# Avaron High Yield Bond Fund

## ANNUAL REPORT FOR THE FINANCIAL YEAR 2025

*Translation from Estonian original*

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## FUND FACTS

Avaron High Yield Bond Fund is a public common investment fund registered in the Republic of Estonia. The Fund complies with the requirements set out in the Directive 2009/65/EC of the European Parliament and of the Council.

| | |
|---|---|
| Name of the Fund | Avaron High Yield Bond Fund |
| Fund Management Company | AS Avaron Asset Management (reg. no. 11341336) |
| Registered address and contact details of the Fund Management Company | Address: Narva mnt 7d, 10117 Tallinn, Estonia<br>Phone: +372 664 4200<br>Facsimile: +372 664 4201<br>E-mail: avaron@avaron.com<br>https://avaron.com/ |
| Depository & Custody Bank | Swedbank AS (reg. no. 10060701) |
| Fund Administration (NAV calculation) & Transfer Agent services | Swedbank AS (reg. no. 10060701) |
| Investment Managers | Rain Leesi |
| Fund established | 9 October 2023 |
| Start of the Fund's activities | 13 October 2023 |
| Reporting period | 1 January 2025 – 31 December 2025 |

# INVESTMENT MANAGERS' REPORT

**Avaron High Yield Bond Fund invests in high yield bonds.** The Fund invests primarily into European high yield corporate bonds that offer a yield above that generally available on investment grade debt securities. As the Fund invests mostly in high yield bonds that are unrated or have a rating below investment grade, the Fund's risk level is higher compared to bond funds that invest in government bonds and investment grade bonds, thus the Fund has a medium risk level. Arising from the Fund's risk level, investors should have an investment horizon of at least 2 years. The Fund was launched in October 2023 as non-public alternative investment fund. From January 21st, 2025 onwards, the Fund is a UCITS fund.

## 2025 was a strong year for Fund's investors

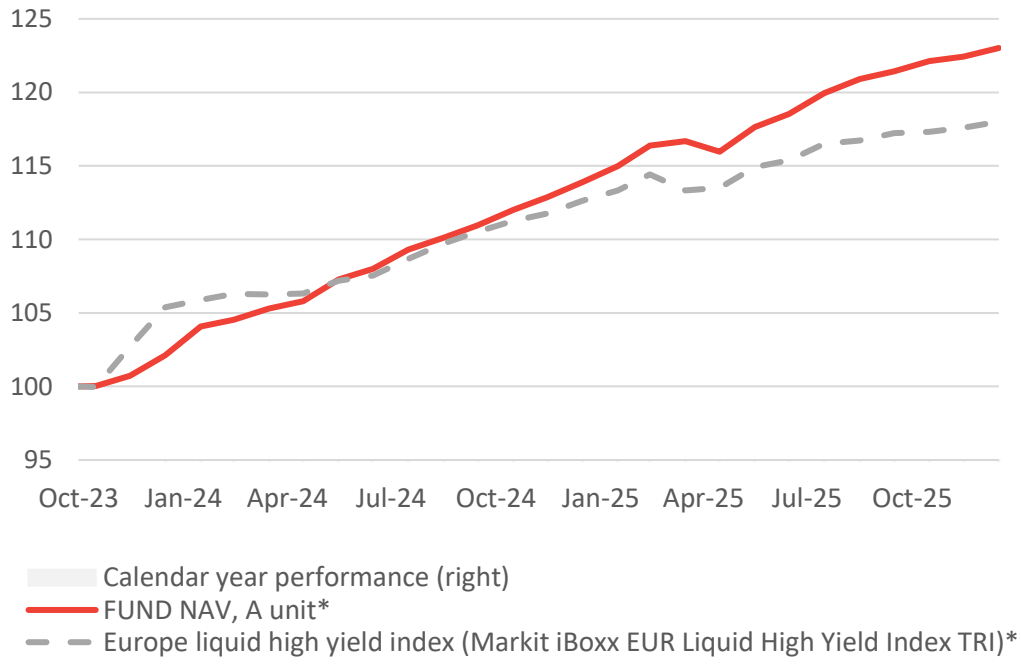
**The return of Avaron Bond Fund's Class A unit amounted to 8.0% in 2025, outperforming the European high yield bond index by 3.2 percentage points**. Since the Fund's inception in October 2023, the unit value has increased by 23%. As of the end of the year, the Fund's assets under management totalled €40.1 million, of which approximately €3.5 million is invested by Avaron and its fund managers.

**Table 1.** Net return of the Fund units, in EUR

| | A unit | B unit | C unit* | D unit* |
|---|---|---|---|---|
| **1 year** | 8.0% | 7.8% | 8.2% | 8.4% |
| **2 years** | 20.5% | 19.6% | - | - |
| **Since launch (Oct 2023)** | 23.0% | 21.9% | - | - |

** C and D Unit were launched in November 2024.*

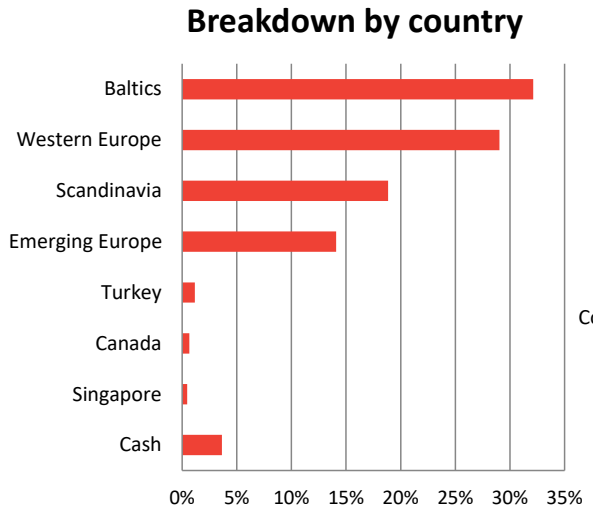
**Graph 1**. Fund performance and index performance since launch

