with good expected earnings growth, which is positive for the market; simultaneously, the market was expecting the FED to tighten monetary policy with higher rates, which is negative for the market. Normally this battle is balanced positively towards earnings growth. Unfortunately, by the time of this writing the Russian invasion of Ukraine with the dramatic increase in energy prices is changing the perspectives with many uncertainties. If history is of any guide, these geopolitical events do not last for a long time, and earnings growth is the main driver of equity markets. When monetary policy tightens, fixed-income assets do not tend to perform well.

**Huntress Dividend Strategy**

The sub-fund Avalorn Huntress was launched in March 2021, with the aim of delivering a superior risk adjusted performance by investing in US listed equities while at the same time implementing an option strategy, notably before companies declared their dividends or announced their results. On the 21st of May 2021 the investment management agreement with Soteira Capital was terminated in consideration that Soteira transferred their operations to another investment management firm and relinquished their license. As the Management Company, NS Partners Europe, did not desire to be the Manager of the Fund for an extended period of time, the Board of Directors decided that dissolving the Fund would serve the best interests of Shareholders.

The Board of Directors

Luxembourg, January 31, 2022

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 2021, 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 2021;
- 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 2021; 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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*PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg  
T : +352 494848 1, F : +352 494848 2900, [www.pwc.lu](http://www.pwc.lu)*

*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 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, 28 March 2022

Bertrand Jaboulay



# AVALORN

Société d'Investissement à Capital Variable

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## Combined statement of net assets as at December 31, 2021

	Notes	EUR
<b>ASSETS</b>		
Investments in securities at market value	2.3	216,756,484.15
Cash at banks		9,577,191.38
Margin accounts	10	256,442.78
Income receivable		1,097,794.20
Prepaid expenses		11,320.75
Unrealised gain on forward foreign exchange contracts	2.3, 10, 11	186,884.14
Other assets		107,739.67
<b>Total Assets</b>		<b>227,993,857.07</b>
<b>LIABILITIES</b>		
Margin accounts	10	4,392.09
Management Company fees payable	3	153,522.06
Performance fees payable	4	237,536.07
Accrued expenses and other liabilities		223,663.97
Redemptions payable		183,570.19
Unrealised loss on forward foreign exchange contracts	2.3, 10, 11	884,263.59
Unrealised loss on futures contracts	2.3, 10, 12	21,987.69
<b>Total Liabilities</b>		<b>1,708,935.66</b>
<b>Net Asset Value</b>		<b>226,284,921.41</b>

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

**Statement of net assets as at December 31, 2021**

		<b>Clarion Global Emerging Markets Bond Fund</b>	<b>Colon</b>	<b>Flexible Conservative</b>
	<b>Notes</b>	<b>USD</b>	<b>EUR</b>	<b>EUR</b>
<b>ASSETS</b>				
Investments in securities at market value	2.3	45,810,219.56	22,476,634.47	42,737,813.29
Cash at banks		3,997,018.03	1,377,937.63	825,564.48
Margin accounts	10	-	-	-
Income receivable		860,373.12	32,598.49	90,694.95
Prepaid expenses		2,435.56	1,529.82	1,529.82
Unrealised gain on forward foreign exchange contracts	2.3, 10, 11	22,673.52	-	95,404.35
Other assets		122,500.00	-	-
<b>Total Assets</b>		<b>50,815,219.79</b>	<b>23,888,700.41</b>	<b>43,751,006.89</b>
<b>LIABILITIES</b>				
Margin accounts	10	4,993.81	-	-
Management Company fees payable	3	71,125.43	7,958.86	13,803.71
Performance fees payable	4	57.55	-	-
Accrued expenses and other liabilities		26,170.10	34,740.46	21,603.76
Redemptions payable		208,719.31	-	-
Unrealised loss on forward foreign exchange contracts	2.3, 10, 11	6,882.59	186,118.77	199,332.98
Unrealised loss on futures contracts	2.3, 10, 12	25,000.00	-	-
<b>Total Liabilities</b>		<b>342,948.79</b>	<b>228,818.09</b>	<b>234,740.45</b>
<b>Net Asset Value</b>		<b>50,472,271.00</b>	<b>23,659,882.32</b>	<b>43,516,266.44</b>

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

**Statement of net assets as at December 31, 2021 (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 97.61
Class AD-USD	750.000	USD 97.30
Class A-EUR	21,452.187	EUR 86.02
Class A-USD	354,992.119	USD 112.07
Class B-USD	60,567.348	USD 103.84
Class PRD-USD	2,872.051	USD 91.89
Class PR-USD	15,910.024	USD 96.57
<b>Colon - EUR</b>		
Class EUR	179,693.103	EUR 131.67
<b>Flexible Conservative - EUR</b>		
Class EUR	363,234.140	EUR 119.80

**Statement of net assets as at December 31, 2021 (continued)**

		Global Dynamic	International Market Opportunity Fund	Milestone Japan Value Fund
	Notes	EUR	EUR	JPY
<b>ASSETS</b>				
Investments in securities at market value	2.3	30,280,241.05	27,768,613.94	3,347,578,706
Cash at banks		453,542.92	423,816.39	200,583,041
Margin accounts	10	-	256,442.78	-
Income receivable		61,083.89	383.95	15,839,567
Prepaid expenses		1,529.82	1,529.66	200,287
Unrealised gain on forward foreign exchange contracts	2.3, 10, 11	-	46,397.85	-
Other assets		-	-	-
<b>Total Assets</b>		<b>30,796,397.68</b>	<b>28,497,184.57</b>	<b>3,564,201,601</b>
<b>LIABILITIES</b>				
Margin accounts	10	-	-	-
Management Company fees payable	3	9,649.17	38,963.55	1,113,591
Performance fees payable	4	-	124,776.00	-
Accrued expenses and other liabilities		16,698.28	44,539.72	7,532,680
Redemptions payable		-	-	-
Unrealised loss on forward foreign exchange contracts	2.3, 10, 11	154,539.06	219,291.62	-
Unrealised loss on futures contracts	2.3, 10, 12	-	-	-
<b>Total Liabilities</b>		<b>180,886.51</b>	<b>427,570.89</b>	<b>8,646,271</b>
<b>Net Asset Value</b>		<b>30,615,511.17</b>	<b>28,069,613.68</b>	<b>3,555,555,330</b>

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

**Statement of net assets as at December 31, 2021 (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 120.05
<b>International Market Opportunity Fund - EUR</b>		
Class A-EUR	25,181.603	EUR 1,042.16
Class A-USD	1,853.381	USD 1,120.58
<b>Milestone Japan Value Fund - JPY</b>		
Class B2-USD	242,000.000	USD 111.87
Class P-JPY	26,964.000	JPY 16,270.77

**Statement of net assets as at December 31, 2021 (continued)**

	Notes	Tandala EUR
<b>ASSETS</b>		
Investments in securities at market value	2.3	27,635,052.78
Cash at banks		1,448,935.85
Margin accounts	10	-
Income receivable		35,350.96
Prepaid expenses		1,529.82
Unrealised gain on forward foreign exchange contracts	2.3, 10, 11	25,140.41
Other assets		-
<b>Total Assets</b>		<b>29,146,009.82</b>
<b>LIABILITIES</b>		
Margin accounts	10	-
Management Company fees payable	3	12,086.18
Performance fees payable	4	112,709.45
Accrued expenses and other liabilities		25,532.84
Redemptions payable		-
Unrealised loss on forward foreign exchange contracts	2.3, 10, 11	118,927.87
Unrealised loss on futures contracts	2.3, 10, 12	-
<b>Total Liabilities</b>		<b>269,256.34</b>
<b>Net Asset Value</b>		<b>28,876,753.48</b>

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

**Statement of net assets as at December 31, 2021 (continued)**

	<b>Number of shares outstanding</b>	<b>Net Asset Value per share</b>
<b>Tandala - EUR</b>		
Class EUR	228,018,419	EUR 126.64

**Combined statement of operations and changes in net assets for the year ended  
December 31, 2021**

	Notes	EUR
Net Asset Value at the beginning of the year/period		230,395,784.16
<b>INCOME</b>		
Interest income	2.6	4,296,943.82
Dividend income, net	2.6	1,148,299.41
Other income	2.7, 15	146,269.50
<b>Total Income</b>		<b>5,591,512.73</b>
<b>EXPENSES</b>		
Management Company fees	3	2,132,540.03
Performance fees	4	249,392.94
Depository bank fees	3	131,029.17
Amortisation of formation expenses	2.8	15,541.43
Administration fees	3	274,229.68
Bank and interest expenses		56,803.61
Director fees		54,426.09
Distribution fees		59,196.69
Liquidation fees	13	2,113.37
Transaction fees	9	145,949.29
Operating fees		26,284.19
Professional fees		77,740.56
Taxe d'abonnement	5	71,225.45
Register fees		12,486.34
Regulatory fees		68,476.15
Risk management fees		58,439.33
Research fees		124,125.81
Other expenses		252,338.36
<b>Total Expenses</b>		<b>3,812,338.50</b>
<b>Net investment income/(loss)</b>		<b>1,779,174.23</b>



**Combined statement of operations and changes in net assets for the year ended December 31, 2021 (continued)**

	Notes	EUR
<b>Net investment income/(loss)</b>		<b>1,779,174.23</b>
<b>Net realised gain/(loss):</b>		
- on investments	2.4	6,152,343.52
- on forward foreign exchange contracts	2.3	(1,056,757.73)
- on futures contracts	2.3	(117,268.60)
- on foreign exchange translation	2.5	26,129.62
- on options	2.3	(492,671.67)
<b>Net realised gain/(loss) for the year/period</b>		<b>4,511,775.14</b>
<b>Change in net unrealised gain/loss:</b>		
- on investments		3,779,314.69
- on forward foreign exchange contracts	2.3	(1,700,075.03)
- on futures contracts	2.3	(19,110.46)
- on foreign exchange translation	2.5	3,847,767.20
<b>Change in net unrealised gain/loss for the year/period</b>		<b>5,907,896.40</b>
<b>Net profit/(loss) from operations</b>		<b>12,198,845.77</b>
Subscriptions		61,962,203.98
Redemptions		(82,393,845.65)
Dividends distributed	8	(28,110.51)
Exchange difference	2.5	4,150,043.66
<b>Net Asset Value at the end of the year/period</b>		<b>226,284,921.41</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, 2021

		Clarion Global Emerging Markets Bond Fund	Colon	Flexible Conservative
	Notes	USD	EUR	EUR
Net Asset Value at the beginning of the year/period		81,926,386.71	22,047,008.97	31,343,041.20
<b>INCOME</b>				
Interest income	2.6	4,081,395.62	74,915.74	296,448.89
Dividend income, net	2.6	-	13,292.54	237,629.24
Other income	2.7, 15	-	25,782.87	9,026.08
<b>Total Income</b>		<b>4,081,395.62</b>	<b>113,991.15</b>	<b>543,104.21</b>
<b>EXPENSES</b>				
Management Company fees	3	1,194,360.89	91,709.47	150,847.93
Performance fees	4	57.56	-	-
Depositary bank fees	3	34,689.77	11,119.13	19,251.98
Amortisation of formation expenses	2.8	-	-	-
Administration fees	3	52,515.50	35,984.85	35,984.85
Bank and interest expenses		34,544.86	2,373.45	7,105.28
Director fees		8,873.26	7,500.00	7,500.00
Distribution fees		49,978.53	-	3,810.05
Liquidation fees	13	-	-	-
Transaction fees	9	25,279.25	44,873.30	20,955.34
Operating fees		-	13,589.95	-
Professional fees		12,552.22	10,566.50	10,566.52
Taxe d'abonnement	5	30,964.37	986.45	16,774.38
Register fees		1,398.48	1,477.25	1,477.25
Regulatory fees		11,913.00	9,988.59	9,524.24
Risk management fees		18,101.05	3,660.00	3,660.00
Research fees		141,131.05	-	-
Other expenses		64,475.33	34,170.76	17,044.63
<b>Total Expenses</b>		<b>1,680,835.12</b>	<b>267,999.70</b>	<b>304,502.45</b>
<b>Net investment income/(loss)</b>		<b>2,400,560.50</b>	<b>(154,008.55)</b>	<b>238,601.76</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, 2021 (continued)**

