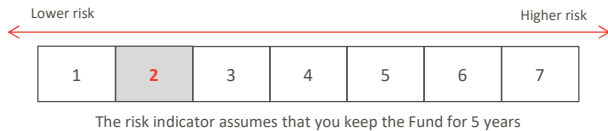


Investment Objectives & Approach

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.

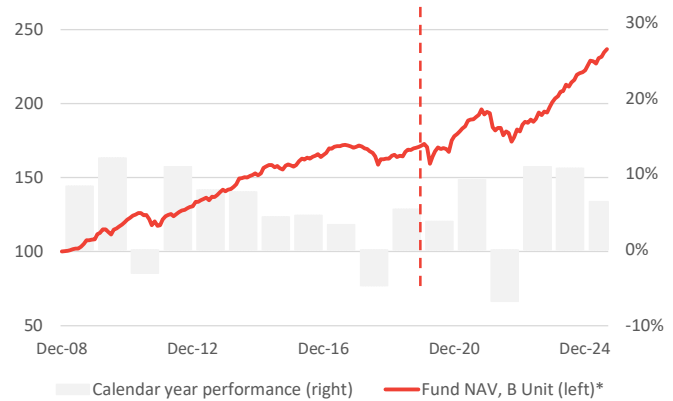


5 largest bonds	Country	Sector	% of assets
LHV Group 8.75%	EE	Financials	3.1%
NLB 6.875%	SI	Financials	2.8%
Platform Group 8.875%	DE	IT	2.8%
Summus Capital 8%	EE	Real Estate	2.7%
Mainor Ülemiste 8.5%	EE	Real Estate	2.7%
5 largest total			14.1%

5 largest equity instruments	Country	Sector	% of assets
Lenzing	AT	Materials	1.6%
YIT	FI	Real Estate	1.1%
Bulgarian Real Estate Fund	BG	Real Estate	1.1%
Technogym SPA	IT	Cons. Disc.	1.1%
LHV Group AS	EE	Financials	1.0%
5 largest total			5.8%

Commodities	Country	Sector	% of assets
Xtrackers IE Physical Gold ETC	Global	Commodities	2.3%

Performance since inception



*Rebased (December 2008 = 100)

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

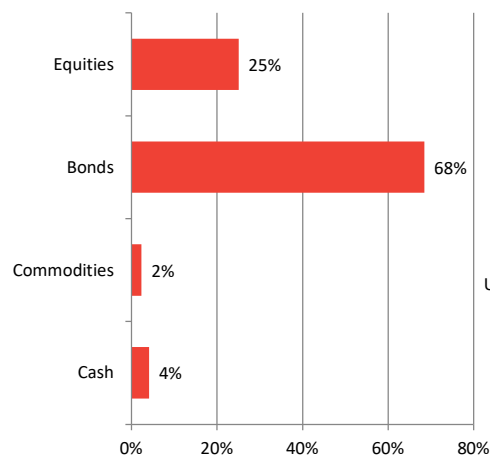
Past performance is not a guarantee or indicative of future results

Performance overview*	Net return	Calendar year net return*
1 month	0.9%	2025 YTD 6.4%
3 months	2.5%	2024 10.8%
6 months	3.4%	2023 11.0%
YTD	6.4%	2022 -6.8%
1 year	9.6%	2021 9.2%
3 years	31.4%	
5 years	39.3%	
7 years	49.2%	
10 years	51.5%	
15 years	104.6%	
Since launch	136.7%	

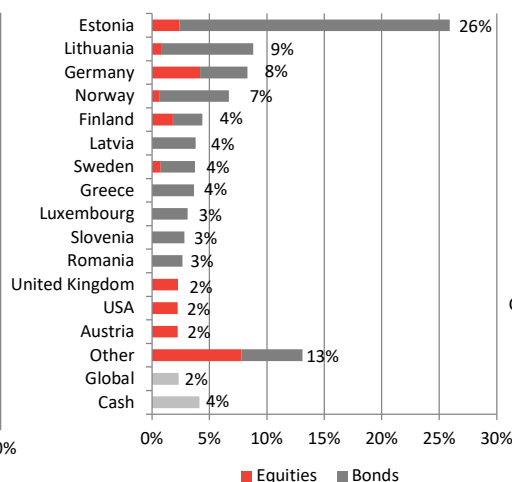
CAGR/Years*
2023-2024 10.9%
2022-2024 4.6%
2020-2024 5.3%

* Fund B unit

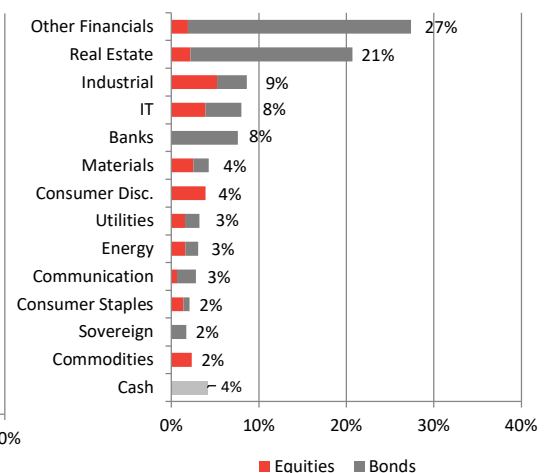
Breakdown by asset class



Breakdown by country



Breakdown by sector



Fund Facts - Avaron Flexible Strategies Fund

Investment Manager	AS Avaron Asset Management
Fund type	non-UCITS, public common alternative investment fund
Asset class	Flexible, all asset classes
Launch date	December 17, 2008
Domicile	Estonia
Currency	EUR
Dividends	reinvested
Fund size, MEUR	23.9
Avaron's ownership	13.8% of the Fund
Total AUM, MEUR	304.5