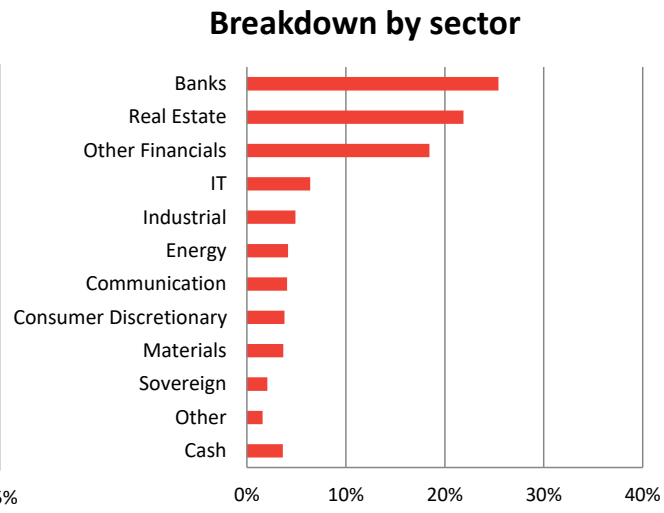


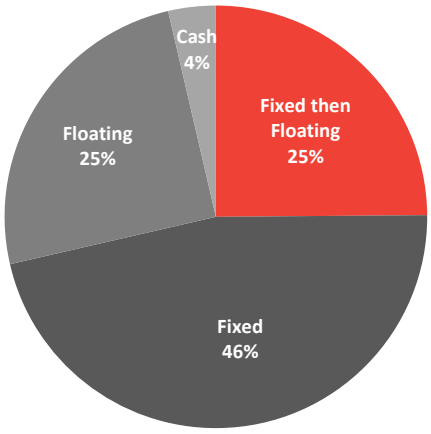

**Rebased (October 2023 = 100)*

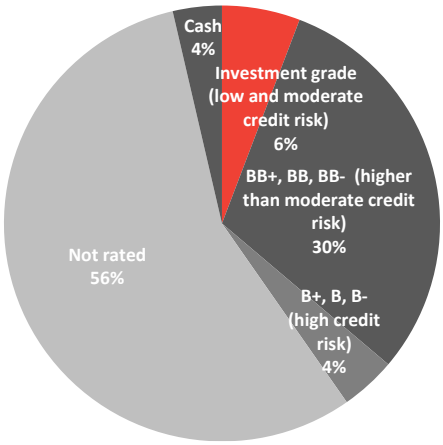
**The Fund's portfolio consists of 97 instruments from 80 issuers, with a yield to maturity of 8.2%, which we consider to remain an attractive level**. The weighted average maturity of the bonds in the portfolio is 15.3 years. Assuming that issuers redeem bonds early—as many typically do—the average effective maturity is 3.4 years. The portfolio's current yield is 7.9% per annum.

Geographically, the majority of the Fund's investments are allocated to the Baltics (32%) and the Nordic countries (19%), where higher interest rates provide attractive opportunities and competition from international investors is more limited. The portfolio is diversified across more than 15 countries, with the largest sector allocations in banking, real estate, and the financial sector.



27 March 2026
Kristel Kivinurm-Priisalm
Member of the Management Board

## CONFIRMATION OF ANNUAL FINANCIAL STATEMENTS OF 2025

The Management Board of the Fund Management Company has prepared the annual Financial Statements of Avaron High Yield Bond Fund on March 27th, 2026.

The Financial Statements have been prepared in accordance with the requirements stipulated in the regulation no 1606/2002/EU of the European Parliament and of the Council on the application of International Financial Reporting Standards (hereinafter "IFRS") as adopted by the European Commission, the Investment Funds Act, Minister of Finance Regulation no 8 of 18/01/2017 "Requirements for the reports of investment funds to be published".

It gives a true and fair view of the assets, liabilities, net asset value and performance results of Avaron High Yield Bond Fund. The Management Board considers Avaron High Yield Bond Fund to carry its activities as a going concern.

The annual Financial Statements of Avaron High Yield Bond Fund have been approved by the Fund Management Company and the Investment Managers.

| Name | Date | Signature |
|---|---|---|
| **Kristel Kivinurm-Priisalm**<br>Member of the Management Board of the Fund Management Company | 27/03/2026 | /Signed digitally/ |
| **Valdur Jaht**<br>Member of the Management Board of the Fund Management Company | 27/03/2026 | /Signed digitally/ |
| **Rain Leesi**<br>Investment Manager | 27/03/2026 | /Signed digitally/ |

# FINANCIAL STATEMENTS

## BALANCE SHEET

In EUR

| ASSETS | Note | 31/12/2025 | 31/12/2024 |
|---|---|---|---|
| Cash and cash equivalents | 3 | 1,448,235 | 1,249,903 |
| **Financial assets at fair value through profit or loss:** | | | |
| Bonds | 4 | 36,194,977 | 17,314,725 |
| Derivatives | 6 | 97,108 | 0 |
| Not listed bonds | 4 | 2,446,608 | 1,280,609 |
| Receivables and prepayments | 4 | 8,187 | 0 |
| **TOTAL ASSETS** | | **40,195,117** | **19,845,237** |
| **LIABILITIES** | | | |
| **Financial assets at fair value through profit or loss:** | | | |
| Derivatives | 6 | 62,431 | 33,330 |
| **Other financial liabilities** | | | |
| Payables to the management company | | 24,772 | 16,772 |
| Payables to the depository | | 3,615 | 1,924 |
| Other payables | | 6 162 | - |
| **TOTAL LIABILITIES** | | **96,980** | **52,026** |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS** | | **40,098,137** | **19,793,211** |

# STATEMENT OF INCOME AND EXPENSES

In EUR

| | Note | 01/01/2025-31/12/2025 | 09/10/2023-31/12/2024 |
|---|---|---|---|
| **INCOME** | | | |
| **Interest income** | | **2,287,074** | **882,022** |
| From bonds | | 2,279,679 | 853,488 |
| From deposits | | 7,394 | 28,534 |
| **Net gain/loss from financial assets at fair value through profit or loss** | | **287,106** | **464,895** |
| From bonds | 3 | 207,422 | 498,226 |
| From derivative instruments | 3 | 79,684 | -33,330 |
| **Net gain/loss from foreign exchange** | | -156,370 | 28,110 |
| **Other financial income** | | | |
| Other interest | | 8,259 | 0 |
| **TOTAL INCOME** | | **2,426,069** | **1,375,027** |
| **OPERATING EXPENSES** | | | |
| Management fees | 4 | 187,079 | 94,838 |
| Performance fees | 4 | 31,448 | 35,109 |
| Custodian fees | | 54,536 | 13,106 |
| Transaction fees | | 1,389 | 1,355 |
| Other operating expenses | | 3,403 | 1,408 |
| **TOTAL OPERATING EXPENSES** | | **277,856** | **145,816** |
| **NET INCOME** | | **2,148,212** | **1,229,211** |

# STATEMENT OF CHANGES IN NET ASSETS

In EUR

| | 01/01/2025-31/12/2025 | 09/10/2023-31/12/2024 |
|---|---|---|
| **NET ASSET VALUE AT THE BEGINNING OF THE PERIOD** | **19,793,211** | **0** |
| Cash received for fund units issued | 23,095,205 | 32,404,684 |
| Cash paid for fund units redeemed | -4,938,492 | -13,840,684 |
| Net result of the Fund | 2,148,212 | 1,229,211 |
| **NET ASSET VALUE AT THE END OF THE PERIOD** | **40,098,137** | **19,793,211** |
| **NUMBER OF THE UNITS IN CIRCULATION AT THE END OF REPORTING PERIOD** | | |
| Number of A units in circulation: | 397,590.275 | 193,003.643 |
| Number of B units in circulation: | 416,012.140 | 302,038.797 |
| Number of C units in circulation: | 1,161,268.242 | 476,273.589 |
| Number of D units in circulation: | 1,585,200.506 | 923,275.491 |
| **NET ASSET VALUE OF A UNIT AT THE END OF REPORTING PERIOD** | | |
| Net asset value of the A unit: | 12.3017 | 11.3890 |
| Net asset value of the B unit: | 12.1939 | 11.3115 |
| Net asset value of the C unit: | 10.9575 | 10.1291 |
| Net asset value of the D unit: | 10.9826 | 10.1317 |
| **TOTAL NET ASSET VALUE OF THE FUND SHARES** | | |
| Total net asset value of the A units: | 4,891,052 | 2,198,121 |
| Total net asset value of the B units: | 5,072,804 | 3,416,509 |
| Total net asset value of the C units: | 12,724,590 | 4,824,216 |
| Total net asset value of the D units: | 17,409,691 | 9,354,365 |
| **TOTAL NET ASSET VALUE** | **40,098,137** | **19,793,211** |