		<b>Clarion Global Emerging Markets Bond Fund</b>	<b>Colon</b>	<b>Flexible Conservative</b>
	<b>Notes</b>	<b>USD</b>	<b>EUR</b>	<b>EUR</b>
<b>Net investment income/(loss)</b>		<b>2,400,560.50</b>	<b>(154,008.55)</b>	<b>238,601.76</b>
<b>Net realised gain/(loss):</b>				
- on investments	2.4	986,883.54	1,520,932.46	49,501.96
- on forward foreign exchange contracts	2.3	(238,338.87)	(136,267.81)	(282,367.62)
- on futures contracts	2.3	(112,929.20)	-	-
- on foreign exchange translation	2.5	(2,965.92)	(49,164.73)	57,792.47
- on options	2.3	-	(63,964.65)	-
<b>Net realised gain/(loss) for the year/period</b>		<b>632,649.55</b>	<b>1,271,535.27</b>	<b>(175,073.19)</b>
<b>Change in net unrealised gain/loss:</b>				
- on investments		(8,113,035.94)	547,770.00	2,906,458.25
- on forward foreign exchange contracts	2.3	(130,429.32)	(397,093.37)	(276,042.13)
- on futures contracts	2.3	(25,000.00)	-	-
- on foreign exchange translation	2.5	8,838.32	344,670.00	1,419,302.78
<b>Change in net unrealised gain/loss for the year/period</b>		<b>(8,259,626.94)</b>	<b>495,346.63</b>	<b>4,049,718.90</b>
<b>Net profit/(loss) from operations</b>		<b>(5,226,416.89)</b>	<b>1,612,873.35</b>	<b>4,113,247.47</b>
Subscriptions		5,015,760.29	-	8,059,977.77
Redemptions		(31,211,497.46)	-	-
Dividends distributed	8	(31,961.65)	-	-
<b>Net Asset Value at the end of the year/period</b>		<b>50,472,271.00</b>	<b>23,659,882.32</b>	<b>43,516,266.44</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, 2021 (continued)**

		<b>Global Dynamic</b>	<b>International Market Opportunity Fund</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>27,346,742.18</b>	<b>31,007,752.96</b>	<b>3,188,589,976</b>
<b>INCOME</b>				
Interest income	2.6	230,434.08	2,064.70	-
Dividend income, net	2.6	176,126.68	8.17	86,001,513
Other income	2.7, 15	8,668.81	42,574.20	24,911
<b>Total Income</b>		<b>415,229.57</b>	<b>44,647.07</b>	<b>86,026,424</b>
<b>EXPENSES</b>				
Management Company fees	3	110,591.46	475,260.94	13,162,605
Performance fees	4	-	124,801.52	-
Depository bank fees	3	14,113.28	20,420.46	2,652,330
Amortisation of formation expenses	2.8	-	-	631,742
Administration fees	3	35,984.85	27,996.04	5,982,865
Bank and interest expenses		104.99	2,747.75	686,463
Director fees		7,500.00	7,500.00	974,190
Distribution fees		3,810.05	3,810.05	-
Liquidation fees	13	-	-	-
Transaction fees	9	9,602.47	-	1,911,612
Operating fees		-	-	-
Professional fees		10,566.50	10,565.79	1,236,136
Taxe d'abonnement	5	10,736.40	5,868.75	358,625
Register fees		1,477.25	2,364.61	298,073
Regulatory fees		9,524.24	10,080.39	789,728
Risk management fees		3,660.00	15,300.00	475,404
Research fees		-	-	-
Other expenses		14,178.06	12,082.06	1,791,250
<b>Total Expenses</b>		<b>231,849.55</b>	<b>718,798.36</b>	<b>30,951,023</b>
<b>Net investment income/(loss)</b>		<b>183,380.02</b>	<b>(674,151.29)</b>	<b>55,075,401</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, 2021 (continued)**

		Global Dynamic	International Market Opportunity Fund	Milestone Japan Value Fund
	Notes	EUR	EUR	JPY
<b>Net investment income/(loss)</b>		<b>183,380.02</b>	<b>(674,151.29)</b>	<b>55,075,401</b>
<b>Net realised gain/(loss):</b>				
- on investments	2.4	(641,774.44)	1,084,640.93	139,394,213
- on forward foreign exchange contracts	2.3	(247,379.39)	(115,281.00)	-
- on futures contracts	2.3	-	(17,946.52)	-
- on foreign exchange translation	2.5	68,903.82	(13,663.95)	(233,559)
- on options	2.3	-	(203,758.02)	-
<b>Net realised gain/(loss) for the year/period</b>		<b>(820,250.01)</b>	<b>733,991.44</b>	<b>139,160,654</b>
<b>Change in net unrealised gain/loss:</b>				
- on investments		3,185,751.73	1,544,305.75	271,403,236
- on forward foreign exchange contracts	2.3	(307,546.57)	(394,484.92)	-
- on futures contracts	2.3	-	2,877.23	-
- on foreign exchange translation	2.5	1,027,433.82	449,448.91	2,277,851
<b>Change in net unrealised gain/loss for the year/period</b>		<b>3,905,638.98</b>	<b>1,602,146.97</b>	<b>273,681,087</b>
<b>Net profit/(loss) from operations</b>		<b>3,268,768.99</b>	<b>1,661,987.12</b>	<b>467,917,142</b>
Subscriptions		-	28,666,980.72	-
Redemptions		-	(33,267,107.12)	(100,951,788)
Dividends distributed	8	-	-	-
<b>Net Asset Value at the end of the year/period</b>		<b>30,615,511.17</b>	<b>28,069,613.68</b>	<b>3,555,555,330</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, 2021 (continued)**

		<b>Tandala</b>	<b>Huntress Dividend Strategy <sup>(1)</sup></b>
	<b>Notes</b>	<b>EUR</b>	<b>USD</b>
<b>Net Asset Value at the beginning of the year/period</b>		<b>26,393,018.16</b>	<b>-</b>
<b>INCOME</b>			
Interest income	2.6	103,462.45	-
Dividend income, net	2.6	22,950.07	47,119.12
Other income	2.7, 15	60,027.28	-
<b>Total Income</b>		<b>186,439.80</b>	<b>47,119.12</b>
<b>EXPENSES</b>			
Management Company fees	3	139,863.73	15,105.67
Performance fees	4	112,709.46	13,452.23
Depository bank fees	3	13,585.69	2,013.74
Amortisation of formation expenses	2.8	-	12,184.54
Administration fees	3	35,984.85	11,837.67
Bank and interest expenses		5,483.63	3,823.81
Director fees		7,500.00	1,911.81
Distribution fees		3,810.05	-
Liquidation fees	13	-	2,402.90
Transaction fees	9	17,825.26	18,032.10
Operating fees		12,694.24	-
Professional fees		10,566.50	5,034.39
Taxe d'abonnement	5	6,887.02	-
Register fees		1,477.25	802.92
Regulatory fees		10,432.76	2,747.76
Risk management fees		3,660.00	10,174.27
Research fees		-	-
Other expenses		21,516.20	94,324.54
<b>Total Expenses</b>		<b>403,996.64</b>	<b>193,848.35</b>
<b>Net investment income/(loss)</b>		<b>(217,556.84)</b>	<b>(146,729.23)</b>

<sup>(1)</sup> Sub-Fund launched on March 31, 2021 and liquidated on June 16, 2021.

**Statement of operations and changes in net assets for the year ended  
December 31, 2021 (continued)**

		<b>Tandala</b>	<b>Huntress Dividend Strategy <sup>(1)</sup></b>
	<b>Notes</b>	<b>EUR</b>	<b>USD</b>
<b>Net investment income/(loss)</b>		<b>(217,556.84)</b>	<b>(146,729.23)</b>
<b>Net realised gain/(loss):</b>			
- on investments	2.4	2,050,042.86	177,805.70
- on forward foreign exchange contracts	2.3	(89,103.78)	26,449.68
- on futures contracts	2.3	-	-
- on foreign exchange translation	2.5	(33,557.81)	241.30
- on options	2.3	(232,078.30)	8,106.01
<b>Net realised gain/(loss) for the year/period</b>		<b>1,695,302.97</b>	<b>212,602.69</b>
<b>Change in net unrealised gain/loss:</b>			
- on investments		657,616.64	-
- on forward foreign exchange contracts	2.3	(210,194.48)	-
- on futures contracts	2.3	-	-
- on foreign exchange translation	2.5	558,567.03	26,348.63
<b>Change in net unrealised gain/loss for the year/period</b>		<b>1,005,989.19</b>	<b>26,348.63</b>
<b>Net profit/(loss) from operations</b>		<b>2,483,735.32</b>	<b>92,222.09</b>
Subscriptions		-	23,676,713.83
Redemptions		-	(23,768,935.92)
Dividends distributed	8	-	-
<b>Net Asset Value at the end of the year/period</b>		<b>28,876,753.48</b>	<b>-</b>

<sup>(1)</sup> Sub-Fund launched on March 31, 2021 and liquidated on June 16, 2021.

**Statistical information**

		December 31, 2021	December 31, 2020	December 31, 2019
<b>Net Asset Value</b>	<b>USD</b>	<b>50,472,271.00</b>	<b>81,926,386.71</b>	<b>85,852,452.56</b>
<b>Class A-CHF</b>				
Number of shares outstanding		3,989.756	8,517.951	8,989.756
Net Asset Value per share	CHF	97.61	106.72	107.85
<b>Class AD-USD</b>				
Number of shares outstanding		750.000	750.000	-
Net Asset Value per share	USD	97.30	111.35	-
<b>Class A-EUR</b>				
Number of shares outstanding		21,452.187	38,272.145	46,563.193
Net Asset Value per share	EUR	86.02	93.47	94.23
<b>Class A-USD</b>				
Number of shares outstanding		354,992.119	572,226.597	600,501.213
Net Asset Value per share	USD	112.07	120.72	118.56
<b>Class B-USD</b>				
Number of shares outstanding		60,567.348	60,567.348	80,765.090
Net Asset Value per share	USD	103.84	110.85	108.10
<b>Class PRD-USD</b>				
Number of shares outstanding		2,872.051	3,861.352	-
Net Asset Value per share	USD	91.89	105.31	-
<b>Class PR-USD</b>				
Number of shares outstanding		15,910.024	2,300.000	-
Net Asset Value per share	USD	96.57	104.17	-



**Statistical information (continued)**

		December 31, 2021	December 31, 2020	December 31, 2019
Net Asset Value	EUR	23,659,882.32	22,047,008.97	19,803,669.64

<b>Class EUR</b>				
Number of shares outstanding		179,693.103	179,693.103	174,200.000
Net Asset Value per share	EUR	131.67	122.69	113.68

**Statistical information (continued)**

		December 31, 2021	December 31, 2020	December 31, 2019
Net Asset Value	EUR	43,516,266.44	31,343,041.20	29,791,667.70

<b>Class EUR</b>				
Number of shares outstanding		363,234.140	290,987.923	273,776.232
Net Asset Value per share	EUR	119.80	107.71	108.82

**Statistical information (continued)**

		December 31, 2021	December 31, 2020	December 31, 2019
Net Asset Value	EUR	30,615,511.17	27,346,742.18	27,400,370.53

**Class A-EUR**

Number of shares outstanding		255,014.932	255,014.932	255,014.932
Net Asset Value per share	EUR	120.05	107.24	107.45

**Statistical information (continued)**

		December 31, 2021	December 31, 2020	December 31, 2019
<b>Net Asset Value</b>	<b>EUR</b>	<b>28,069,613.68</b>	<b>31,007,752.96</b>	<b>36,560,346.08</b>
<b>Class A-EUR</b>				
Number of shares outstanding		25,181.603	29,635.322	31,274.174
Net Asset Value per share	EUR	1,042.16	989.99	1,024.72
<b>Class A-USD</b>				
Number of shares outstanding		1,853.381	1,923.381	4,619.513
Net Asset Value per share	USD	1,120.58	1,061.67	1,096.65

**Statistical information (continued)**

		December 31, 2021	December 31, 2020	December 31, 2019
Net Asset Value	JPY	3,555,555,330	3,188,589,976	3,441,901,938

**Class B2-USD**

Number of shares outstanding		242,000.000	250,000.000	250,000.000
Net Asset Value per share	USD	111.87	108.71	111.46

**Class P-JPY**

Number of shares outstanding		26,964.000	26,964.000	26,964.000
Net Asset Value per share	JPY	16,270.77	14,205.48	15,361.11

**Statistical information (continued)**

		December 31, 2021	December 31, 2020	December 31, 2019
Net Asset Value	EUR	28,876,753.48	26,393,018.16	25,107,797.11

Class EUR				
Number of shares outstanding		228,018.419	228,018.419	228,018.419
Net Asset Value per share	EUR	126.64	115.75	110.11

**Statistical information (continued)**

		June 16, 2021 <sup>(2)</sup>	December 31, 2020	December 31, 2019
Net Asset Value	USD	10,958,923.21	-	-
<b>Class F-USD<sup>(3)</sup></b>				
Number of shares outstanding		108,480.465	-	-
Net Asset Value per share	USD	99.97	-	-
<b>Class R-EUR<sup>(3)</sup></b>				
Number of shares outstanding		507.000	-	-
Net Asset Value per share	EUR	97.68	-	-
<b>Class R-USD<sup>(4)</sup></b>				
Number of shares outstanding		550.000	-	-
Net Asset Value per share	USD	99.06	-	-

<sup>(1)</sup> Sub-Fund launched on March 31, 2021 and liquidated on June 16, 2021.

<sup>(2)</sup> Last Net Asset Value calculated as at June 16, 2021 (see note 14).

<sup>(3)</sup> Launched on March 31, 2021 and liquidated on June 16, 2021.

<sup>(4)</sup> Launched on May 7, 2021 and liquidated on June 16, 2021.

