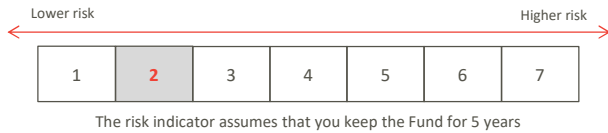
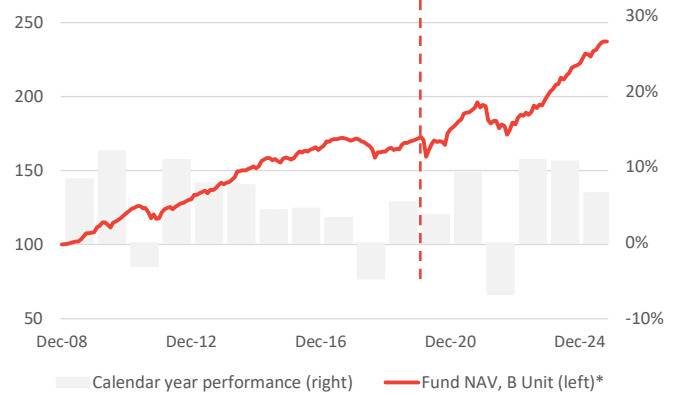


### Investment Objectives & Approach

The Fund aims to grow the capital of private individuals and corporate investors over long term. The Fund has a global mandate with emphasis on European markets. The Fund is an actively managed investment fund and mainly combines the best opportunities we find among listed equities, bonds and commodities. The share of each asset class and the Fund's risk level vary over time in accordance with the views of Avaron investment managers. Investors' interests are aligned with Avaron as the Fund's investment managers are the largest investors of the Fund. Arising from the Fund's investment strategy an investor should have an investment horizon of at least 5 years.



### Performance since inception, B Unit



\*Rebased (December 2008 = 100)

From 2020 the Fund's strategy changed to long-term capital growth from capital protection.

Past performance is not a guarantee or indicative of future results

5 largest bonds	Country	Sector	% of assets
NLB 6.875%	SI	Financials	2.8%
LHV Group 8.75%	EE	Financials	2.8%
Platform Group 8.875%	DE	IT	2.7%
Summus Capital 8%	EE	Real Estate	2.7%
LHV Group 9.5%	EE	Financials	2.6%
<b>5 largest total</b>			<b>13.7%</b>

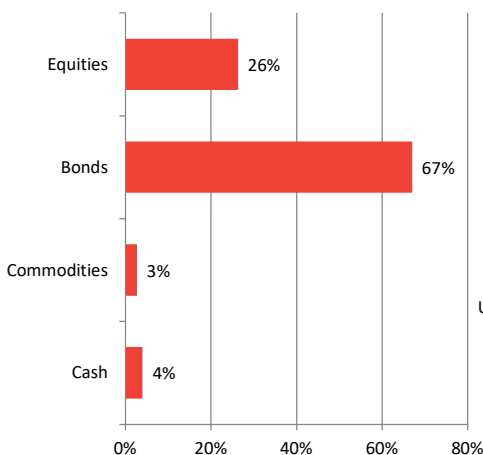
5 largest equity instruments	Country	Sector	% of assets
Lenzing	AT	Materials	1.6%
Technogym SPA	IT	Cons. Disc.	1.1%
Bulgarian Real Estate Fund	BG	Real Estate	1.0%
BP ADR	UK	Energy	1.0%
L'OREAL	FR	Cons. Staples	1.0%
<b>5 largest total</b>			<b>5.7%</b>

Commodities	Country	Sector	% of assets
Xtrackers IE Physical Gold ETC	Global	Commodities	2.7%

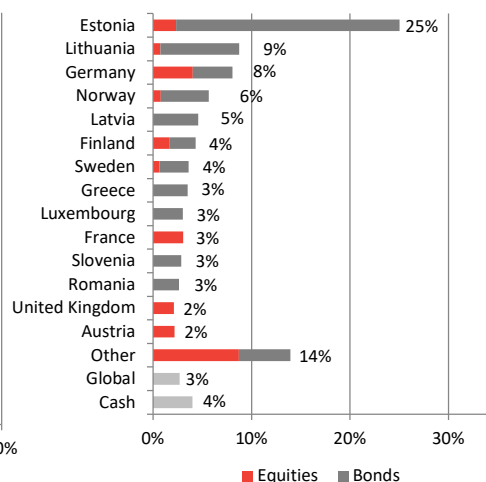
Performance overview*	Net return	Calendar year net return*
1 month	0.0%	2025 YTD 6.6%
3 months	1.1%	2024 10.8%
6 months	4.5%	2023 11.0%
YTD	6.6%	2022 -6.8%
1 year	7.5%	2021 9.2%
3 years	33.8%	
5 years	41.6%	<b>CAGR/Years*</b>
7 years	46.2%	2023-2024 10.9%
10 years	50.0%	2022-2024 4.6%
15 years	100.6%	2020-2024 5.3%
Since launch	137.2%	