# STATEMENT OF CASH FLOWS

In EUR

| | 01/01/2025-31/12/2025 | 09/10/2023-31/12/2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Interest received | 1,899,108 | 721,915 |
| Net result from foreign exchange | 11,816 | -5,212 |
| Sale of investments | 7,211,361 | 1,615,654 |
| Purchase of investments | -26,740,228 | -19,520,514 |
| Operating expenses paid | -264,980 | -125,904 |
| | **-17,882,922** | **-17,311,925** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Proceeds from issue of units | 19,685,585 | 18,585,796 |
| Payments on redemption of units | -1,525,848 | -21,796 |
| | **18,159,737** | **18,564,000** |
| **TOTAL CASH FLOWS** | **196,853** | **1,249,939** |
| **CASH AND CASH EQUIVALENTS** | | |
| Cash and cash equivalents at the beginning of the period | 1,249,903 | 0 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 1,479 | -35 |
| **Cash and cash equivalents at the end of the period** | **1,448,235** | **1,249,903** |

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1. ACCOUNTING POLICIES AND ASSESSMENTS USED

The annual financial statements of Avaron High Yield Bond Fund for 2025 have been prepared in compliance with the valid Investment Funds Act as supplemented by the regulations of the Minister of Finance. The financial statements have been prepared, as stipulated in the Minister of Finance Regulation 8 of 18/01/2017 "Requirements for the reports of investment funds to be published" in accordance with the accounting policies and information presentation principles of the International Financial Reporting Standards as approved by the European Commission while taking into account the specifications of the regulation and Rules for Calculating Net Asset Value of Funds fund as established in the regulation issued pursuant to § 54(11) of the Investment Funds Act, as well as other specific provisions set out in the aforementioned Regulation 8.

The financial statements have been prepared in EUR, which is also Fund's functional and presentation currency.

The main accounting principles used when preparing the financial statements have been set out below.

### The following standards and interpretations have been used for the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and adopted by the EU are effective for the current period:

- Amendments to IAS 21 "The Effects of Change in Foreign Exchange Rates." (effective for annual periods beginning on or after 1 January 2025).

The adoption of these amendments to the existing standards has not led to any significant changes in the Fund's accounting policies.

### Standards and Interpretations issued by IASB that are adopted by the EU but have not yet been implemented

At present EU has approved the following standards, amendments to the existing standards and interpretations, which were not yet applicable:

- Amendments to IFRS 9 and IFRS 7 - amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026),
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

The Fund has not applied the new standards or amendments before deadline. The new standards and amendments listed above may have an impact on Fund's effective accounting principles. The Fund measures the potential impact on its financial reports.

### Standards and interpretations issued by IASB but not yet adopted by the EU

At present, the IFRS' as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except the following standards, amendments to the existing standards and interpretations, which were not endorsed for use as at date of publication of the financial statements:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027),

- Amendments to IAS 21 “The Effects of Change in Foreign Exchange Rates.“ (effective for annual periods beginning on or after 1 January 2027).

The Fund has not estimated the impact on the new standards and amendments on its accounting principles and annual report.

## Use of estimates and judgements

The preparation of the financial statements calls for the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements have been used according to the best knowledge based on prior experience and other factors that the management considers reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis.

Financial instruments are recognized in the balance sheet at fair value taking into account the principles stipulated in the Rules for Calculating Net Asset Value of Funds approved by the Management Board. The fair value of financial instruments quated on actively traded markets is termined by the quoted prices. If the prices in active markets are not available other valuation models are being used according to the Rules for Calculating Net Asset Value of Funds. Main risks involved with the estimates and judgements that may affect the value of the Fund’s assets and liabilities are related to measuring the fair value of financial instruments based on valuation models that use unobservable inputs.

## Foreign currency transactions

Foreign currency transactions are recorded using the last bid rate established by the depositary for the funds managed by AS Avaron Asset Management on the transaction date (hereinafter referred to as the depositary bid rate). This rate is based on market inputs. The assets and liabilities quoted in foreign currency are translated into EUR based on the depository bid rate applicable on the reporting date.

Gains and losses from foreign currency transactions are recorded in the statement of income and expenses under “Gain/ (loss) from transactions in foreign currencies” on a net basis.

## Financial instruments

Financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets include cash, contractual right to receive cash or another financial assets (for example receivables) from another entity, equity instruments of another entity and contractual rights to exchange financial assets with another entity under potentially favourable conditions. Financial liabilities include contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets with another entity under potentially unfavourable conditions.

Financial assets and liabilities are initially recorded at cost, which is the fair value of the consideration paid or received to acquire the financial asset or liability. Financial instruments are later divided into three categories in accordance to the principles of IFRS 9 taking into account the measurement:

1. amortised cost (AC);
2. fair value through other comprehensive income (FVOCI);
3. fair value through profit or loss (FVTPL).

The Fund does not hold financial assets measured at fair value through other comprehensive income.

*Classification*

On initial recignition, the Fund classifies financial instruments at amortised cost or fair value through profit or loss. A financial instrument is measured at amortised cost if it is not designated as at FVTPL, it is held within a business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). The classification and subsequent measurement depend on the business model for managing the financial assets and the contractual cash flow characteristics. The classification of financial assets is determined at initial recognition. The Fund has determined the following business models for managing financial assets:

- Held-to-collect business model, which includes financial assets that are held to collect contractual cash flows.
- Other business model, where financial assets are not held within a business model whose objective is to hold assets to collect contractual cash flows. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent purchases and sales taking place.

*Recognition*

In the course of normal business activities investments into shares or units of funds, bonds and derivative instruments are recognised using the trade date accounting principles. Trade date is defined as the date when the Fund takes the obligation to buy or sell the financial instrument. Financial assets and liabilities are initially recognised at acquisition cost, which is the fair value of the consideration paid for the financial asset.

After initial recognition the financial assets and liabilities are measured at fair value in the category “At fair value through profit or loss” or at amortised cost. Gains/ (losses) from the revaluation of securities are recorded in the statement of income and expenses under “Net gain/loss from financial assets at fair value through profit or loss”.

Dividend income from the financial assets at fair value through profit or loss are recorded in the statement of income and expenses under “Dividends” at the moment when the Fund’s right to the dividend is fixed.

*Fair value of financial instruments*

Fair value is the price that would be received upon selling an asset or paid upon transferring a liability in an orderly transaction in the principal market (or the most advantageous market) (i.e. exit price) between market participants at the measurement date, irrespective if the price is easily traceable or shall be determined using other valuation techniques. According to the fair value hierarchy stipulated in IFRS 13 the financial instruments at fair value shall be divided into three levels depending on the rate of observable inputs used:

- level 1 – unadjusted quoted prices in active market for identical assets or liabilities,
- level 2 – inputs other than quoted prices in level 1 that are observable directly or indirectly,
- level 3 – unobservable inputs for an asset or liability.

Observable inputs are inputs that are determined based on the market data (such as publicly available information about actual events or transactions) and that reflect assumptions which market participants would use when pricing an asset or a liability. When a fair value measurement is developed using inputs from multiple levels of the fair value hierarchy, the fair value

measurement of that instrument shall fall entirely into the lowest level from which the inputs have been used.