# AVALORN

Société d'Investissement à Capital Variable

## Clarion Global Emerging Markets Bond Fund

### Statement of investments as at December 31, 2021

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	1,200,000	CITY OF BUENOS AIRES 27 7.500% 06/01/27	1,144,235.00	1,077,000.00	2.13%
USD	950,000	PAMPA ENERGIA SA 7.500% 01/24/27	762,090.00	819,375.00	1.62%
USD	650,000	YPF SOCIEDAD ANONIMA 7.000% 12/15/47	370,825.00	392,437.50	0.78%
USD	700,000	YPF SOCIEDAD ANONIMA 8.750% 04/04/24	558,793.62	604,625.00	1.20%
<i>Total Argentina</i>			2,835,943.62	2,893,437.50	5.73%
<i>Austria</i>					
USD	200,000	KLABIN AUSTRIA GMBH 7.000% 04/03/49	226,450.00	230,250.00	0.46%
USD	200,000	SUZANO AUSTRIA GMBH 7.000% 03/16/47	248,600.00	254,828.00	0.50%
<i>Total Austria</i>			475,050.00	485,078.00	0.96%
<i>Brazil</i>					
USD	1,300,000	CEMIG GERACAO E TRANSM 9.250% 12/05/24	1,502,800.00	1,452,750.00	2.88%
USD	200,000	ITAU UNIBANCO HLDG SA/KY FRN PERPETUAL	199,400.00	201,000.00	0.40%
USD	2,695,580	USJACU 10.500% 11/09/23	1,762,416.47	1,408,925.75	2.79%
USD	250,000	VALEBZ 6.250% 08/10/26	290,250.00	289,375.00	0.57%
<i>Total Brazil</i>			3,754,866.47	3,352,050.75	6.64%
<i>British Virgin Islands</i>					
USD	250,000	DALWAN 7.250% 01/29/24 CORP	249,085.60	237,187.50	0.47%
USD	200,000	GTL TRADE FINANCE INC 7.250% 04/16/44	264,200.00	266,750.00	0.53%
<i>Total British Virgin Islands</i>			513,285.60	503,937.50	1.00%
<i>Canada</i>					
USD	250,000	VOTORA 5.750% 01/28/27	281,875.00	280,000.00	0.55%
<i>Total Canada</i>			281,875.00	280,000.00	0.55%
<i>Cayman Islands</i>					
USD	800,000	CENTRAL CHINA REAL ESTATE 7.650% 08/27/23	786,400.00	526,000.00	1.05%
USD	2,800,000	EVERRE 8.750% 06/28/25 CORP	2,164,470.00	420,000.00	0.83%
USD	800,000	SINIC HOLDINGS GROUP CO 9.500% 10/18/21*	-	44,000.00	0.09%
USD	250,000	SUZANO 5.500% 01/17/27	281,375.00	280,000.00	0.55%
<i>Total Cayman Islands</i>			3,232,245.00	1,270,000.00	2.52%
<i>Chile</i>					
USD	3,200,000	EMPRESA ELECTRICA GUACOLDA SA 4.560% 04/30/25	2,709,050.00	1,216,000.00	2.41%
<i>Total Chile</i>			2,709,050.00	1,216,000.00	2.41%
<i>China</i>					
USD	500,000	COGARD 8.000% 01/27/24	514,375.00	501,875.00	0.99%
USD	900,000	SUNSHINE LIFE INSURANCE 4.500% 04/20/26	866,850.00	904,023.00	1.80%
<i>Total China</i>			1,381,225.00	1,405,898.00	2.79%

\* 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, 2021 (continued)

Currency	Quantity/ Nominal	Description	Cost USD	Market Value USD	% of Net Asset Value
<i>Colombia</i>					
USD	1,400,000	CREDIVALORES SA 8.875% 02/07/25	1,228,375.00	1,036,000.00	2.05%
USD	2,200,000	ECOPETROL SA 7.375% 09/18/43	2,887,078.33	2,450,250.00	4.86%
<i>Total Colombia</i>			4,115,453.33	3,486,250.00	6.91%
<i>Great Britain</i>					
USD	700,000	VEDANTA RESOURCES 13.875% 01/21/24	770,000.00	742,875.00	1.47%
<i>Total Great Britain</i>			770,000.00	742,875.00	1.47%
<i>Hong Kong</i>					
USD	1,300,000	HK RED STAR MACALLINE UN 3.375% 09/21/22	1,214,050.00	1,131,000.00	2.24%
USD	800,000	LIANG SHAN INTL DVLPT 7.000% 06/27/22	810,600.00	803,000.00	1.59%
<i>Total Hong Kong</i>			2,024,650.00	1,934,000.00	3.83%
<i>India</i>					
USD	700,000	FRETAI 5.600% 01/22/25	621,625.50	427,000.00	0.85%
<i>Total India</i>			621,625.50	427,000.00	0.85%
<i>Luxembourg</i>					
USD	500,000	NEXA RESOURCES SA 6.500% 01/18/28	553,625.00	550,000.00	1.09%
USD	700,000	RAIZBZ 5.300% 01/20/27	776,125.00	763,602.00	1.51%
USD	600,000	UNIGEL LUXEMBOURG SA 8.750% 10/01/26	585,341.54	635,250.00	1.26%
<i>Total Luxembourg</i>			1,915,091.54	1,948,852.00	3.86%
<i>Mexico</i>					
USD	3,300,000	CREDITO REAL SAB DE CV 9.500% 02/07/26	3,539,350.00	2,128,500.00	4.20%
USD	650,000	DOCUFORMAS SA 10.250% 07/24/24	619,533.14	576,875.00	1.14%
USD	1,500,000	PETROLEOS MEXICANOS 6.840% 01/23/30	1,564,500.00	1,557,711.00	3.09%
USD	200,000	PETROLEOS MEXICANOS 7.690% 01/23/50	185,691.04	193,743.20	0.38%
USD	1,555,000	UNIFIN FINANCIERA SA DE 8.375% 01/27/28	1,439,608.20	1,280,931.25	2.54%
<i>Total Mexico</i>			7,348,682.38	5,737,760.45	11.35%
<i>Peru</i>					
USD	800,000	CORP AZUCARERA DEL PERU 6.375% 08/02/22	784,300.00	794,000.00	1.57%
USD	2,550,000	HUNT OIL CO OF PERU 6.375% 06/01/28	2,509,032.87	2,470,382.63	4.89%
USD	200,000	PETROLEOS DEL PERU SA 4.750% 06/19/32	213,200.00	205,750.00	0.41%
USD	2,000,000	PETRPE 5.625% 06/19/47	2,090,160.00	1,997,500.00	3.96%
<i>Total Peru</i>			5,596,692.87	5,467,632.63	10.83%
<i>Singapore</i>					
USD	200,000	TBLA INTERNATIONAL PTE L 7.000% 01/24/23	182,762.50	196,000.00	0.39%
<i>Total Singapore</i>			182,762.50	196,000.00	0.39%

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

**Statement of investments as at December 31, 2021 (continued)**

Currency	Quantity/ Nominal	Description	Cost USD	Market Value USD	% of Net Asset Value
<i>Swaziland</i>					
USD	1,600,000	ASIAN DEVELOPMENT BANK 1.500% 10/18/24	1,670,400.00	1,623,852.80	3.22%
<i>Total Swaziland</i>			1,670,400.00	1,623,852.80	3.22%
<i>The Netherlands</i>					
USD	200,000	BRASKEM NETHERLANDS 5.875% 01/31/50	204,544.75	228,500.00	0.45%
USD	1,550,000	EMBRAER NETHERLANDS FINA 5.400% 02/01/27	1,519,943.48	1,615,875.00	3.20%
USD	200,000	PETROBRAS GLOBAL FINANCE 6.900% 03/19/49	233,869.14	213,000.00	0.42%
USD	2,150,000	TEVA PHARMACEUTICALS NE 6.750% 03/01/28	2,361,425.00	2,311,250.00	4.59%
<i>Total The Netherlands</i>			4,319,782.37	4,368,625.00	8.66%
<i>Ukraine</i>					
USD	1,400,000	METINV 8.500% 04/23/26	1,472,707.89	1,463,000.00	2.90%
<i>Total Ukraine</i>			1,472,707.89	1,463,000.00	2.90%
<i>United Arab Emirates</i>					
USD	1,600,000	OTELOM 6.625% 04/24/28 CORP	1,578,062.50	1,744,000.00	3.46%
<i>Total United Arab Emirates</i>			1,578,062.50	1,744,000.00	3.46%
<i>United States of America</i>					
USD	1,600,000	INTER-AMERICAN DEVEL BK 3.000% 02/21/24	1,737,184.00	1,673,966.40	3.32%
USD	1,950,000	INTL BK RECON & DEVELOP 1.875% 10/07/22	2,004,538.38	1,972,118.73	3.90%
USD	1,600,000	INTL FINANCE CORP 1.375% 10/16/24	1,663,424.00	1,617,884.80	3.21%
<i>Total United States of America</i>			5,405,146.38	5,263,969.93	10.43%
<b>Total Bonds</b>			<b>52,204,597.95</b>	<b>45,810,219.56</b>	<b>90.76%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>52,204,597.95</b>	<b>45,810,219.56</b>	<b>90.76%</b>
<b>Total investments</b>			<b>52,204,597.95</b>	<b>45,810,219.56</b>	<b>90.76%</b>

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

**Geographical classification of investments as at December 31, 2021**

	% of Net Assets
Mexico	11.35%
Peru	10.83%
United States of America	10.43%
The Netherlands	8.66%
Colombia	6.91%
Brazil	6.64%
Argentina	5.73%
Luxembourg	3.86%
Hong Kong	3.83%
United Arab Emirates	3.46%
Swaziland	3.22%
Ukraine	2.90%
China	2.79%
Cayman Islands	2.52%
Chile	2.41%
Great Britain	1.47%
British Virgin Islands	1.00%
Austria	0.96%
India	0.85%
Canada	0.55%
Singapore	0.39%
<b>Total</b>	<b>90.76%</b>

**Economic classification of investments as at December 31, 2021**

	% of Net Assets
Energy	23.67%
Financial	18.92%
Government	12.56%
Basic Materials	10.96%
Consumer, Non-cyclical	7.77%
Utilities	5.29%
Industrial	3.75%
Communications	3.46%
Non financial corporations	2.04%
Materials	1.49%
Consumer, Cyclical	0.85%
<b>Total</b>	<b>90.76%</b>

**Statement of investments as at December 31, 2021**

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>France</i>					
EUR	800,000	CREDIT AGRICOLE SA 3% 12/21/25	887,200.00	871,040.00	3.68%
<i>Total France</i>			887,200.00	871,040.00	3.68%
<i>Germany</i>					
EUR	600,000	DEUTSCHE BANK AG 1.000% 11/19/25	613,860.00	610,074.00	2.58%
EUR	600,000	LB BADEN-WUERTTEMBERG 3.625% 06/16/25	660,000.00	655,698.00	2.77%
<i>Total Germany</i>			1,273,860.00	1,265,772.00	5.35%
<i>Luxembourg</i>					
EUR	600,000	CPI PROPERTY GROUP SA 2.750% 05/12/26	649,680.00	643,854.00	2.72%
<i>Total Luxembourg</i>			649,680.00	643,854.00	2.72%
<b>Total Bonds</b>			<b>2,810,740.00</b>	<b>2,780,666.00</b>	<b>11.75%</b>
<b>Equities</b>					
<i>Germany</i>					
EUR	1,700	CTS EVENTIM AG & CO KGAA	107,353.64	109,412.00	0.46%
<i>Total Germany</i>			107,353.64	109,412.00	0.46%
<i>Guernsey</i>					
GBP	83,000	HIPGNOSIS SONGS FUND LIMITED	106,131.13	123,570.34	0.53%
USD	110,000	ROUND HILL MUSIC ROYALTY FUN	100,597.96	102,774.36	0.43%
<i>Total Guernsey</i>			206,729.09	226,344.70	0.96%
<i>Sweden</i>					
USD	610	SPOTIFY TECHNOLOGY SA	130,936.51	125,534.91	0.53%
<i>Total Sweden</i>			130,936.51	125,534.91	0.53%
<i>The Netherlands</i>					
EUR	4,730	UNIVERSAL MUSIC GROUP BV	72,578.19	117,209.40	0.50%
<i>Total The Netherlands</i>			72,578.19	117,209.40	0.50%