Subscription of units	Daily, cut-off 10am CET
Redemptions <50 000 EUR	Daily, cut-off 10am CET
Redemptions >50 000 EUR	notice period 10 business days, cut-off 10am CET

NAV frequency	Daily
Public offering	Estonia
Supervised by	Estonian FSA
Custodian	Swedbank AS
Transfer Agent	Swedbank AS
NAV calculation	Swedbank AS
External auditor	KPMG
Internal, auditor	PWC

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

Unit class	A	B
ISIN	EE0000000883	EE3500100922
Min. initial investment*	500,000 EUR	-
Front-end load	None	None
Management fee	0.75%	0.95%
Performance fee	10% over eurozone inflation rate	
Back-end load	None	None
Bloomberg RIC		AVFLXSB ET 68045684
Telekurs		CH10983158
NAV as of 31-Aug-2025	10.3423 EUR	23.6726 EUR

*B unit does not have a minimum investment requirement, however in the interests of return on investment, it is reasonable to start with at least 5,000 euros.

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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. In addition, we have integrated ESG analysis into our investment process and adhere to the UN Principles for Responsible Investment (UN PRI). Our team of 18 professionals (including 10 in the investment team), based in Estonia and Poland, takes care of 300M+ euros of mainly professional investor assets.

We are supervised by the Estonian Financial Supervision Authority.

Signatory of:



Kristel Kivunurm-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

This material has been drawn up by AS Avaron Asset Management (hereafter: Avaron), a fund management company registered in Estonia which is authorised and supervised by the Estonian Financial Supervision Authority. The contact details of Avaron are as follows: address Narva mnt 7d, 10117 Tallinn, Estonia; phone +372 664 4205; fax +372 664 4201; e-mail invest@avaron.com. This material is the copyright property of Avaron, unless noted otherwise, and all rights are reserved.

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Overview of the month

August delivered solid returns across most asset classes. The global equity index rose by 2.5% and the bond index by 1.5% in USD terms. Unfortunately, the weaker US dollar erased all these gains for euro-based investors. The key economic news was the US July non-farm payrolls report, which showed the labor market slowing more than expected. At the Federal Reserve's annual Jackson Hole meeting, Chair Jerome Powell highlighted that the balance of risks in the economy has shifted, which could justify a change in monetary policy. As a result, the probability of a 25bps rate cut in September increased significantly, with markets also pricing in one more cut later in 2025. Beyond signs of a slowing US economy, the dollar was also pressured by President Trump's reaction to the weak jobs data and the growing political pressure on the Fed's independence.

In Europe, the focus turned to France's political crisis. The Prime Minister has called for a no-confidence vote on 8 September against his minority government after failing to secure support for budget cuts.

On the trade front, August was calmer compared to previous months, though some notable events still occurred. At the beginning of the month, the US imposed higher tariffs on several trading partners. Later in the month, the US introduced a 50% tariff on India to pressure it to stop supplying oil and weapons to Russia.

Bond indices delivered mostly positive returns in their base currencies last month. The only weaker spot was European investment grade bonds, which came under pressure as risk premiums for French issuers widened due to political uncertainty in France. In addition, the US dollar's 2.3% decline had a notable negative impact on euro-based returns of dollar-denominated indices.

By contrast, the European Liquid High Yield Index, which reflects our Fund's bond universe, rose by 0.2%. The index yield to maturity for its 2.8-year portfolio declined to around 5%. Although the index yield has hovered near 5% in recent months, we continue to find bonds with reasonable credit risk that offer significantly higher yields. In August, the weighted average yield of new investments added to the Fund was 8.1%. This is why we continue to maintain a large allocation to high-yield bonds, which accounted for 68.5% of the portfolio at the end of the month.

The net asset value of the Avaron Flexible Strategies Fund rose by 0.9% in August, with bonds and equities contributing almost equally to the positive result. The Fund has delivered a +9.6% return over the past 12 months. At the end of August, the Fund was invested 25% in equities, 68% in bonds and 2% in gold.

The equity portfolio, consisting of 35 companies, is valued at 12.3x expected 2025 earnings and offers a 3.5% dividend yield. Geographically, we continue to see the most attractive opportunities in Western Europe. Given more appealing valuations, we currently prefer cyclical sectors, with industrials being the most interesting.

The bond portfolio includes 59 instruments with a weighted average yield to maturity of 8.6% (adjusted for partial FX hedging costs against the euro) and an average maturity of 14.4 years. We consider this highly attractive. Geographically, a large share of the bond portfolio is invested in the Baltics and Scandinavia.

The interest rate cut cycle in Europe has been on pause since June. Future moves will depend largely on how the final impact of new trade tariffs plays out in the European economy. For now, inflation is expected to gradually move toward 1.5%, which could allow the ECB to lower its policy rate further, supporting bond prices. Market expectations after the July decision no longer price in additional cuts this year.

Equity markets have been very volatile in recent months. Both European and US indices have staged strong rebounds since the April sell-off and now trade at or near record highs. Valuations remain more favorable in Europe: the S&P 500 trades at 24.3x expected 2025 earnings (10% above its 10-year average), while the European index trades at 15.8x (4% below its 10-year average).

We are keeping equity exposure moderate at 25%. During the April sell-off we decided not to increase equity risk, as it was extremely difficult to gauge the full impact of the trade war on corporate earnings expectations at that time. Markets have since recovered, and we now see fewer opportunities, especially in the US. Another reason for the lower equity allocation is the high yield we receive from the Fund's bond portfolio, which is comparable to the long-term average return of equities but comes with lower risk. When adding new equity positions, we remain selective, focusing on businesses with strong balance sheets and cash flows that can better withstand potential economic weakness.

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