If an instrument is traded on multiple regulated markets, based on professional judgement, the one that is most liquid and most representative is considered as the principal market.

Measuring the fair value of financial instruments is based on the Rules for Calculating Net Asset Value of Funds approved by the Management Board. General principles are the following:

- The market value of shares traded on a regulated market is determined on the basis of the official closing price on the reporting date. If the closing price is unavailable, the official mid price is used. If the mid price is also unavailable, the last official bid price is used.
- The value of a listed debt security shall be determined on the basis of the last known marketquote. Avaron will determine which of the following reflects best the last known market quoterepresenting the fair value of a debt security on the valuation date: last traded price on theregulated market or multilateral trading facility; last reported traded price based on the sourceof the financial data vendor currently used; mid-market price on the regulated market ormultilateral trading facility; bid price on the regulated market or multilateral trading facility;mid-market price provided by sources of the financial data vendor currently used; bid priceprovided by sources of the financial data vendor currently used. Should market quotes for aninstrument not be available or in the opinion of Avaron do not represent the actual value of alisted debt security, its value will be determined on the basis of the yield curve method. If yieldcurve method cannot be used due to the absence of reliable data or its low sample size, theamortized cost method shall be used.
- Debt securities for which there is no active market or for which price information is not regularly available, such as certain unlisted debt instruments, are valued on an individual basis. As a general rule, such instruments are measured at nominal value plus accrued interest. An exception applies in cases where there are objective indications that the issuer may not be able to service the bonds in accordance with the agreed terms, as a result of which investors should expect, or consider highly probable, a change in the instrument's discounted cash flows. If, in the opinion of the Management Company, it is unlikely that the debt security can be sold (in the absence of an active market) prior to its call or maturity, the bond is not valued above its call or redemption price. The Management Company assesses such instruments at least on a quarterly basis, or more frequently if circumstances arise that would result in changes to the instruments' discounted cash flows. In determining fair value, the Management Company uses various valuation techniques, including, inter alia, off-market transactions between third parties, discounted cash flow analysis, and indirect valuation based on comparable instruments.
- Currency forwards and swaps shall be valued by using valuation date spot rate and forward points, interpolated to maturity.

*Derecognition*

Securities are removed from the balance sheet when the Fund has lost control over the corresponding financial assets either as a result of selling them or expiry of their term. FIFO method is used in accounting for the realised gains/ (losses) from securities transactions. The line "Sales profit/ (loss)" in the statement of income and expenses indicates the difference between the sales amount of an instrument and the corresponding acquisition cost.

## Offsetting

Financial assets and liabilities are offset only when the Fund has a legal right to offset the amounts and it intends to use the right.

## Cash and cash equivalents and cash flows

Cash and cash equivalents comprise of the Fund's current accounts and over-night deposits that are subject to an insignificant risk of changes in their fair value.

Cash flows from operating activities are reported using the direct method.

### Deposits

Deposits comprise term deposits of credit institutions given that their maturity is less than 12 months. Deposits are initially recognised at acquisition cost and subsequently measured at amortized cost using the effective interest rate method.

### Receivables

Receivables include revenues calculated on the accrual basis but not yet collected, including dividend receivables and other accrued income. Miscellaneous receivables include receivables from unsettled sales transactions.

Receivables are initially recognised at fair value and subsequently recorded at amortized cost using the effective interest rate method from which any possible impairment loss has been deducted.

### Other financial liabilities

Other financial liabilities include management fee and performance fee payables to the Fund Management Company; depository fee, safekeeping fee and transaction fee payables to the depository. Liabilities also include payables to Fund unitholders for redeemed units. Miscellaneous liabilities include payables for securities purchase transactions.

Other financial liabilities are initially recognised at fair value and subsequently recorded at amortized cost using the effective interest rate method.

### Fund units

The Fund has four classes of units which are which are reported as financial liabilities. Units shall be issued every day. The subscription price of the unit is net asset value of the unit to which 0.5% (until July 7$^{th}$, 2025 1%) subscription fee has been added. Subscription fee is Fund's income. Units can be redeemed every banking day or with 10 banking days, one month or two months prior notice depending on the redemption amount. The redemption price is the net asset value of the unit as of the date of receiving the redemption order or fixed after the notice period has passed as stipulated in the Fund's prospectus. Exchange of units to different class of units of the Fund is allowed.

The net asset value of a unit is determined by dividing the total net asset value of a class of units by the number of units of that class that have been issued and not redeemed (adjusted by the number of units from unsettled subscription and redemption orders that have been received by the Management Company).

The income of the Fund shall not be distributed to unitholders but shall be reinvested. A unitholder's profit or loss is reflected in the unit's net asset value change.

### Interest income

Interest income is recognised on accrual basis using the effective interest rate method. It comprises reported interest from cash and cash equivalents, deposits and debt instruments at fair value through profit or loss.

### Operating expenses

The operating expenses of the Fund include the management fee and performance fee payable to the management company, the custodian fee payable to the Fund's custodian, fund administration fees, fees to the registrar of fund units, transaction fees and other operating expenses stated in the

Fund rules. Transaction fees related to security purchase and sales transactions are recorded under “Transaction fees” in the statement of income and expenses. ˇ

## Related parties

Parties that are considered as related parties to the Fund are the Management Company AS Avaron Asset Management, other investment funds managed by the management company, all the group companies, the Management Board of the Fund Management Company and their related parties. According to the Fund rules the Fund pays management fees to the Management Company on a monthly basis.

# NOTE 2. RISK MANAGEMENT

## Short Overview of the Investment and Risk Management Techniques

The Fund pursues a value-oriented fixed income strategy that seeks attractive returns through investing in a diversified portfolio of high yield bonds. The Fund invests primarily into European high yield corporate bonds and may invest in any type of bonds. Different types of bonds may substantially differ in their terms and conditions (including redemption possibilities, conversion, related risks). During certain times the Fund might have a significant concentration geographically to the Baltics, Emerging Europe, the Nordics or outside of Europe or sector-wise to certain sectors like financials, real estate or energy. The Fund aims to keep a diversified portfolio on single bond position level but from time to time can have relatively high concentration towards specific countries, industries or economic/investment themes. The Fund invests mainly in listed bonds but all bonds invested in may not be traded on the stock exchange. The Fund Management Company applies an active portfolio management strategy in the Fund and makes decisions regarding the allocation of the Fund's assets across different types of bonds, industry sectors and regions based on its professional judgment and prevailing market conditions, drawing on company-specific and macroeconomic analysis.

The Fund is mainly exposed to market risk, including currency risk, interest rate risk and price risk, credit risk and liquidity risk arising from the financial instruments it holds. Funds that invest in fixed income are subject to interest rate and credit risk. Interest rate risk arises from potential decline in bond prices that accompanies a rise in interest rates. Longer-maturity bonds typically decline more than those with shorter maturities. Credit risk is a chance that any fund holding could have its credit rating downgraded or that a bond issuer will default (fail to make timely payments of interest or principal). Foreign securities carry additional risks, including exchange rate changes, adverse political and economic developments, differing regulatory environments and accounting standards.