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

**Statement of investments as at December 31, 2021 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>United States of America</i>					
USD	78	ALPHABET INC. - CL C	97,888.29	198,469.94	0.84%
USD	35	AMAZON.COM INC	103,134.89	102,622.14	0.43%
USD	1,380	APPLE INC	97,309.36	215,482.41	0.91%
USD	15,000	EVENTBRITE INC-CLASS A	243,572.15	230,038.69	0.97%
USD	480	FACEBOOK INC-A (US)	96,150.22	141,969.75	0.60%
USD	610	MICROSOFT CORP	97,947.59	180,403.80	0.76%
<i>Total United States of America</i>			736,002.50	1,068,986.73	4.51%
<b>Total Equities</b>			<b>1,253,599.93</b>	<b>1,647,487.74</b>	<b>6.96%</b>
<b>Exchange traded funds</b>					
<i>Ireland</i>					
USD	25,000	VANECK SEMICONDUCTOR	546,906.32	649,786.76	2.75%
<i>Total Ireland</i>			546,906.32	649,786.76	2.75%
<b>Total Exchange traded funds</b>			<b>546,906.32</b>	<b>649,786.76</b>	<b>2.75%</b>
<b>Investment funds</b>					
<i>France</i>					
EUR	1,107	ODDO BHF EUR SHT TRM BND-CIE	1,135,903.77	1,133,114.13	4.79%
<i>Total France</i>			1,135,903.77	1,133,114.13	4.79%
<i>Ireland</i>					
EUR	7,371	AKO GLOBAL UCITS-B2	949,854.15	1,323,380.18	5.59%
EUR	5,567	KEPLER LIQUID STRATEGIES ICAV - KLS ARETE MACRO FUND	599,369.89	666,208.46	2.82%
EUR	5,322	MW SYSTEMATIC ALPHA UCITS FUND B EUR	608,204.01	633,660.74	2.68%
EUR	5,630	RV CAPITAL ASIA OPP - INS EURH	600,000.04	592,669.78	2.50%
EUR	5,186	U ACCESS (IRL) GCA CREDIT LONG/SHORT UCITS B EUR ACC	571,999.94	574,832.28	2.43%
<i>Total Ireland</i>			3,329,428.03	3,790,751.44	16.02%
<i>Luxembourg</i>					
EUR	2,327	BELLEVUE-BELL DIGI HEA-I EUR	718,158.74	647,115.43	2.74%
EUR	1,887	BLACKROCK STR FD-EUR AB-I2E	290,069.64	318,167.07	1.34%
EUR	2,832	BREXAN HOWARD ABSOL.RETURN GOV. BOND A -EUR- HEDG	288,769.98	288,903.36	1.22%
EUR	1,274	BSF-UK EM CO A/R-D2 EUR HDG	145,962.18	168,359.10	0.71%
EUR	5,945	DGC - CONVERTIBLE AND CREDIT CLASS A EUR	874,016.96	1,079,605.23	4.56%
EUR	7,775	DGC - FRANCK MULLER LUXURY FUND CLASS A EUR.	915,120.98	1,306,262.40	5.52%
USD	4,458	DGC - NS RAYMOND JAMES STRONG BUY SEL CLASS A	565,817.61	757,703.84	3.20%
EUR	5,347	DGC - STOCK SELECTION CLASS A EUR	770,823.52	1,322,869.58	5.61%
EUR	398	ELEV - ABSO LRET EURO FD-S EUR	504,105.53	565,280.78	2.39%
EUR	492	MANDARINE GLOBAL TRAN - IEURA	900,010.68	916,015.44	3.87%
USD	0.200	UBS LUX BOND 2024 USD-K1ACCU	942,591.78	892,736.50	3.77%
<i>Total Luxembourg</i>			6,915,447.60	8,263,018.73	34.93%

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

**Statement of investments as at December 31, 2021 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>Switzerland</i>					
CHF	8,840	NS CH FUNDS-SWISS EXCE-DPM	853,150.27	979,075.25	4.14%
<i>Total Switzerland</i>			853,150.27	979,075.25	4.14%
<b>Total Investment funds</b>			<b>12,233,929.67</b>	<b>14,165,959.55</b>	<b>59.88%</b>
<b>Structured product</b>					
<i>Great Britain</i>					
EUR	600,000	VONTOB/INDICES 3.650% 11/12/23	600,000.00	600,000.00	2.54%
<i>Total Great Britain</i>			600,000.00	600,000.00	2.54%
<i>The Netherlands</i>					
USD	10,000	JP MORGAN STRUCTURED PRODUCT 04/30/2031	879,352.80	882,342.60	3.73%
<i>Total The Netherlands</i>			879,352.80	882,342.60	3.73%
<i>United Arab Emirates</i>					
EUR	1,000,000	VONTOBEL DIFC DUBAI 2.6% 04/03/23	1,000,000.00	998,000.00	4.21%
<i>Total United Arab Emirates</i>			1,000,000.00	998,000.00	4.21%
<i>United States of America</i>					
USD	500	UBS INC UNDERLYING TRACKER ON MEDTECH PORTFOLIO 03/07/22	439,676.40	752,391.82	3.18%
<i>Total United States of America</i>			439,676.40	752,391.82	3.18%
<b>Total Structured product</b>			<b>2,919,029.20</b>	<b>3,232,734.42</b>	<b>13.66%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>19,764,205.12</b>	<b>22,476,634.47</b>	<b>95.00%</b>
<b>Total investments</b>			<b>19,764,205.12</b>	<b>22,476,634.47</b>	<b>95.00%</b>

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

**Geographical classification of investments as at December 31, 2021**

	% of Net Assets
Luxembourg	37.65%
Ireland	18.77%
France	8.47%
United States of America	7.69%
Germany	5.81%
The Netherlands	4.23%
United Arab Emirates	4.21%
Switzerland	4.14%
Great Britain	2.54%
Guernsey	0.96%
Sweden	0.53%
<b>Total</b>	<b>95.00%</b>

**Economic classification of investments as at December 31, 2021**

	% of Net Assets
Investment funds	53.52%
Financial	23.26%
Technology	4.41%
Other financial intermediaries	3.87%
Communications	2.90%
Credit institutions	2.58%
Financial auxiliaries	2.50%
Consumer, Non-cyclical	0.97%
Consumer Discretionary	0.53%
Consumer, Cyclical	0.46%
<b>Total</b>	<b>95.00%</b>

**Statement of investments as at December 31, 2021**

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>British Virgin Islands</i>					
USD	500,000	COSCO 4.000% 03/12/22 S	447,672.35	450,131.90	1.03%
<i>Total British Virgin Islands</i>			447,672.35	450,131.90	1.03%
<i>Chile</i>					
USD	450,000	CODELCO INC 3.000% 07/17/22	397,980.06	399,676.53	0.92%
<i>Total Chile</i>			397,980.06	399,676.53	0.92%
<i>France</i>					
EUR	200,000	AXA SA FRN PERPETUAL	206,000.00	203,000.00	0.47%
USD	430,000	BNP PARIBAS 6.750% PERPETUAL	390,781.22	381,562.61	0.87%
EUR	200,000	CNP ASSURANCES FRN (EURONEXT-AMSTER) PERPETUAL	203,500.00	202,750.00	0.47%
EUR	200,000	LA MONDIALE FRN (FRANKFURT) PERPETUAL	199,500.00	197,582.00	0.45%
<i>Total France</i>			999,781.22	984,894.61	2.26%
<i>Germany</i>					
USD	600,000	DEUTSCHE BANK AG 4.100% 01/13/26	577,207.18	565,293.70	1.30%
EUR	300,000	VOLKSWAGEN FIN SERV AG 2.500% 04/06/23	316,500.00	309,792.00	0.71%
<i>Total Germany</i>			893,707.18	875,085.70	2.01%
<i>Great Britain</i>					
USD	500,000	HSBC 6.250% PERPETUAL	444,512.84	457,263.45	1.05%
EUR	300,000	LLOYDS BANKING GROUP PLC 6.375% PERPETUAL	295,800.00	326,472.00	0.75%
USD	400,000	SANTANDER 5.000% 11/07/23 CORP	367,488.57	374,298.98	0.86%
<i>Total Great Britain</i>			1,107,801.41	1,158,034.43	2.66%
<i>Luxembourg</i>					
USD	400,000	SIBNEF 4.375% 09/19/22	352,347.87	357,896.59	0.82%
<i>Total Luxembourg</i>			352,347.87	357,896.59	0.82%
<i>Peru</i>					
USD	340,000	BANCO CONTINENTAL 5.000% 08/26/22	321,579.32	305,847.22	0.71%
USD	216,000	BANCO INTERNAC DEL PERU 3.375% 01/18/23	189,994.61	192,732.33	0.44%
<i>Total Peru</i>			511,573.93	498,579.55	1.15%
<i>Spain</i>					
USD	135,000	ABENGOA FINANCE ABGSM 0.000% 03/31/27	64,997.54	415.49	0.00%
<i>Total Spain</i>			64,997.54	415.49	0.00%

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



# AVALORN

Société d'Investissement à Capital Variable

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## Statement of investments as at December 31, 2021 (continued)

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>Switzerland</i>					
USD	310,000	UBS AG STAMFORD CT 7.625% 08/17/22	304,766.09	284,000.90	0.65%
<i>Total Switzerland</i>			304,766.09	284,000.90	0.65%
<i>The Netherlands</i>					
EUR	200,000	IBERDROLA INTERNATIONAL BV IBESM 2.625% PERPETUAL	201,980.00	209,500.00	0.48%
<i>Total The Netherlands</i>			201,980.00	209,500.00	0.48%
<i>Turkey</i>					
USD	400,000	TURKIYE VAKIFLAR BANKASI 5.625% 05/30/22	352,004.92	350,337.67	0.81%
<i>Total Turkey</i>			352,004.92	350,337.67	0.81%
<i>United States of America</i>					
USD	600,000	BOEING CO 2.250% 06/15/26	530,117.83	529,934.22	1.22%
USD	200,000	CENTURYLINK INC 5.800% 03/15/22	175,650.72	177,189.59	0.41%
USD	1,000,000	CITADEL FINANCE LLC 3.375% 03/09/26	874,076.68	879,766.97	2.02%
USD	300,000	TSY INFL IX 0.125% 07/15/22	280,430.38	325,162.81	0.75%
<i>Total United States of America</i>			1,860,275.61	1,912,053.59	4.40%
<b>Total Bonds</b>			<b>7,494,888.18</b>	<b>7,480,606.96</b>	<b>17.19%</b>
<b>Equities</b>					
<i>France</i>					
EUR	938	LVMH	228,843.00	681,926.00	1.56%
EUR	1,240	PERNOD RICARD SA	201,774.54	262,260.00	0.60%
EUR	3,421	SANOFI-AVENTIS	307,790.31	303,032.18	0.70%
EUR	19,527	VEOLIA ENVIRONNEMENT EUR	407,413.43	629,941.02	1.45%
EUR	3,047	VINCI SA	184,101.15	283,096.77	0.65%
<i>Total France</i>			1,329,922.43	2,160,255.97	4.96%
<i>Germany</i>					
EUR	720	ADIDAS AG.	198,735.84	182,304.00	0.42%
EUR	1,468	ALLIANZ SE	233,338.60	304,830.20	0.70%
EUR	7,190	BAYER	438,966.14	338,433.30	0.78%
EUR	4,853	DAIMLER AG	305,027.20	328,014.27	0.75%
EUR	2,427	DAIMLER TRUCK HOLDING AG	58,338.55	78,367.83	0.18%
EUR	32,000	E.ON AG GY	287,694.89	390,144.00	0.90%
EUR	2,359	SIEMENS AG	243,486.80	360,172.12	0.83%
<i>Total Germany</i>			1,765,588.02	1,982,265.72	4.56%
<i>Great Britain</i>					
GBP	44,276	BP PLC	171,256.77	174,287.39	0.39%
GBP	1,711	RECKITT BENCKISER GROUP PLC	130,356.61	129,241.61	0.30%
GBP	117,920	ROLLS-ROYCE HOLDING PLC	315,669.73	172,581.72	0.40%
<i>Total Great Britain</i>			617,283.11	476,110.72	1.09%

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

**Statement of investments as at December 31, 2021 (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	291,655.00	0.67%
<i>Total Italy</i>			195,417.30	291,655.00	0.67%
<i>Norway</i>					
NOK	35,340	TELENOR ASA	531,712.95	488,436.44	1.12%
<i>Total Norway</i>			531,712.95	488,436.44	1.12%
<i>Spain</i>					
EUR	3,085	AMADEUS IT HOLDING SA-A	153,231.95	183,989.40	0.42%
EUR	34,500	GESTAMP AUTOMOCION SA	199,122.95	153,525.00	0.35%
EUR	8,298	GRIFOLS SA	201,481.83	140,028.75	0.32%
EUR	57,032	IBERDROLA	295,340.01	593,703.12	1.37%
EUR	8,515	INDUSTRIA DE DISEÑO TEXTIL	197,292.55	242,932.95	0.56%
<i>Total Spain</i>			1,046,469.29	1,314,179.22	3.02%
<i>Sweden</i>					
SEK	14,250	ASSA ABLOY B	334,483.71	382,268.39	0.88%
SEK	6,000	ATLAS COPCO AB-A SHS	261,605.01	364,683.96	0.84%
<i>Total Sweden</i>			596,088.72	746,952.35	1.72%
<i>Switzerland</i>					
CHF	16,840	ABB LTD	360,517.39	567,205.96	1.30%
CHF	3,698	ALCON INC.	277,294.88	288,156.83	0.66%
CHF	6,247	NESTLE SA-REG	608,777.38	768,334.86	1.77%
CHF	5,387	NOVARTIS AG-REG	420,532.49	417,376.13	0.96%
CHF	1,432	ROCHE HOLDING AG-GENUSSCHEIN	449,951.95	523,926.15	1.20%
CHF	1,785	SCHINDLER HOLDING AG-REG	277,011.33	421,029.66	0.97%
CHF	1,932	ZURICH INSURANCE GROUP AG	555,129.44	746,576.75	1.72%
<i>Total Switzerland</i>			2,949,214.86	3,732,606.34	8.58%
<i>The Netherlands</i>					
EUR	4,278	KONINKLIJKE PHILIPS NV	197,122.80	140,168.67	0.32%
EUR	1,980	PROSUS NV	198,993.17	145,589.40	0.34%
<i>Total The Netherlands</i>			396,115.97	285,758.07	0.66%
<i>United States of America</i>					
USD	1,249	AIRBNB INC - CLASS A	210,099.37	182,857.91	0.42%
USD	44	ALPHABET INC. - CL C	110,753.71	111,957.40	0.26%
USD	109	AMAZON.COM INC	317,523.40	319,594.67	0.73%
USD	1,847	APPLE INC	208,210.49	288,402.91	0.66%
USD	440	BEYOND MEAT INC	54,618.61	25,211.40	0.06%
USD	935	BOEING CO/THE	235,537.19	165,524.27	0.38%
USD	4,546	COCA COLA CO	211,467.85	236,694.21	0.54%
USD	748	JOHNSON&JOHNSON	109,902.46	112,522.30	0.26%
USD	1,177	MCDONALD'S CORP	222,407.33	277,451.98	0.64%
USD	1,388	MICROSOFT CORP	319,322.72	410,492.58	0.95%
USD	458	PAYPAL HOLDINGS INC	103,561.00	75,949.38	0.17%
USD	1,545	PROCTER & GAMBLE CO	103,769.87	222,239.80	0.51%