\* Fund B unit

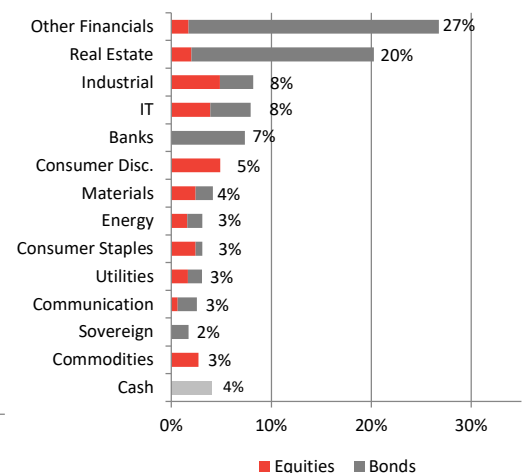
### Breakdown by asset class



### Breakdown by country



### Breakdown by sector



**Fund Facts - Avaron Active Multi-Asset Fund**

<b>Investment Manager</b>	AS Avaron Asset Management
<b>Fund type</b>	UCITS
<b>Asset class</b>	Flexible, all asset classes
<b>Launch date</b>	December 17, 2008
<b>Domicile</b>	Estonia
<b>Currency</b>	EUR
<b>Dividends</b>	reinvested
<b>Fund size, MEUR</b>	24.1
<b>Avaron's ownership</b>	13.7% of the Fund
<b>Total AUM, MEUR</b>	292.9

<b>Supervised by</b>	Estonian FSA
<b>Custodian</b>	Swedbank AS
<b>Transfer Agent</b>	Swedbank AS
<b>NAV calculation</b>	Swedbank AS
<b>External auditor</b>	KPMG
<b>Internal, auditor</b>	PWC

<b>NAV frequency</b>	Daily
<b>Subscription of units</b>	Daily, cut-off 10am CET
<b>Redemptions:</b>	
≤ 100k EUR	Daily, cut-off 10am CET
> 100k-500k EUR	notice period 10 business days, cut-off 10am CET
> 500k-3M EUR	at month-end NAV with 1 month notice, cut-off 1st business day 10am CET
> 3M EUR	at month-end NAV with 2 months notice, cut-off 1st business day 10am CET

**Public offering** Estonia, Latvia, Lithuania

**Fund documents & prospectus** <https://avaron.com/our-products/multiasset>

<b>Unit class</b>	<b>A</b>	<b>B</b>
<b>ISIN</b>	EE0000000883	EE3500100922
<b>Min. initial investment</b>	500,000 EUR	100 EUR
<b>Front-end load</b>	None	None
<b>Management fee</b>	0.75%	0.95%
<b>Performance fee</b>	10% over eurozone inflation rate	
<b>Back-end load</b>	None	None
<b>Bloomberg</b>	AVFLXSA ET	AVFLXSB ET
<b>RIC</b>	LP68882495	LP68045684
<b>Telekurs</b>		CH10983158
<b>NAV as of 31-Oct-2025</b>	10.3666 EUR	23.7193 EUR

**Contact Information**

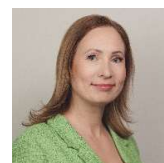
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**About Avaron Asset Management**

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

Investment ideas are generated through in-house proprietary research of approximately 300 companies, backed by regular on the ground visits and meetings. Our stock selection is primarily driven by the upside to internally set target prices on single company level. We invest only in business models that we understand and can model ourselves focusing on companies with leading market positions and strong recurring revenue streams. We follow the principles of responsible investment and adhere to the UN Principles for Responsible Investment (UN PRI). Our team of 17 professionals (including 10 in the investment team), based in Estonia and Poland, takes care of 290M+ euros of mainly professional investor assets.

We are supervised by the Estonian Financial Supervision Authority.