Avaron has established procedures for internal risk management in order to identify, monitor, measure and, if necessary, hedge the risks associated with the Fund's investments. Avaron regularly examines that the Fund is in compliance with its investment restrictions. Portfolio diversification across sectors, countries, currencies and instruments alongside with liquidity analysis are the main risk management tools used. In addition, Avaron may use derivatives to reduce investment risks. Avaron's investment team actively follows financial results of issuers and makes relevant changes in the Fund's portfolio based on the Fund Managers' views of the economy and attractiveness of each financial instrument in respect to issuer specific risk.

## Credit risk

Credit risk refers to the risk that the issuer of a security where the Fund has invested or the counterparty to a transaction on account of the Fund fails to perform its obligations either fully or partially (e.g. an issuer fails to redeem the issued debt obligations, a counterparty to a trade does not deliver the securities or cash during the settlement, a counterparty defaults on a loan granted by the Fund), causing damage to the Fund.

Maximum exposure to credit risk as of the end of the period in EUR:

| | 31/12/2025 | % of NAV | 31/12/2024 | % of NAV |
|---|---|---|---|---|
| Cash and cash equivalents | 1,448,235 | 3.61% | 1,249,903 | 6.31% |
| Receivables and prepayments | 8,187 | 0.02% | 0 | 0.00% |
| Corporate bonds | 36,194,977 | 90.27% | 18,595,334 | 93.95% |
| Unlisted bonds | 2,446,608 | 6.10% | 0 | 0.00% |
| **TOTAL** | **40,098,007** | **100.00%** | **19,845,237** | **100.26%** |

The following table presents information related to the Fund's financial derivative instruments assets and liabilities by counterparty net of amounts available for offset under ISDA agreements and net of related colleteral received or pledged by the Fund as of the end of the period in EUR:

In EUR
31/12/2025

| | | | Gross Amount Not Offset in the Balance Sheet | | | |
|---|---|---|---|---|---|---|
| **Counterparty** | **Credit Rating** | **Gross Amounts of Liabilities in the Balance Sheet** | **Derivative Financial Instruments Available to Offset** | **Cash Collateral Pledged** | **Non-Cash Collateral** | **Net Amount** |
| Swedbank AS | AA- (S&P) - Swedbank AB | 8,650 | - | - | - | 8,650 |
| SEB Pank AS | AA- (S&P) - SEB AB | 88,458 | - | - | - | 88,458 |
| SEB Pank AS | AA- (S&P) - SEB AB | -62,431 | - | - | - | -62,431 |
| **TOTAL** | | **34,677** | **-** | **-** | - | **34,677** |

In EUR
31/12/2024

| | | | Gross Amount Not Offset in the Balance Sheet | | | |
|---|---|---|---|---|---|---|
| **Counterparty** | **Credit Rating** | **Gross Amounts of Liabilities in the Balance Sheet** | **Derivative Financial Instruments Available to Offset** | **Cash Collateral Pledged** | **Non-Cash Collateral** | **Net Amount** |
| Swedbank AS | A+ (S&P) - Swedbank AB | -33,330 | - | - | - | -33,330 |
| **TOTAL** | | **-33,330** | **-** | **-** | - | **-33,330** |

The Fund's assets are invested in bonds that are transferable. The Fund Management Company conducts a thorough credit risk analysis of the issuers of the bonds by analysing the financial data and studying the terms of the issue (prospectus).

Allocation of bonds according to Standard & Poor's credit rating scale in EUR:

| | 31/12/2025 | % of NAV | 31/12/2024 | % of NAV |
|---|---|---|---|---|
| A+ | 0 | 0.00% | 219,219 | 1.11% |
| A- | 645,467 | 1.61% | 609,990 | 3.08% |
| BBB+ | 687,852 | 1.72% | 0 | 0.00% |
| BBB | 650,073 | 1.62% | 1,102,553 | 5.57% |
| BBB- | 3,632,260 | 9.06% | 766,735 | 3.88% |
| BB+ | 1,517,406 | 3.78% | 1,124,219 | 5.70% |
| BB | 1,252,121 | 3.12% | 327,765 | 1.66% |
| BB- | 463,700 | 1.16% | 1,501,058 | 7.59% |
| B+ | 928,138 | 2.31% | 0 | 0.00% |
| B | 991,100 | 2.47% | 1,079,145 | 5.48% |
| B- | 1,257,040 | 3.13% | 380,667 | 1.95% |
| No rating | 26,616,429 | 66.38% | 11,483,983 | 57.93% |
| **TOTAL** | **38,641,585** | **96.37%** | **18,595,334** | **93.95%** |

The Fund's cash and cash equivalents are held with the Fund's depository Swedbank AS, which parent company Swedbank AB is rated AA- as of 23/09/2025 by Standard & Poor's and with AS SEB Pank, which parent company Skandinaviska Enskilda Banken AB is rated AA- as of 20/11/2025 by Standard & Poor's.

### Liquidity risk

Liquidity risk refers to the risk that due to low liquidity a financial instrument cannot be sold at the desired time, at the desired price or there is no market (buyer) at all. Liquidity risk is particularly relevant in case of investing into small cap companies and instruments not traded on a regulated securities market. The Fund's financial assets include unlisted bond investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its unlisted instruments in due time to meet its liquidity requirements.

Liquidity risk is managed through regular liquidity analysis and limitations on estimated exit times from positions and analysis of aggregate ownership in share capital and free float. Regular liquidity stress tests are performed to assess the adequacy of the Fund's liquidity profile.

Maximum exposure to financial liabilities according to the maturity as of the end of the period in EUR:

| | Up to 3 days | | Up to 1 month | | Over 1 month | |
|---|---|---|---|---|---|---|
| | 31/12/2025 | 31/12/2024 | 31/12/2025 | 31/12/2024 | 31/12/2025 | 31/12/2024 |
| Payables to the management company | - | - | 24,772 | 16,772 | - | - |
| Payables to the depository | - | - | 3,615 | 1,924 | - | - |
| Payments on redemption of units | 3,023 | - | - | - | - | - |
| Other liabilities | - | - | - | - | 3,139 | - |
| **TOTAL** | **3,023** | | **28,387** | **18,696** | **3,139** | |

The Fund maintains a credit line of 1,000,000 EUR that can be accessed to meet short-term liquidity needs. These resources have not been used as of 31/12/2025.

Positions that may take more than 20 days to liquidate based on the six month average trading volume (30% of trading volume).