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

**Statement of investments as at December 31, 2021 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
USD	1,288	THE WALT DISNEY COMPANY	210,680.13	175,429.41	0.40%
USD	1,062	VISA INC-CLASS A SHARE	211,425.53	202,379.55	0.47%
<i>Total United States of America</i>			2,629,279.66	2,806,707.77	6.45%
<b>Total Equities</b>			<b>12,057,092.31</b>	<b>14,284,927.60</b>	<b>32.83%</b>
<b>Exchange traded funds</b>					
<i>France</i>					
EUR	13,334	AMUNDI IND BARC EUR CORP BBB	700,572.29	698,925.61	1.60%
USD	9,042	AMUNDI IND BARC US CORP BBB	440,341.11	459,143.89	1.06%
<i>Total France</i>			1,140,913.40	1,158,069.50	2.66%
<i>Germany</i>					
EUR	14,600	ISHARES EUROPE600 OIL & GAS DE	298,064.84	413,472.00	0.95%
<i>Total Germany</i>			298,064.84	413,472.00	0.95%
<i>Great Britain</i>					
USD	31,568	SPDR S&P US COMMS SELECT	709,752.37	906,841.60	2.08%
<i>Total Great Britain</i>			709,752.37	906,841.60	2.08%
<i>Ireland</i>					
USD	2,700	FIRST TRUST CLOUD COMPUTING	108,601.40	104,075.36	0.24%
USD	6,037	INVESCO PHYSICAL GOLD ETC	882,527.87	934,593.64	2.15%
USD	56,620	ISHARES S&P IT SECTOR	717,345.60	1,086,957.62	2.50%
USD	92,130	ISHARES US MBS USD ACC (NAV LINE)	440,516.19	446,674.95	1.03%
USD	4,760	VANECK SEMICONDUCTOR	109,861.74	123,719.40	0.28%
<i>Total Ireland</i>			2,258,852.80	2,696,020.97	6.20%
<i>Luxembourg</i>					
USD	3,700	AMUNDI FLOAT RATE USD CORP	351,224.05	363,688.01	0.84%
EUR	7,590	BLACKROCK EMERGING COMPANIES ABSOLUTE R D2 EUR	888,638.60	1,003,018.50	2.30%
<i>Total Luxembourg</i>			1,239,862.65	1,366,706.51	3.14%
<b>Total Exchange traded funds</b>			<b>5,647,446.06</b>	<b>6,541,110.58</b>	<b>15.03%</b>
<b>Investment funds</b>					
<i>Great Britain</i>					
GBP	91,480	FUNDSMITH EQUITY FUND - CL I GBP ACC	471,421.15	739,006.89	1.70%
<i>Total Great Britain</i>			471,421.15	739,006.89	1.70%

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

**Statement of investments as at December 31, 2021 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>Ireland</i>					
EUR	5,887	AKO GLOBAL UCITS-B2	875,000.03	1,056,866.70	2.43%
USD	448	IAM INVESTMENTS INCLINE GLOBAL LONG/SHORT EQ	439,823.47	578,127.55	1.33%
USD	6,280	KEP KLS ARETE ACCUM SHS -I- USD	696,559.80	695,742.49	1.60%
EUR	6,552	MW SYSTEMATIC ALPHA UCITS FUND B EUR	748,404.17	780,109.95	1.79%
EUR	104,072	PIMCO GIS-INCOME FUND INSEHA	1,551,706.26	1,566,276.27	3.60%
<i>Total Ireland</i>			4,311,493.73	4,677,122.96	10.75%
<i>Luxembourg</i>					
EUR	1,500	ARGOS ARGONAUT A EUR	522,480.00	685,905.00	1.58%
USD	48,695	BGF-SUSTAIN ENRGY-I2 USD	594,572.02	897,508.97	2.06%
EUR	5,097	BLACKROCK STR FD-EUR AB-I2E	761,797.62	859,405.17	1.97%
USD	8,289	BREXAN HOWARD AB RT G-A USD	879,353.03	864,583.98	1.99%
EUR	356	CS LUX EDU EQUITYEBP USDEBHP	504,323.84	383,860.56	0.88%
EUR	2,201	DGC - STOCK SELECTION CLASS A EUR	506,066.29	544,536.36	1.25%
EUR	892	ELEV - ABSO LRET EURO FD-S EUR	1,199,414.88	1,268,504.28	2.93%
EUR	4,000	MAGALLANES VALUE EUROPN EQ-I	485,730.80	631,227.40	1.45%
NOK	4,699	PARETO NORDIC CORP BOND-A	503,293.49	576,351.67	1.32%
USD	3,502	SERVICED PL-SEL EQ L/S-X1USD	447,719.24	510,066.05	1.17%
USD	1,300	UBS EQ-LONG TERM THM US-QACC	179,510.20	271,614.49	0.62%
USD	0.20000	UBS LUX BOND 2024 USD-K1ACCU	942,591.78	892,736.50	2.05%
USD	207	VP-MIV GLOBAL MEDTECH I3 USD	446,437.10	628,737.87	1.44%
<i>Total Luxembourg</i>			7,973,290.29	9,015,038.30	20.71%
<b>Total Investment funds</b>			<b>12,756,205.17</b>	<b>14,431,168.21</b>	<b>33.16%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>37,955,631.72</b>	<b>42,737,813.29</b>	<b>98.21%</b>
<b>Total investments</b>			<b>37,955,631.72</b>	<b>42,737,813.29</b>	<b>98.21%</b>

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

**Geographical classification of investments as at December 31, 2021**

	% of Net Assets
Luxembourg	24.67%
Ireland	16.95%
United States of America	10.85%
France	9.88%
Switzerland	9.23%
Great Britain	7.53%
Germany	7.52%
Spain	3.02%
Sweden	1.72%
Peru	1.15%
The Netherlands	1.14%
Norway	1.12%
British Virgin Islands	1.03%
Chile	0.92%
Turkey	0.81%
Italy	0.67%
<b>Total</b>	<b>98.21%</b>

**Economic classification of investments as at December 31, 2021**

	% of Net Assets
Investment funds	41.43%
Non financial corporations	17.74%
Financial	11.04%
Industrial	5.34%
Consumer, Non-cyclical	5.29%
Financial auxiliaries	3.60%
Consumer, Cyclical	3.21%
Other financial intermediaries	2.66%
Credit institutions	2.23%
Communications	2.10%
Insurance corporations	1.72%
Technology	0.92%
Central government	0.75%
Industrials	0.18%
<b>Total</b>	<b>98.21%</b>

**Statement of investments as at December 31, 2021**

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>British Virgin Islands</i>					
USD	300,000	COSCO 4.000% 03/12/22 S	262,911.54	270,079.14	0.88%
<i>Total British Virgin Islands</i>			262,911.54	270,079.14	0.88%
<i>Chile</i>					
USD	450,000	CODELCO INC 3.000% 07/17/22	398,003.43	399,676.53	1.31%
<i>Total Chile</i>			398,003.43	399,676.53	1.31%
<i>France</i>					
EUR	200,000	AXA SA FRN PERPETUAL	206,000.00	203,000.00	0.66%
USD	450,000	BNP PARIBAS 6.750% PERPETUAL	407,975.73	399,309.71	1.31%
<i>Total France</i>			613,975.73	602,309.71	1.97%
<i>Great Britain</i>					
USD	480,000	HSBC 6.250% PERPETUAL	428,139.29	438,972.92	1.43%
EUR	300,000	LLOYDS BANKING GROUP PLC 6.375% PERPETUAL	297,600.00	326,472.00	1.07%
USD	400,000	SANTANDER 5.000% 11/07/23 CORP	367,488.57	374,298.98	1.22%
<i>Total Great Britain</i>			1,093,227.86	1,139,743.90	3.72%
<i>Luxembourg</i>					
USD	400,000	SIBNEF 4.375% 09/19/22	352,347.87	357,896.59	1.17%
<i>Total Luxembourg</i>			352,347.87	357,896.59	1.17%
<i>Peru</i>					
USD	380,000	BANCO CONTINENTAL 5.000% 08/26/22	360,007.03	341,829.25	1.12%
USD	216,000	BANCO INTERNAC DEL PERU 3.375% 01/18/23	189,994.61	192,732.33	0.63%
<i>Total Peru</i>			550,001.64	534,561.58	1.75%
<i>Spain</i>					
USD	190,000	ABENGOA FINANCE ABGSM 0.000% 03/31/27	91,478.02	584.77	0.00%
<i>Total Spain</i>			91,478.02	584.77	0.00%
<i>Switzerland</i>					
USD	310,000	UBS AG STAMFORD CT 7.625% 08/17/22	304,766.09	284,000.84	0.93%
<i>Total Switzerland</i>			304,766.09	284,000.84	0.93%
<i>The Netherlands</i>					
EUR	200,000	IBERDROLA INTERNATIONAL BV IBESM 2.625% PERPETUAL	201,980.00	209,500.00	0.68%
<i>Total The Netherlands</i>			201,980.00	209,500.00	0.68%

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

**Statement of investments as at December 31, 2021 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>Turkey</i>					
USD	400,000	TURKIYE VAKIFLAR BANKASI 5.625% 05/30/22	353,323.95	350,337.67	1.14%
<i>Total Turkey</i>			353,323.95	350,337.67	1.14%
<i>United States of America</i>					
USD	300,000	CENTURYLINK INC 5.800% 03/15/22	267,235.31	265,784.38	0.87%
USD	300,000	TSY INFL IX 0.125% 07/15/22	280,430.38	325,162.81	1.06%
<i>Total United States of America</i>			547,665.69	590,947.19	1.93%
<b>Total Bonds</b>			<b>4,769,681.82</b>	<b>4,739,637.92</b>	<b>15.48%</b>
<b>Equities</b>					
<i>Belgium</i>					
EUR	2,046	GROUPE BRUXELLES LAMBERT SA	139,742.75	200,835.36	0.66%
<i>Total Belgium</i>			139,742.75	200,835.36	0.66%
<i>Finland</i>					
EUR	35,000	NOKIA OYJ (FH)	203,000.00	195,090.00	0.64%
<i>Total Finland</i>			203,000.00	195,090.00	0.64%
<i>France</i>					
EUR	1,095	L'OREAL	181,824.75	456,560.25	1.49%
EUR	775	LVMH	131,440.00	563,425.00	1.84%
EUR	3,595	SANOFI-AVENTIS	319,699.71	318,445.10	1.04%
EUR	5,493	SOCIETE GENERALE	211,548.00	165,916.07	0.54%
EUR	23,209	VEOLIA ENVIRONNEMENT EUR	490,928.05	748,722.34	2.44%
EUR	4,145	VINCI SA	281,240.55	385,111.95	1.26%
<i>Total France</i>			1,616,681.06	2,638,180.71	8.61%
<i>Germany</i>					
EUR	1,350	ALLIANZ SE	215,122.50	280,327.50	0.92%
EUR	4,300	BAYER	314,140.91	202,100.00	0.66%
EUR	2,450	BAYERISCHE MOTOREN WERKE AG	210,141.51	216,800.50	0.71%
EUR	3,450	DAIMLER AG	221,760.08	233,185.50	0.76%
EUR	1,725	DAIMLER TRUCK HOLDING AG	42,413.14	55,700.25	0.18%
EUR	32,000	E.ON AG GY	287,703.29	390,144.00	1.27%
EUR	1,999	SIEMENS AG	204,116.00	305,207.32	1.00%
<i>Total Germany</i>			1,495,397.43	1,683,465.07	5.50%
<i>Great Britain</i>					
GBP	27,880	BP PLC	102,489.00	109,746.42	0.36%
EUR	138,480	INTL CONSOLIDATED AIRLINE GROUP SA	325,092.89	235,969.92	0.77%
<i>Total Great Britain</i>			427,581.89	345,716.34	1.13%