**Kristel Kivnurm-Priisalm**  
 Managing Partner,  
 Head of Investor Relations



**Rain Leesi, CFA**  
 Investment Manager,  
 Head of Research



**Valdur Jaht**  
 Partner, co-CIO,  
 Investment Manager



**Peter Priisalm**  
 Partner, co-CIO,  
 Investment Manager


**Important Legal Information**

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### Overview of the month

#### **October was a positive month for global financial markets.**

Equities continued to rise across both developed and emerging markets, supported primarily by technology and AI-related supply-chain companies. Improved risk appetite was driven by solid Q3 corporate earnings, constructive U.S.–China trade negotiations, and lower-than-expected U.S. inflation. The two sides reached a preliminary agreement halting the implementation of higher U.S. tariffs on Chinese imports while China agreed to ease export restrictions on rare earth elements, a critical input for the technology sector. China effectively holds a near-monopoly in processed rare earths, controlling roughly 90% of global supply.

#### **The U.S. Federal Reserve cut its policy rate by 25 basis points at its October meeting,**

bringing the benchmark rate to around 4%. Although U.S. inflation has risen in recent months, September's 3% print came in slightly below expectations. So far, the impact of tariffs on inflation has been far more modest than initially feared. A slowdown in service-price and rental inflation also gave the Fed confidence to deliver its second cut of the year. However, Fed Chair Jerome Powell noted that the market's expectation for another cut in December may prove premature, given ongoing short-term inflationary pressure from tariffs and the continued government shutdown, which limits access to key economic data needed for decision-making. While near-term policy direction remains uncertain, market expectations still point toward further easing, with the policy rate projected to fall to 3–3.25% over the next 12 months.

#### **In contrast to the U.S., the European Central Bank chose not to cut rates in October**

and signalled clearly that the current 2% policy rate is likely to remain unchanged for the foreseeable future. Although euro area inflation is hovering close to the 2% target, upward pressure on services prices (+3.4% in October) and labour costs remains sufficiently strong to rule out additional cuts. The ECB considers the current level appropriate in light of its economic and price-stability objectives. Market expectations for 2026 are therefore also relatively conservative. Despite the improved inflation outlook, investors do not anticipate the easing cycle to resume in the near term. Forecasts even suggest that rates may stay unchanged for an extended period, potentially until the end of 2026. Cuts would occur only if inflation continues to trend decisively lower and economic activity in the euro area fails to improve.

#### **High-yield bond indices delivered mostly positive returns in October.**

The European Liquid High Yield Index gained 0.1%. The index's yield to maturity for its underlying portfolio with a 2.8-year duration edged down to 4.87%.

Credit spreads in both investment-grade and high-yield markets remain near their post-pandemic lows. The high-yield segment has generated the strongest returns over the past couple of years, supported by improved credit quality and solid demand. Even with tight spreads, current yields remain high by historical standards. Spreads are also influenced by the fact that the index's maturity is now relatively short (2.8 years) compared with more than 4 years at the start of 2022, before rates began rising. Shorter maturities typically require lower spreads, as the probability of a material deterioration in credit risk is lower over a shorter time horizon. **Despite the European high-yield index hovering around a 5% yield for some time, we continue to find instruments within the segment that offer meaningfully higher returns for reasonable credit risk.** The weighted average yield on new bond purchases in October was 7.6%. As a result, the Fund continues to maintain a high allocation (67%) to high-yield bonds.

#### **The net asset value of Avaron Active Multi-Asset Fund remained unchanged in October.**

The Fund's 12-month return is +7.5%. At month-end, 26% of the Fund was allocated to equities, 67% to bonds, and 3% to gold. The equity book includes 37 companies, trades at 13.9x expected 2025 earnings, and offers a 3.4% dividend yield. Geographically, the most compelling opportunities lie in Western Europe, and given relative valuations we favour cyclical sectors within equities. The Fund's bond portfolio consists of 59 instruments with a weighted average yield to maturity of 8.3% (adjusted for partial FX-hedging costs to EUR) and a long duration of 14.5 years—an attractive proposition in our view. Due to higher interest-rate levels in the region, a large share of our bond exposure is in the Baltics and Scandinavia. These issues typically fall outside the focus of large global investors due to smaller issue sizes and the absence of credit ratings.

#### **Equity markets have been volatile but historically strong this year.**

Both European and U.S. indices have recovered sharply after the April correction and now trade at or near record highs. Given the notable improvement in investor sentiment and the rapid rise in equity prices over recent months, we remain cautious on the near-term outlook. Several sentiment indicators reflect exceptionally strong optimism, which historically has often been followed by at least a short-term pullback. Valuation differences still favour Europe. The S&P 500 trades at 25.7x expected 2025 earnings—16% above its 10-year average. Meanwhile, the European equity index trades at 16.4x, in line with its 10-year average.

#### Investor Contact

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