| Instrument | Country | Sector | % of NAV 31/12/2025 |
|---|---|---|---|
| YIT OYJ 8.500% PERPETUAL EUR | Finland | Real Estate | 2.39% |
| PLATFORM GRP 8.875% 11.07.2028 | Germany | IT | 2.39% |
| LHV GROUP VAR% AT1 PERP TWDN | Estonia | Financials | 2.11% |
| ARTEA BANKAS VAR% PERP COCO | Lithuania | Financials | 1.84% |
| SUMMUS CAPITAL 8.000% 30.06.2029 | Estonia | Real Estate | 1.78% |
| LHV GROUP VAR% 16.09.2035 EUR | Estonia | Financials | 1.54% |
| ALPPES CAPITAL 8.000% 09.08.2028 | Latvia | Financials | 1.50% |
| ELKO GROUP 7.250% 20.12.2029 | Latvia | IT | 1.44% |
| SOSTINES BOKSTAI FRN 18.05.2026 | Lithuania | Real Estate | 1.38% |
| POS11 11.000% 02.04.2027 | Estonia | Real Estate | 1.28% |
| SUMMUS CAP 9.500% 11.06.2027 | Estonia | Real Estate | 1.28% |
| KOLIBRI FRN 13.02.2029 | Germany | Industrial | 1.24% |
| NORTHMILL GRP FRN 21.02.2036 | Sweden | Financials | 1.18% |
| KLOVERN FRN 01.01.2029 | Sweden | Real Estate | 1.18% |
| BONAVA AB FRN 03.09.2028 | Sweden | Real Estate | 1.18% |
| KINEPOLIS 2.90% 15.12.2027 | Belgium | Communication services | 1.13% |
| MAINOR ULEMISTE 8.50% 10.03.2027 | Estonia | Real Estate | 1.11% |
| CIVINITY 10.000% 17.07.2029 | Lithuania | Real Estate | 1.08% |
| UBM DEV 7.00% 29.10.2029 | Austria | Real Estate | 1.06% |
| ARLES FRN 04.11.2030 | Netherlands | Consumer staples | 1.04% |
| HOMNN HOLZWRK 7.50% 02.06.2032 | Germany | Materials | 1.02% |
| ARCO VARA 8.800% 24.09.2028 | Estonia | Real Estate | 1.01% |
| VLI TIMBER 9.000% 30.03.2028 | Lithuania | Energy | 1.01% |
| DELFINGROUP 9.50% 25.09.2027 | Latvia | Financials | 1.00% |
| CITADELE BANKA 5.00% 13.12.2031 | Latvia | Financials | 0.78% |
| EUROPI PROPERTY FRN 06.12.2027 | Sweden | Real Estate | 0.76% |
| ADVANZIA FRN SUBORD 24.03.2031 | Luxembourg | Financials | 0.76% |

| | | | |
|---|---|---|---|
| BIGBANK 9.000% AT1 TWDN PERP | Estonia | Financials | 0.75% |
| HOTREMA 9.000% 25.04.2028 | Lithuania | Industrial | 0.75% |
| JDC GROUP AG FRN 28.08.2029 | Germany | Financials | 0.64% |
| BIGBANK 9.000% SUB AT1 | Estonia | Financials | 0.63% |
| INBANK ALLUTA T2 9% 13.12.2033 | Estonia | Financials | 0.62% |
| EQL PHARMA FRN 24.01.2028 | Sweden | Health care | 0.59% |
| SIAULIU BANKAS 10.75% 22.06.2033 | Lithuania | Financials | 0.58% |
| CONSILIUM OPTIMUM 9% 20.12.2027 | Lithuania | Communication services | 0.56% |
| IUTECR 11.000% 06.10.2026 | Luxembourg | Financials | 0.52% |
| IN BALANCE 10.50% 24.02.2026 | Lithuania | Industrial | 0.52% |
| DELFINGROUP FRN SUB 25.07.2028 | Latvia | Financials | 0.50% |
| HOLM BANK PERP 14% | Estonia | Financials | 0.50% |
| KVARTALAS 8.00% 19.12.2026 | Lithuania | Real Estate | 0.45% |
| OKEA 9.125% 25.06.2029 | Norway | Energy | 0.44% |
| PANORO 10.25% SIN 11.12.2029 | Norway | Energy | 0.43% |
| ARCO VARA 10.000% 12.12.2026 | Estonia | Real Estate | 0.43% |
| CONSILIUM OPTIMUM 12% 20.05.2027 | Lithuania | Communication services | 0.42% |
| INVALDA INVL 7.000% 14.06.2027 | Lithuania | Financials | 0.39% |
| DELFINGROUP 10.0% 25.09.2028 | Latvia | Financials | 0.38% |
| CLEANR GRUPA 6.500% 14.11.2029 | Latvia | Industrial | 0.38% |
| CITADELE BANKA 8.000% 05.04.2034 | Latvia | Financials | 0.38% |
| INBANK 10.0% ALL ADD TIER1 | Estonia | Financials | 0.37% |
| VOLTA SKAI 10% 01.10.2027 | Estonia | Real Estate | 0.26% |
| LIVEN 10.500% 23.05.2028 | Estonia | Real Estate | 0.17% |
| BIGBANK 12.000% SUB AT PERP | Estonia | Financials | 0.13% |
| **KOKKU** | | | **47.22%** |

As many trades with fixed income instruments are made over the counter then the actual trading volume data may be not publicly available. For the fixed income instruments for which reliable trading data is not available, it is assumed 0.1% of the amount outstanding is being traded on daily basis. Based on the relevant decision by the Investment Manager relating to specific debt instrument a more conservative assumption may still be used. In this case the instrument shall be assumed not to be sellable before maturity.

## Market risk

Market risk refers to the risk of suffering losses due to adverse price movements at a specific securities market or a market for other assets. Adverse price movements may be caused by a country's weak economic indicators, poor financial results of an business sector, volatile securities market, investors' behaviour and psychology and other factors.

Diversification among sectors, countries, currencies and instruments are the main risk management tools used by the Fund to address market risk.

*Currency risk*

The Fund is open to foreign currency risk. Currency breakdown of the Fund's assets in EUR:

| | 31/12/2025 | % of Assets | 31/12/2024 | % of Assets |
|---|---|---|---|---|
| EUR | 33,997,730 | 84.58% | 16,959,130 | 60.90% |
| USD | 2,285,499 | 5.69% | 1,090,054 | 3.91% |
| SEK | 2,075,810 | 5.16% | 1,035,497 | 3.72% |
| NOK | 1,773,647 | 4.41% | 760,556 | 2.73% |
| **TOTAL** | **40,132,686** | **99.84%** | **19,845,237** | **71.26%** |

Taking into account the derivatives contracts, net FX positions as per currency were the following:

| | 31/12/2025 | % of Assets | 31/12/2024 | % of Assets |
|---|---|---|---|---|
| USD | 826,224 | 2.06% | 1,090,054 | 3.91% |
| NOK | 1,773,647 | 4.41% | 760,556 | 2.73% |
| SEK | 614,639 | 1.53% | 1,035,497 | 3.72% |
| **TOTAL** | **3,214,510** | **8.00%** | **2,886,107** | **10.36%** |

*Currency risk sensitivity analysis*

Fund's net asset value would have been affected by the weakening of foreign currencies against EUR on 31 December 2025. The sensitivity analysis assumes the weakening of foreign currency rates 10% against EUR. Below table illustrates the maximum weakening of foreign currency in the magnitude of the change from the higher to lower value since December 31, 2015. The analysis assumes that all the other variables remain constant. Analysis for 31 December 2024 has not been made.

The impact on net assets attributable to Fund's unit holders and net income:

| | 31.12.2025 | | |
|---|---|---|---|
| | Impact in EUR (-10% weakening) | Maximum annual currency weakening | Currency's % of NAV |
| SEK | -207,581 | -13% | 5.16% |
| NOK | -177,365 | -25% | 4.41% |
| USD | -228,550 | -16% | 5.69% |
| **TOTAL** | **-613,496** | | **15.26%** |

*Instrument's price risk*

Price risk is closely related to market risk but mainly affects a specific security or investment. Price risk is the risk of suffering losses due to adverse price movements of a specific stock or another investment. The price of a specific security is affected by developments in the issuer's financial results, changes in the competitive environment, analyst estimates and commentaries, etc.