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

**Statement of investments as at December 31, 2021 (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	297,710.77	329,033.88	1.07%
EUR	31,829	BANCO BILBAO VIZCAYA ARGENTARIA	238,214.02	167,102.25	0.55%
EUR	34,500	GESTAMP AUTOMOCION SA	199,006.08	153,525.00	0.50%
EUR	8,298	GRIFOLS SA	202,035.29	140,028.75	0.46%
EUR	84,171	IBERDROLA	435,863.84	876,220.11	2.86%
EUR	19,730	INDUSTRIA DE DISEÑO TEXTIL	511,121.20	562,896.90	1.84%
EUR	12,828	REPSOL SA (SM)	102,722.85	133,873.01	0.44%
EUR	37,666	TELEFONICA SA	367,745.07	145,089.43	0.47%
<i>Total Spain</i>			2,354,419.12	2,507,769.33	8.19%
<i>Sweden</i>					
SEK	9,150	ESSITY AKTIEBOLAG-B	-	262,519.42	0.86%
<i>Total Sweden</i>			-	262,519.42	0.86%
<i>Switzerland</i>					
CHF	18,240	ABB LTD	360,902.21	614,360.85	2.01%
CHF	2,100	MEDMIX AG	73,769.66	91,526.42	0.30%
CHF	3,965	NESTLE SA-REG	389,933.59	487,665.72	1.59%
CHF	1,785	SCHINDLER HOLDING AG-REG	277,011.33	421,029.66	1.38%
CHF	2,100	SULZER AG REG	146,883.61	182,100.29	0.59%
CHF	1,390	ZURICH INSURANCE GROUP AG	350,531.85	537,133.38	1.75%
<i>Total Switzerland</i>			1,599,032.25	2,333,816.32	7.62%
<b>Total Equities</b>			<b>7,835,854.50</b>	<b>10,167,392.55</b>	<b>33.21%</b>
<b>Exchange traded funds</b>					
<i>Great Britain</i>					
USD	8,823	SPDR S&P US COMMS SELECT	177,803.34	253,454.87	0.83%
<i>Total Great Britain</i>			177,803.34	253,454.87	0.83%
<i>Ireland</i>					
USD	8,200	FIRST TRUST CLOUD COMPUTING	263,057.03	316,080.72	1.03%
EUR	9,173	INVESCO MDAX UCITS ETF	399,198.29	541,940.84	1.76%
EUR	63,161	ISHARES EDGE MSCI EUROPE VALUE FACTOR UCITS	400,467.90	461,523.74	1.51%
USD	16,877	ISHARES S&P IT SECTOR	180,798.25	323,994.77	1.06%
USD	74,468	ISHARES US MEDICAL DEVICES A	425,172.20	443,468.33	1.45%
USD	12,310	VANECK SEMICONDUCTOR	264,384.99	319,955.00	1.05%
<i>Total Ireland</i>			1,933,078.66	2,406,963.40	7.86%
<i>Luxembourg</i>					
USD	3,700	AMUNDI FLOAT RATE USD CORP	351,236.47	363,688.01	1.19%
EUR	8,605	BSF-UK EM CO A/R-D2 EUR HDG	1,008,183.59	1,137,150.75	3.71%
<i>Total Luxembourg</i>			1,359,420.06	1,500,838.76	4.90%
<b>Total Exchange traded funds</b>			<b>3,470,302.06</b>	<b>4,161,257.03</b>	<b>13.59%</b>

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



**Statement of investments as at December 31, 2021 (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	477,398.95	748,377.77	2.44%
<i>Total Great Britain</i>			477,398.95	748,377.77	2.44%
<i>Ireland</i>					
EUR	1,402	AKO GLOBAL UCITS-B2	199,999.83	251,653.14	0.82%
USD	3,300	ALGEBRIS UCITS FUNDS PLC FINANCIAL CREDIT I USD	441,634.72	476,892.37	1.56%
USD	453	IAM INVESTMENTS INCLINE GLOBAL LONG/SHORT EQ	463,617.16	584,580.12	1.92%
USD	4,152	KEP KLS ARETE ACCUM SHS -I- USD	445,419.93	459,987.71	1.50%
USD	26,586	PIMCO GIS-INCOME FUND-INS AC	370,236.51	399,304.33	1.30%
<i>Total Ireland</i>			1,920,908.15	2,172,417.67	7.10%
<i>Luxembourg</i>					
EUR	1,500	ARGOS ARGONAUT A EUR	522,480.00	685,905.00	2.24%
USD	1,286	BELLEVUE-BB ADAMANT DH-IUSD	371,720.95	294,925.08	0.96%
USD	43,444	BGF-SUSTAIN ENRGY-I2 USD	524,629.62	800,726.63	2.62%
EUR	3,064	BLACKROCK STR FD-EUR AB-I2E	499,860.96	516,621.04	1.69%
EUR	1,914	DGC - STOCK SELECTION CLASS A EUR	440,077.64	473,531.40	1.55%
EUR	773	ELEV - ABSO LRET EURO FD-S EUR	1,000,830.22	1,099,275.57	3.58%
USD	41,062	JAN HND G-GLB EQ MN-IUSDA	438,625.35	418,191.84	1.37%
EUR	219	JPM INV-GLOBAL BAL FND-C	402,679.68	428,705.64	1.40%
EUR	3,400	MAGALLANES VALUE EUROPN EQ-I	409,056.09	536,543.29	1.75%
USD	1,569	MFS MERIDIAN FD SICAV - US VALUE FUND -I1- USD	433,323.80	526,853.97	1.72%
USD	2,575	SERVICED PL-SEL EQ L/S-X1USD	356,344.72	375,048.57	1.23%
CHF	1,500	UBS EQ-LONG TERM THM-QACCH	206,449.82	298,462.66	0.97%
USD	1,300	UBS EQ-LONG TERM THM US-QACC	179,510.20	271,614.49	0.89%
USD	0.10000	UBS LUX BOND 2024 USD-K1ACCU	471,295.89	446,368.25	1.46%
USD	1,349	UBS LUX EQUITY FUND - GREATER CHINA USD	443,134.15	354,592.93	1.16%
USD	251	VP-MIV GLOBAL MEDTECH I3 USD	538,745.55	762,382.70	2.49%
<i>Total Luxembourg</i>			7,238,764.64	8,289,749.06	27.08%
<b>Total Investment funds</b>			<b>9,637,071.74</b>	<b>11,210,544.50</b>	<b>36.62%</b>
<b>Warrants</b>					
<i>Switzerland</i>					
CHF	1,460	CFRWT SW C67 11/22/23	-	1,409.05	0.00%
<i>Total Switzerland</i>			-	1,409.05	0.00%
<b>Total Warrants</b>			-	<b>1,409.05</b>	<b>0.00%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>25,712,910.12</b>	<b>30,280,241.05</b>	<b>98.90%</b>
<b>Total investments</b>			<b>25,712,910.12</b>	<b>30,280,241.05</b>	<b>98.90%</b>

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

**Geographical classification of investments as at December 31, 2021**

	% of Net Assets
Luxembourg	33.15%
Ireland	14.96%
France	10.58%
Switzerland	8.55%
Spain	8.19%
Great Britain	8.12%
Germany	5.50%
United States of America	1.93%
Peru	1.75%
Chile	1.31%
Turkey	1.14%
British Virgin Islands	0.88%
Sweden	0.86%
The Netherlands	0.68%
Belgium	0.66%
Finland	0.64%
<b>Total</b>	<b>98.90%</b>

**Economic classification of investments as at December 31, 2021**

	% of Net Assets
Investment funds	48.98%
Non financial corporations	23.95%
Financial	8.20%
Consumer, Cyclical	5.16%
Credit institutions	2.26%
Other financial intermediaries	2.21%
Consumer, Non-cyclical	2.16%
Industrial	2.32%
Insurance corporations	1.75%
Central government	1.06%
Financial auxiliaries	0.55%
Health Care	0.30%
<b>Total</b>	<b>98.90%</b>

**Statement of investments as at December 31, 2021**

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>Australia</i>					
USD	200,000	WESTPAC BANKING CORP 0.000% 01/11/22	178,125.22	175,870.56	0.63%
<i>Total Australia</i>			178,125.22	175,870.56	0.63%
<b>Total Bonds</b>			<b>178,125.22</b>	<b>175,870.56</b>	<b>0.63%</b>
<b>Equities</b>					
<i>France</i>					
EUR	454	R VALOR-C (FP)	972,364.16	1,290,376.05	4.60%
<i>Total France</i>			972,364.16	1,290,376.05	4.60%
<b>Total Equities</b>			<b>972,364.16</b>	<b>1,290,376.05</b>	<b>4.60%</b>
<b>Exchange traded funds</b>					
<i>France</i>					
EUR	2,550	R EURO CREDIT-C	1,141,358.34	1,207,552.50	4.30%
<i>Total France</i>			1,141,358.34	1,207,552.50	4.30%
<i>Luxembourg</i>					
EUR	9,891	DYNASTY SICAV- GLOBAL CONVERTIBLES B EUR	1,132,130.89	1,287,928.86	4.59%
USD	1,530	LYX ETF MSCI WORLD IT.	393,007.16	879,273.46	3.13%
EUR	8,000	MORGAN STANLEY INVESTMENT FUND GLOBAL OPPORTUNITY	298,831.84	527,600.00	1.88%
<i>Total Luxembourg</i>			1,823,969.89	2,694,802.32	9.60%
<b>Total Exchange traded funds</b>			<b>2,965,328.23</b>	<b>3,902,354.82</b>	<b>13.90%</b>
<b>Investment funds</b>					
<i>France</i>					
EUR	5,040	TAILOR CREDIT RENDMT CIBLE-I	630,453.60	645,120.00	2.30%
<i>Total France</i>			630,453.60	645,120.00	2.30%
<i>Germany</i>					
EUR	26	ACATIS GANE VALUE EVENT B	467,048.17	617,090.31	2.20%
<i>Total Germany</i>			467,048.17	617,090.31	2.20%

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

**Statement of investments as at December 31, 2021 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>Great Britain</i>					
GBP	189,000	FUNDSMITH EQUITY FUND - CL I GBP ACC	860,992.46	1,526,806.98	5.44%
<i>Total Great Britain</i>			860,992.46	1,526,806.98	5.44%
<i>Ireland</i>					
EUR	686	EI STURDZA-STRAT EU SMC-EUR	906,149.86	1,409,318.40	5.02%
EUR	57,900	GAM STAR CREDIT OPP- INST EUR	875,859.09	965,708.31	3.44%
USD	26,500	GAM STAR-JAPAN LDR-USD ACC	636,668.79	606,570.83	2.16%
<i>Total Ireland</i>			2,418,677.74	2,981,597.54	10.62%
<i>Luxembourg</i>					
USD	1,620	BELL LUX BB AM MED&SER-I USD	515,582.28	882,167.78	3.14%
USD	6,050	CS LUX CHINA RMB EQTY-IB USD	840,999.01	882,921.28	3.15%
USD	7,500	DGC - NS RAYMOND JAMES STRONG BUY SEL CLASS B.	883,368.16	1,312,104.29	4.67%
EUR	70	DYNASTY CREDIT SUB-BEURACC	1,365,173.87	1,435,165.35	5.11%
EUR	84	EDR BOND ALLOCATION-I EUR	1,111,429.28	1,189,276.20	4.24%
EUR	82,000	FIDELITY ASIAN BD F-I EURH A	911,020.00	893,800.00	3.18%
EUR	17,530	FIDELITY FD-EUR DYN G-Y ACC	400,434.98	575,334.60	2.05%
EUR	35,100	FIDELITY FDS-EU SHRT BD-A AC	918,187.92	918,837.27	3.27%
EUR	1,360	GAM LUXURY BRANDS EQ-EUR C	494,972.00	713,918.40	2.54%
EUR	10,840	PARETO-NORDIC CORP BD-HEUR	1,201,507.74	1,265,961.32	4.51%
EUR	17,500	SCHRODER INT EME ASIA-A EUR	574,906.78	880,519.50	3.14%
EUR	4,865	SISF EUROPEAN SPEC SIT FD-A	1,035,935.39	1,435,477.60	5.12%
EUR	41,380	T. ROWE PRICE-JAPANESE EQY-Q	791,493.72	1,002,637.40	3.57%
USD	31,200	TROWE PRICE-US BLUE CH-Q	626,445.99	1,180,837.14	4.21%
USD	778	VIA SMART-EQUIT WOR-INST USD	927,700.87	1,373,930.76	4.89%
USD	17,000	WELLINGTON GLOBAL GROWTH S USD	401,212.31	686,508.79	2.45%
<i>Total Luxembourg</i>			13,000,370.30	16,629,397.68	59.24%
<b>Total Investment funds</b>			<b>17,377,542.27</b>	<b>22,400,012.51</b>	<b>79.80%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>21,493,359.88</b>	<b>27,768,613.94</b>	<b>98.93%</b>
<b>Total investments</b>			<b>21,493,359.88</b>	<b>27,768,613.94</b>	<b>98.93%</b>

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

**Geographical classification of investments as at December 31, 2021**

	% of Net Assets
Luxembourg	68.84%
France	11.20%
Ireland	10.62%
Great Britain	5.44%
Germany	2.20%
Australia	0.63%
<b>Total</b>	<b>98.93%</b>