Concentration of risk of the Fund's investments based on sectors as of the end of the period in EUR:

| | 31/12/2025 | % of NAV | 31/12/2024 | % of NAV |
|---|---|---|---|---|
| Financials | 17,588,370 | 43.86% | 10,071,256 | 50.89% |
| Real Estate | 8,777,457 | 21.89% | 3,900,495 | 19.71% |
| IT | 2,561,221 | 6.39% | 1,121,947 | 5.67% |
| Industrial | 1,963,862 | 4.90% | 619,053 | 3.13% |
| Energy | 1,665,639 | 4.15% | 792,259 | 4.00% |
| Communication Services | 1,627,472 | 4.06% | 879,040 | 4.44% |
| Consumer Staples | 1,524,358 | 3.80% | 0 | 0.00% |
| Materials | 1,473,748 | 3.68% | 305,608 | 1.54% |
| Sovereign | 830,374 | 2.07% | 0 | 0.00% |
| Utilities | 247,998 | 0.62% | 477,583 | 2.41% |
| Health Care | 236,131 | 0.59% | 112,131 | 0.57% |
| Consumer Discretionary | 144,955 | 0.36% | 315,962 | 1.60% |
| **TOTAL** | **38,641,585** | **96.37%** | **18,595,334** | **93.96%** |

Concentration of risk of the Fund's investments based on geographic location as of the end of the period in EUR:

| | 31/12/2025 | % of NAV | 31/12/2024 | % of NAV |
|---|---|---|---|---|
| Estonia | 6,270,757 | 15.65% | 2,820,312 | 14.25% |
| Lithuania | 3,813,870 | 9.52% | 3,006,345 | 15.19% |
| Luxembourg | 3,441,903 | 8.58% | 1,688,838 | 8.53% |
| Norway | 3,233,383 | 8.06% | 1,434,142 | 7.25% |
| Germany | 3,280,679 | 8.18% | 938,184 | 4.74% |
| Latvia | 2,800,596 | 6.98% | 1,177,108 | 5.95% |
| Sweden | 2,742,610 | 6.84% | 1,633,704 | 8.25% |
| Romania | 2,287,714 | 5.71% | 766,735 | 3.87% |
| Greece | 1,745,215 | 4.35% | 1,396,022 | 7.05% |
| Austria | 1,699,104 | 4.24% | 913,504 | 4.62% |
| United Kigdom | 1,508,904 | 3.76% | 625,561 | 3.16% |
| Finland | 958,562 | 2.39% | 213,479 | 1.08% |
| Poland | 928,138 | 2.31% | 0 | 0.00% |
| France | 741,675 | 1.85% | 192,691 | 0.97% |
| Slovenia | 687,852 | 1.72% | 681,283 | 3.44% |
| Denmark | 622,586 | 1.55% | 0 | 0.00% |
| Turkey | 463,700 | 1.16% | 0 | 0.00% |
| Belgium | 453,403 | 1.13% | 0 | 0.00% |
| Netherlands | 415,409 | 1.04% | 0 | 0.00% |
| Canada | 262,332 | 0.65% | 197,027 | 1.00% |
| Sinagpour | 181,166 | 0.45% | 202,625 | 1.02% |

| | | | | |
|---|---|---|---|---|
| Spain | 102,027 | 0.25% | 103,472 | 0.52% |
| Czech Rep. | 0 | 0.00% | 219,219 | 1.11% |
| USA | 0 | 0.00% | 205,110 | 1.04% |
| Cyprus | 0 | 0.00% | 179,973 | 0.91% |
| **TOTAL** | **38,641,585** | **96.37%** | **18,595,334** | **93.96%** |

*Instrument's price risk sensitivity analysis*

Sensitivity analysis is based on standard deviation of the Fund since launch, whereas the Fund's risk profile has been calculated based on normal distribution. The analysis assumes that all the other variables remain constant. Analysis as per 31 December 2024 has not been made.

| | **Probability** | **+/- possible change of Fund`s NAV during year 31/12/2025** |
|---|---|---|
| σ | 68.27% | 1.51% |
| 2σ | 95.45% | 3.02% |
| 3σ | 99.73% | 4.54% |

## NOTE 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents by credit institution and currency

| | **31/12/2025** | **% of NAV, converted into EUR** | **31/12/2024** | **% of NAV, converted into EUR** |
|---|---|---|---|---|
| **Swedbank AS** | | **3.61%** | | **6.31%** |
| EUR | 986,620 | 2.46% | 1,228,094 | 6.20% |
| SEK | 86,501 | 0.02% | 112,052 | 0.05% |
| NOK | 4,656,827 | 0.98% | 141,987 | 0.06% |
| USD | 71,067 | 0.15% | 0 | 0.00% |
| **AS SEB Pank** | | | | |
| EUR | 60 | 0.00% | - | - |
| **TOTAL** | | **3.61%** | | **6.31%** |

The Fund's cash and cash equivalents are held with Fund's custodian Swedbank AS, which parent company Swedbank AB is rated AA- as of 23/09/2025 by Standard & Poor's, with AS SEB Bank, which parent company Skandinaviska Enskilda Banken AB is rated AA- as of 20/11/2025 (Standard & Poor's).

## NOTE 4. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES TO CATEGORIES AND LEVELS

In EUR
31/12/2025

| | Measured at fair value through profit or loss | | | Financial assets at amortised cost | | | Financial liabilities at amortised cost | | |
|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | - | - | - | 1,448,235 | - | - | - | - | - |
| Listed Bonds | 35,369,458 | - | 825,519 | - | - | - | - | - | - |
| Derivative instruments | - | 97,108 | - | - | - | - | - | - | - |
| Unlisted bonds | - | - | 2,446,608 | - | - | - | - | - | - |
| Other receivables | - | - | - | - | 8,187 | - | - | - | - |
| **LIABILITIES** | | | | | | | | | |
| Derivative instruments | - | 62,431 | - | - | - | - | - | - | - |
| Payables to the management company | - | - | - | - | - | - | - | 24,772 | - |
| Payables to the depository | - | - | - | - | - | - | - | 3,615 | - |
| Payables on redemption of units | - | - | - | - | - | - | - | 3,023 | - |
| Other liabilities | - | - | - | - | - | - | - | 3,139 | - |
| **TOTAL** | **35,369,458** | **159,539** | **3,272,127** | **1,448,235** | **8,187** | **-** | **-** | **34,548** | **-** |

According to the estimates of the Fund Management Company the carrying value of financial assets and liabilities at amortised cost amounts approximate fair value.

In EUR

| 31/12/2024 | Measured at fair value through profit or loss | | | Financial assets at amortised cost | | | Financial liabilities at amortised cost | | |
|---|---|---|---|---|---|---|---|---|---|
| **ASSETS** | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Cash and cash equivalents | - | - | - | 1,249,903 | - | - | - | - | - |
| Listed bonds | 17,044,242 | - | 270,482 | - | - | - | - | - | - |
| Unlisted bonds | - | - | 1,280,609 | - | - | - | - | - | - |
| **LIABILITIES** | | | | | | | | | |
| Derivative instruments | - | 33,330 | - | - | - | - | - | - | - |
| Payables to the management company | - | - | - | - | - | - | - | 16,772 | - |
| Payables to the depository | - | - | - | - | - | - | - | 1,924 | - |
| **TOTAL** | **17,044,242** | **33,330** | **1,551,091** | **1,249,903** | **-** | **-** | **-** | **18,696** | **-** |

According to the estimates of the Fund Management Company the carrying value of financial assets and liabilities at amortised cost amounts approximate fair value.