**Economic classification of investments as at December 31, 2021**

	% of Net Assets
Investment funds	95.85%
Financial auxiliaries	2.45%
Financial	0.63%
<b>Total</b>	<b>98.93%</b>

## Statement of investments as at December 31, 2021

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	27,261,001	0.77%
JPY	101,500	ALPS LOGISTICS CO LTD	75,580,358	113,578,501	3.19%
JPY	211,700	DAIHATSU DIESEL MFG CO LTD	138,244,386	110,930,801	3.12%
JPY	49,400	DAI-ICHI CUTTER KOGYO KK	40,636,435	65,899,601	1.85%
JPY	41,100	DAIICHI KENSETSU CORP	54,293,493	82,693,201	2.33%
JPY	150,100	FUJIKURA KASEI CO., LTD. ORD CMN	94,476,771	75,050,001	2.11%
JPY	1,100	HAGIHARA INDUSTRIES INC	1,337,422	1,403,600	0.04%
JPY	60,000	HASEKO ORD	74,097,078	85,560,000	2.41%
JPY	177,400	HITACHI ZOSSEN CORP ORD CMN	92,726,955	141,565,200	3.98%
JPY	100,000	INPEX CORP	89,716,863	100,200,000	2.82%
JPY	43,600	KANEFUSA CORP	45,062,300	29,299,200	0.82%
JPY	14,200	KAWASAKI KINKAI KISEN KAISHA	48,373,774	53,321,000	1.50%
JPY	25,500	KOKUSAI CO LTD	19,077,100	16,192,500	0.46%
JPY	47,200	KONOIKE TRANSPORT CO LTD	55,765,174	58,150,400	1.64%
JPY	34,700	KRS CORP	30,835,200	31,507,600	0.89%
JPY	52,900	KUNIMINE INDUSTRIES CO LTD CMN	55,189,101	56,232,700	1.58%
JPY	131,900	KYORITSU PRINTING CMN	40,870,896	18,466,000	0.52%
JPY	61,400	MAEZAWA KYUSO INDUSTRIES CO	57,122,700	65,513,800	1.84%
JPY	26,000	MARUZEN CO LTD	25,973,000	55,250,000	1.55%
JPY	8,600	MEDIKIT CO LTD	18,741,000	24,527,200	0.69%
JPY	19,200	MUSASHI CMN	28,741,762	33,926,400	0.95%
JPY	101,500	NADEX CO LTD (JT)	102,469,900	83,331,500	2.34%
JPY	29,800	NAKANO REFRIGERATORS CO LTD	85,354,689	176,416,000	4.96%
JPY	7,200	NEW COSMOS ELECTRIC CO LTD	12,700,000	15,156,000	0.43%
JPY	61,020	NICHIRIN CO LTD	101,789,358	100,683,000	2.83%
JPY	8,000	NIHON DENGKI CO LTD	13,195,642	32,880,000	0.92%
JPY	74,200	NIHON FLUSH CO LTD	92,216,200	79,542,400	2.24%
JPY	30,000	NIITAKA CO LTD	71,225,500	69,510,000	1.95%
JPY	54,800	NIPPON DRY-CHEMICAL CO LTD	63,079,379	109,435,600	3.08%
JPY	21,200	NIPPON KOEI CO LTD	65,377,000	67,628,000	1.90%
JPY	40,700	NIPPON SEIKI CO LTD	68,481,800	47,252,700	1.33%
JPY	6,600	NIPPON TELEGRAPH & TELEPHONE	16,831,100	20,790,000	0.58%
JPY	28,500	NISHIMOTO CO LTD	90,159,645	90,630,000	2.55%
JPY	100,000	NITTO CONSTRUCTION CO LTD	54,964,175	65,800,000	1.85%
JPY	10,100	OKADA AIYON CORP	9,745,652	15,978,200	0.45%
JPY	90,100	OSAKI ELECTRIC CO LTD	80,297,273	42,166,800	1.19%
JPY	6,100	POWDERTECH CO LTD	17,099,857	15,591,600	0.44%
JPY	22,700	SAKAI HEAVY INDUSTRIES	50,286,370	63,083,300	1.77%
JPY	13,600	SANKYO FRONTIER CO LTD	34,091,096	70,584,000	1.99%
JPY	70,700	SEMBA CORPORATION	68,189,600	53,519,900	1.51%
JPY	35,200	SOKEN CHEMICAL & ENGINEERING	55,543,991	59,206,400	1.67%
JPY	34,800	SPK CORP	43,667,800	48,406,800	1.36%
JPY	77,800	SRG TAKAMIYA CO LTD	42,061,212	34,932,200	0.98%
JPY	22,500	SUZUMO MACHINERY CO LTD	34,692,100	38,880,000	1.09%
JPY	70,000	TAKAHASHI CURTAIN WALL CORP	44,840,278	45,920,000	1.29%
JPY	22,800	TAKEMOTO YOHKI CO LTD	19,113,300	18,924,000	0.53%
JPY	5,400	TECHNOFLEX CORP	5,840,100	5,880,600	0.17%
JPY	57,500	TERASAKI ELECTRIC CO LTD	77,641,300	67,735,000	1.91%
JPY	15,200	TOA VALVE ENGINEERING INC	15,682,715	29,624,800	0.83%
JPY	52,300	TOMOKU CO LTD	84,401,500	93,512,400	2.63%
JPY	37,900	TOTETSU KOGYO CO LTD	94,435,100	95,015,300	2.67%
JPY	110,300	TOYO CONSTRUCTION CO LTD	51,411,000	64,084,300	1.80%

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

**Statement of investments as at December 31, 2021 (continued)**

<b>Currency</b>	<b>Quantity/ Nominal</b>	<b>Description</b>	<b>Cost JPY</b>	<b>Market Value JPY</b>	<b>% of Net Asset Value</b>
JPY	22,000	VERTEX CORP/JAPAN	40,405,607	67,980,000	1.91%
JPY	101,000	VT HOLDINGS CO LTD	47,225,574	47,167,000	1.33%
JPY	79,400	WARABEYA NICHIO HOLDINGS CO	164,429,449	163,802,200	4.61%
<i>Total Japan</i>			3,033,631,630	3,347,578,706	94.15%
<b>Total Equities</b>			<b>3,033,631,630</b>	<b>3,347,578,706</b>	<b>94.15%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>3,033,631,630</b>	<b>3,347,578,706</b>	<b>94.15%</b>
<b>Total investments</b>			<b>3,033,631,630</b>	<b>3,347,578,706</b>	<b>94.15%</b>

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

**Geographical classification of investments as at December 31, 2021**

	% of Net Assets
Japan	94.15%
<b>Total</b>	<b>94.15%</b>

**Economic classification of investments as at December 31, 2021**

	% of Net Assets
Industrial	42.44%
Non financial corporations	13.28%
Consumer, Cyclical	11.80%
Consumer, Non-cyclical	11.30%
Basic Materials	6.85%
Energy	2.82%
Financial	1.99%
Materials	1.58%
Real Estate	1.51%
Communications	0.58%
<b>Total</b>	<b>94.15%</b>



**Statement of investments as at December 31, 2021**

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	400,000	BNP PARIBAS 6.125% PERPETUAL	412,000.00	410,000.00	1.42%
EUR	800,000	CREDIT AGRICOLE SA 3% 12/21/25	887,200.00	871,040.00	3.03%
<i>Total France</i>			1,299,200.00	1,281,040.00	4.45%
<i>Germany</i>					
EUR	600,000	DEUTSCHE BANK AG 1.000% 11/19/25	613,860.00	610,074.00	2.11%
<i>Total Germany</i>			613,860.00	610,074.00	2.11%
<i>Great Britain</i>					
EUR	400,000	HSBC HOLDINGS PLC 5.250% PERPETUAL	402,000.00	411,596.00	1.43%
EUR	400,000	LLOYDS BANKING GROUP PLC 6.375% PERPETUAL	393,500.00	435,296.00	1.50%
<i>Total Great Britain</i>			795,500.00	846,892.00	2.93%
<i>Switzerland</i>					
EUR	500,000	UBS 5.750% 12/29/49 CORP	540,000.00	503,425.00	1.74%
<i>Total Switzerland</i>			540,000.00	503,425.00	1.74%
<b>Total Bonds</b>			<b>3,248,560.00</b>	<b>3,241,431.00</b>	<b>11.23%</b>
<b>Equities</b>					
<i>Spain</i>					
EUR	156,521	BANCO SANTANDER SA	500,910.81	460,250.00	1.60%
EUR	25,000	NEINOR HOMES SAU	325,946.35	263,500.00	0.91%
<i>Total Spain</i>			826,857.16	723,750.00	2.51%
<i>United States of America</i>					
USD	1,205	SPLUNK INC	210,493.54	122,619.24	0.43%
USD	2,240	ZILLOW GROUP INC - CLASS A	212,851.21	122,557.86	0.42%
<i>Total United States of America</i>			423,344.75	245,177.10	0.85%
<b>Total Equities</b>			<b>1,250,201.91</b>	<b>968,927.10</b>	<b>3.36%</b>
<b>Exchange traded funds</b>					
<i>France</i>					
EUR	33,266	AMUNDI IND BARC EUR CORP BBB	1,750,310.52	1,743,697.27	6.04%
<i>Total France</i>			1,750,310.52	1,743,697.27	6.04%

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

**Statement of investments as at December 31, 2021 (continued)**

Currency	Quantity/ Nominal	Description	Cost EUR	Market Value EUR	% of Net Asset Value
<i>Ireland</i>					
EUR	160,000	ISHARES EDGE MSCI EUROPE VALUE FACTOR UCITS	972,784.00	1,169,136.00	4.05%
USD	28,242	VANECK SEMICONDUCTOR	615,006.06	734,051.10	2.54%
<i>Total Ireland</i>			1,587,790.06	1,903,187.10	6.59%
<b>Total Exchange traded funds</b>			<b>3,338,100.58</b>	<b>3,646,884.37</b>	<b>12.63%</b>
<b>Investment funds</b>					
<i>Great Britain</i>					
GBP	619,295	FUNDSMITH SUSTAINBL EQU-IACC	786,950.50	1,392,819.03	4.82%
GBP	33,066	LIONTRUST UK SMALLER COMPANIES FUND	378,276.78	945,906.58	3.28%
<i>Total Great Britain</i>			1,165,227.28	2,338,725.61	8.10%
<i>Ireland</i>					
EUR	8,719	AKO GLOBAL UCITS-B2	1,099,770.82	1,565,343.55	5.42%
EUR	4,488	EGERTON CAPITAL EQUITY FUND I EUR (HEDGED)	1,105,857.43	1,780,337.78	6.17%
EUR	4,515	KEPLER LIQUID STRATEGIES ICAV - KLS ARETE MACRO FUND	504,090.72	540,314.57	1.87%
EUR	4,435	MW SYSTEMATIC ALPHA UCITS FUND B EUR	506,836.68	528,050.61	1.83%
EUR	4,692	RV CAPITAL ASIA OPP - INS EURH	500,000.02	493,891.47	1.71%
EUR	4,325	U ACCESS (IRL) GCA CREDIT LONG/SHORT UCITS B EUR ACC	476,999.92	479,361.86	1.66%
USD	44,155	WELL GLBL IMPACT FUND-SUSDA	876,510.92	852,127.05	2.95%
<i>Total Ireland</i>			5,070,066.51	6,239,426.89	21.61%
<i>Luxembourg</i>					
USD	4,924	2XIDEAS UCITS - GLOBAL MID CAP LIBRARY FUND I USD	682,440.77	817,404.78	2.83%
EUR	1,573	BLACKROCK STR FD-EUR AB-I2E	241,801.56	265,223.53	0.92%
EUR	2,362	BREXAN HOWARD ABSOL.RETURN GOV. BOND A -EUR- HEDG	240,845.58	240,956.83	0.83%
EUR	1,274	BSF-UK EM CO A/R-D2 EUR HDG	159,810.56	168,359.10	0.58%
EUR	8,108	DGC - CONVERTIBLE AND CREDIT CLASS A EUR	1,200,036.84	1,472,574.91	5.10%
EUR	10,128	DGC - FRANCK MULLER LUXURY FUND CLASS A EUR.	999,270.72	1,701,585.29	5.89%
USD	8,366	DGC - NS RAYMOND JAMES STRONG BUY SEL CLASS A	1,034,614.48	1,422,019.77	4.92%
EUR	10,651	DGC - STOCK SELECTION CLASS A EUR	1,550,557.60	2,635,100.78	9.12%
EUR	398	ELEV - ABSO LRET EURO FD-S EUR	532,908.38	565,280.78	1.96%
EUR	547	MANDARINE GLOBAL TRAN - IEURA	1,000,621.63	1,018,415.54	3.53%
USD	0.20000	UBS LUX BOND 2024 USD-K1ACCU	942,591.78	892,736.50	3.09%
<i>Total Luxembourg</i>			8,585,499.90	11,199,657.81	38.77%
<b>Total Investment funds</b>			<b>14,820,793.69</b>	<b>19,777,810.31</b>	<b>68.48%</b>
<b>Total Transferable securities admitted to an official stock exchange and/or dealt in on another regulated market</b>			<b>22,657,656.18</b>	<b>27,635,052.78</b>	<b>95.70%</b>
<b>Total investments</b>			<b>22,657,656.18</b>	<b>27,635,052.78</b>	<b>95.70%</b>

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

**Geographical classification of investments as at December 31, 2021**

	% of Net Assets
Luxembourg	38.77%
Ireland	28.20%
Great Britain	11.03%
France	10.49%
Spain	2.51%
Germany	2.11%
Switzerland	1.74%
United States of America	0.85%
<b>Total</b>	<b>95.70%</b>

**Economic classification of investments as at December 31, 2021**

	% of Net Assets
Investment funds	69.70%
Financial	8.97%
Financial auxiliaries	7.88%
Other financial intermediaries	5.13%
Non financial corporations	1.74%
Credit institutions	1.43%
Technology	0.43%
Information Technology	0.42%
<b>Total</b>	<b>95.70%</b>

**Notes to the financial statements as at December 31, 2021****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 Management Company changed its name from Notz, Stucki Europe S.A. to NS Partners Europe S.A. effective on September 14, 2021.

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 Lippman, L-5365 Munsbach.

As at December 31, 2021, the Fund had 7 active Sub-Funds:

- Clarion Global Emerging Markets Bond Fund
- Colon
- Flexible Conservative
- Global Dynamic
- International Market Opportunity Fund
- Milestone Japan Value Fund
- Tandala

In October 2020, the Sub-Fund Huntress Dividend Strategy was included in the visa stamped prospectus, and the Board of Directors of the Fund resolved to launch the Sub-Fund on March 31, 2021. The Board of Directors of the Fund resolved on June 11, 2021 to put in liquidation this Sub-Fund with effective date as of June 16, 2021. The Other expenses are mainly comprised of Organisation expenses and Broker charges due to the liquidation.

The Class EUR is denominated in EUR. The A share classes are denominated in EUR, USD and CHF. The B, C, D and F share classes are denominated in USD. The P share classes are denominated in EUR, USD and JPY. The PR share classes are denominated in USD. The R share classes are denominated in EUR and 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, B2-USD and R-EUR, 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 Huntress Dividend Strategy. As indicated in note 1, this Sub-Fund has been liquidated on June 16, 2021. 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, 2021 (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, International Market Opportunity Fund and Huntress Dividend Strategy, 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 and Huntress Dividend Strategy, 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, 2021 (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, 2021 (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, 2021.

1	EUR =	1.036 CHF
1	EUR =	130.930 JPY
1	EUR =	1.137 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 36,000 <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, 2021 (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 Conservative 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>.

Global Dynamic 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 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 0.95% 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.

Huntress Dividend Strategy pays a management company fee of 0.45% for Class F-USD shares and 1.50% for Class R-EUR and Class R-USD shares, a depositary bank fee of 0.0475% p.a. and an administration fee of 0.06% p.a. with a minimum fee of EUR 36,000 <sup>(1)</sup>.

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-Funds Colon, Flexible Conservative, Global Dynamic, International Market Opportunity Fund 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 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.

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.



**Notes to the financial statements as at December 31, 2021 (continued)****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>

A Performance fee of USD 57.56 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:

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

Where:

**GAV<sub>w</sub>**: 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 GAV<sub>w</sub> and HWM

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

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

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**Notes to the financial statements as at December 31, 2021 (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 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.

A Performance fee of EUR 124,801.52 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. 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 crystallized 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:

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

Where:

**GAV<sub>w</sub>**: 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 GAV<sub>w</sub> and HWM

**HR**: is the hurdle rate per annum being the price only appreciation or depreciation in the Topix With Dividend Topix Small Index (ticker TPXDSMAL) + a margin of 3% p.a.

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

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 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 all share-classes.

**Notes to the financial statements as at December 31, 2021 (continued)**

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:

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

Where:

**NAV<sub>w</sub>**: is the value of the current NAV per share

**BM<sub>w</sub>**: 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 NAV<sub>w</sub> and HWM

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

A Performance fee of EUR 112,709.46 was paid for Tandala during the year.

**Huntress Dividend Strategy**

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 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.

**Notes to the financial statements as at December 31, 2021 (continued)**

The Performance Fee is accrued at each NAV 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:**

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

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 follow:

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

Where:

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

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

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

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

A Performance fee of USD 13,452.23 was paid for Huntress Dividend Strategy during the period.

**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, except the Sub-Fund Huntress Dividend Strategy where a value-at-risk (VaR) approach to global risk exposure was used.

**Note 8 - Dividend distribution**

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

**Notes to the financial statements as at December 31, 2021 (continued)**

A dividend distribution of USD (31,961.65) 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 15, 2021	USD 1.6701776	USD 1.5795851	USD 1,252.63	USD 6,099.33
April 14, 2021	USD 1.6221642	USD 1.5336083	USD 1,216.62	USD 7,113.99
July 14, 2021	USD 1.6198558	USD 1.5308541	USD 1,214.89	USD 7,101.22
October 14, 2021	USD 1.5485214	USD 1.4628858	USD 1,161.39	USD 6,801.58

**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.

For the year ended December 31, 2021, 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, 2021.

For future contracts, margin accounts might be used.

**Note 11 - Forward foreign exchange contracts**

As at December 31, 2021, 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	2,943,945.17	USD	(3,342,793.51)		05/26/2022	16,692.92	UBS Europe SE, Luxembourg Branch	Class A EUR Hedge
CHF	415,631.83	USD	(452,144.54)		05/27/2022	5,980.60	UBS Europe SE, Luxembourg Branch	Class A CHF Hedge
Total						22,673.52		

**Notes to the financial statements as at December 31, 2021 (continued)**

Amount bought			Amount sold	Maturity	Unrealised (loss) USD	Counterparty	Share Class
USD	1,066,393.68	EUR	(938,409.04)	05/26/2022	(4,472.88)	UBS Europe SE, Luxembourg Branch	Class A EUR Hedge
USD	214,029.87	EUR	(189,252.68)	05/26/2022	(1,936.04)	UBS Europe SE, Luxembourg Branch	Class A EUR Hedge
USD	33,241.32	CHF	(30,587.76)	05/27/2022	(473.67)	UBS Europe SE, Luxembourg Branch	Class A CHF Hedge
<b>Total</b>					<b>(6,882.59)</b>		

As at December 31, 2021, Colon has entered into the following forward foreign exchange contracts:

Amount bought			Amount sold	Maturity	Unrealised (loss) EUR	Counterparty	Share Class
EUR	7,118,474.20	USD	(8,310,000.00)	01/19/2022	(186,118.77)	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
<b>Total</b>					<b>(186,118.77)</b>		

As at December 31, 2021, Flexible Conservative has entered into the following forward foreign exchange contracts:

Amount bought			Amount sold	Maturity	Unrealised gain EUR	Counterparty	Share Class
USD	4,450,000.00	EUR	(3,816,200.79)	01/19/2022	95,404.35	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
<b>Total</b>					<b>95,404.35</b>		

Amount bought			Amount sold	Maturity	Unrealised (loss) EUR	Counterparty	Share Class
EUR	7,623,877.30	USD	(8,900,000.00)	01/19/2022	(199,332.98)	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
<b>Total</b>					<b>(199,332.98)</b>		

As at December 31, 2021, Global Dynamic has entered into the following forward foreign exchange contracts:

Amount bought			Amount sold	Maturity	Unrealised (loss) EUR	Counterparty	Share Class
EUR	5,910,646.44	USD	(6,900,000.00)	01/19/2022	(154,539.06)	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
<b>Total</b>					<b>(154,539.06)</b>		

As at December 31, 2021, International Market Opportunity Fund has entered into the following forward foreign exchange contracts:

Amount bought			Amount sold	Maturity	Unrealised gain EUR	Counterparty	Share Class
USD	2,050,000.00	EUR	(1,755,502.21)	01/21/2022	46,397.85	UBS Europe SE, Luxembourg Branch	Class A USD Hedge
<b>Total</b>					<b>46,397.85</b>		
Amount bought			Amount sold	Maturity	Unrealised (loss) EUR	Counterparty	Share Class
EUR	7,691,710.76	USD	(9,000,000.00)	01/21/2022	(219,070.00)	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
USD	50,000.00	EUR	(44,170.40)	01/21/2022	(221.62)	UBS Europe SE, Luxembourg Branch	Class A USD Hedge
<b>Total</b>					<b>(219,291.62)</b>		

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

## Notes to the financial statements as at December 31, 2021 (continued)

As at December 31, 2021, Tandala has entered into the following forward foreign exchange contracts:

Amount bought			Amount sold	Maturity	Unrealised gain EUR	Counterparty	Share Class
CHF	822,000.00	EUR	(768,263.79)	01/19/2022	25,140.41	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
Total					25,140.41		
Amount bought			Amount sold	Maturity	Unrealised (loss) EUR	Counterparty	Share Class
EUR	4,548,627.92	USD	(5,310,000.00)	01/19/2022	(118,927.87)	UBS Europe SE, Luxembourg Branch	Sub-Fund <sup>(1)</sup>
Total					(118,927.87)		

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

### Note 12 - Futures contracts

As at December 31, 2021, Clarion Global Emerging Markets Bond Fund has entered into the following future contracts:

Ccy	Number of contracts bought/(sold)	Description	Maturity	Commitment	Unrealised (loss) USD	Counterparty
USD	(35.00)	US LONG BOND(CBT)	Mar - 22	USD 5,615,312	(19,687.50)	UBS Europe SE, Luxembourg Branch
USD	(40.00)	US 10YR NOTE (CBT)	Mar - 22	USD 5,218,750	(2,500.00)	UBS Europe SE, Luxembourg Branch
USD	(40.00)	US 5YR NOTE (CBT)	Mar - 22	USD 4,839,062	(2,812.50)	UBS Europe SE, Luxembourg Branch
Total					(25,000.00)	

### Note 13 - Liquidation of the Sub-Fund Huntress Dividend Strategy

As at December 31, 2021, the liquidation of the Sub-Fund was closed. All payables were paid. As at December 31, 2021, 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, 2021 (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, 2021.

**Note 16 - Subsequent events**

There were no subsequent events after the financial year-end.



**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 2021 for NS Partners Europe S.A.:

- Total amount of fixed remuneration for the year ended: EUR 2,565,782
- Total amount of variable remuneration for the year ended: EUR 347,288
- Number of NS Partners Europe S.A. staff: 30
- Total amount of compensation paid by NS Partners Europe S.A. to Senior managers: EUR 877,470

**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 has applied Article 6 of the Sustainable Finance Disclosure Regulation. Therefore, the Fund does not explicitly integrate any sustainability consideration into the investment process, even though they might be implicitly be examined in the asset risk analysis, and could include securities currently excluded by ESG funds. The Fund does not guarantee the presence of ESG rated securities in the investment universe and keeps the flexibility to take decisions regarding the asset allocation within the framework of the investment restrictions stated in the Prospectus.

**Total Expense Ratio (TER)**

	Total Expense Ratio (TER)
<b>Clarion Global Emerging Markets Bond Fund - USD</b>	
Class A-CHF	2.35%
Class AD-USD	2.35%
Class A-EUR	2.35%
Class A-USD	2.35%
Class B-USD	1.45%
Class PRD-USD	2.50%
Class PR-USD	2.50%
<b>Colon - EUR</b>	
Class EUR	0.87%
<b>Flexible Conservative - EUR</b>	
Class EUR	0.67%
<b>Global Dynamic - EUR</b>	
Class A-EUR	0.74%
<b>International Market Opportunity Fund - EUR</b>	
Class A-EUR	2.05%
Class A-USD	2.05%
<b>Milestone Japan Value Fund - JPY</b>	
Class B2-USD	0.78%
Class P-JPY	0.98%
<b>Tandala - EUR</b>	
Class EUR	0.93%
<b>Huntress Dividend Strategy-USD<sup>(1)</sup></b>	
Class F-USD <sup>(2)</sup>	0.53%
Class R-EUR <sup>(2)</sup>	0.74%
Class R-USD <sup>(3)</sup>	0.62%

<sup>(1)</sup> Sub-Fund launched on March 31, 2021 and liquidated on June 16, 2021.

<sup>(2)</sup> Launched on March 31, 2021 and liquidated on June 16, 2021.

<sup>(3)</sup> Launched on May 7, 2021 and liquidated on June 16, 2021.

**Unaudited information (continued)**

Sub-funds	Share Class	Sub-fund currency	Amount of performance fees as at 31/12 /2021 (in sub-fund currency)	% in the Share Class average NAV	Benchmark
<b>Clarion Global Emerging Markets Bond Fund</b>	Class A-USD Hedge	USD	57.57	0.00%	n.a.
	Class B-USD	USD	0.01	0.00%	n.a.
<b>International Market Opportunity Fund</b>	Class A-EUR	EUR	116,704.46	0.43%	Euribor 3m + 2%
	Class A-USD	EUR	8,097.06	0.44%	Euribor 3m + 2%
<b>Tandala</b>	Class EUR	EUR	112,709.46	0.40%	Euribor 1 year + 2%
<b>Huntress Dividend Strategy</b>	Class F-USD	USD	13,452.23	0.07%	n.a.