## NOTE 5. NET GAIN/LOSS FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

In EUR

| | 01/01/2025-31/12/2025 | 09/10/2023-31/12/2024 |
|---|---|---|
| **Net gain/loss from financial assets at fair value through profit or loss** | | |
| **From bonds** | | |
| Sales profit/(-loss) | 355,459 | 79,552 |
| Unrealised profit /(-loss) | -148,037 | 418,673 |
| **From derivative instruments** | | |
| Sales profit/(-loss) | 11,675 | 0 |
| Unrealised profit /(-loss) | 68,008 | -33,330 |
| **Total net gain/(-loss )** | **287,106** | **464,895** |

## NOTE 6. DERIVATIVE INSTRUMENTS

In EUR
31/12/2025

| Type of Instrument | Issuer of Instrument | Quantity of underlying | The underlying currency | Exercise date | Price of Instrument / premium | Exercise price | | Market value | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Per unit | Total | Date | Total |
| Swap | Swedbank AS | 516,662 | EUR | 02/05/2025 | 1.0000 | 1.0000 | 516,662 | 31/12/2025 | - |
| | | 600,000 | USD | 30/04/2026 | 0.8467 | 1.1613 | 516,662 | 31/12/2025 | 8,650 |
| Forward | SEB Pank AS | 938,174 | EUR | 13/02/2025 | 1.0000 | 1.0000 | 938,174 | 31/12/2025 | - |
| | | 1,000,000 | USD | 10/02/2026 | 0.8497 | 1.0659 | 938,174 | 31/12/2025 | 88,458 |
| Forward | SEB Pank AS | 1,461,626 | EUR | 13/02/2025 | 1.0000 | 1.0000 | 1,461,626 | 31/12/2025 | - |
| | | 16,500,000 | SEK | 10/02/2026 | 0.0814 | 11.2888 | 1,461,626 | 31/12/2025 | 62,431 |
| **TOTAL** | | | | | | | | | **34,677** |

No collateral was pledged or received at the end of 31/12/2025.

In EUR
31/12/2024

| Type of Instrument | Issuer of Instrument | Quantity of underlying | The underlying currency | Exercise date | Price of Instrument / premium | Exercise price | | Market value | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Per unit | Total | Date | Total |
| Swap | Swedbank AS | 542,790 | EUR | 02/05/2025 | 1.0000 | 1.0000 | 542,790 | 31/12/2024 | - |
| | | 600,000 | USD | 02/05/2025 | 0.9602 | 1.1054 | 542,790 | 31/12/2024 | -33,330 |
| **TOTAL** | | | | | | | | | **-33,330** |

No collateral was pledged or received at the end of 31/12/2024.

## NOTE 7. TRANSACTIONS WITH RELATED PARTIES

In addition to the Fund Management Company, companies belonging to the same group, other investment funds managed by the Management Company and shareholders of the management company are considered to be related parties to the Fund.

The transactions with related parties were in EUR as follows:

| | 01/01/2025-31/12/2025 | 09/10/2023-31/12/2024 |
|---|---|---|
| **Fund Management Company** | | |
| Management and performance fees | 218,527 | 129,947 |
| Units bought | 0 | 1,500,000 |
| Units sold | 0 | 399,000 |
| **Other investment funds managed by Fund Management Company** | | |
| Buy of securities | 0 | 472,107 |
| **Other persons belonging to the same consolidation group as the Fund Management Company** | | |
| Units bought | 0 | 1,699,000 |
| **TOTAL** | **218,527** | **4,200,054** |

The balances outstanding with related parties were as follows in EUR:

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| **Fund Management Company** | | |
| Management and performance fee payable | 24,772 | 16,772 |
| **TOTAL** | **24,772** | **16,772** |

The Management Company and its related parties owned the following units of Avaron High Yield Bond Fund at market value:

| | 31/12/2025 | 31/12/2024 |
|---|---|---|
| The ultimate owners own | 2,022,013 | 1,875,918 |
| Fund Managemnent Company owns | 1,357,209 | 1,253,973 |
| Other related persons own | 177,260 | 164,150 |
| **TOTAL** | **3,556,482** | **3,294,042** |

# STATEMENT OF INVESTMENTS

Statement of investments as of 31/12/2025

| Name | ISIN | Emitent country | FX | YTM | Maturity | Average acquisition cost per unit | Average acquisition cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| BONDS* | | | | | | | | | | |
| YIT OYJ 8.500% PERPETUAL EUR | FI4000587464 | FI | EUR | 7.13% | 30/01/3100 | 100.38 | 903,400 | 101.50 | 958,562 | 2.39% |
| PLATFORM GRP 8.875% 11.07.2028 | NO0013256834 | DE | EUR | 6.00% | 11/07/2028 | 101.10 | 1,011,000 | 91.57 | 957,760 | 2.39% |
| DL INVEST 6.625% 15.07.2030 | XS3109485782 | PL | EUR | 13.52% | 15/07/2030 | 98.75 | 888,750 | 100.00 | 928,138 | 2.31% |
| EUROBANK ER VAR% PERP COCO | XS3224517410 | GR | EUR | 5.00% | 30/01/3100 | 100.00 | 900,000 | 99.13 | 899,985 | 2.24% |
| LHV GROUP VAR% AT1 PERP TWDN | XS3042781024 | EE | EUR | 6.02% | 30/01/3100 | 100.00 | 800,000 | 104.00 | 844,910 | 2.11% |
| ROMANIA 5.625% 22.02.2036 | XS2770921315 | RO | EUR | 7.38% | 22/02/2036 | 94.88 | 759,000 | 98.99 | 830,374 | 2.07% |
| TRANSILVANIA VAR% PERP COCO | XS3239211132 | RO | EUR | 8.50% | 30/01/3100 | 100.41 | 803,280 | 100.83 | 811,910 | 2.02% |
| PRA GROUP 6.25% 30.09.2032 | XS3185740811 | LU | EUR | 8.75% | 30/09/2032 | 98.88 | 791,000 | 97.52 | 792,668 | 1.98% |
| ARTEA BANKAS VAR% PERP COCO | XS2922133363 | LT | EUR | 10.50% | 30/01/3100 | 100.46 | 703,200 | 103.72 | 738,591 | 1.84% |
| AXACTOR FRN 13.06.2029 | NO0013583229 | NO | EUR | 10.00% | 13/06/2029 | 101.23 | 708,625 | 102.40 | 719,787 | 1.80% |
| SUMMUS CAPITAL 8.000% 30.06.2029 | EE0000001493 | EE | EUR | 7.50% | 30/06/2029 | 100.00 | 704,000 | 101.45 | 714,208 | 1.78% |
| NOVA LJUBLJAN VAR EUR 24.01.2034 | XS2750306511 | SI | EUR | 11.00% | 24/01/2034 | 100.10 | 600,600 | 108.22 | 687,852 | 1.72% |
| GRENKE AG VAR% PERP | XS2969264857 | DE | EUR | 9.63% | 30/01/3100 | 100.08 | 600,500 | 101.75 | 650,073 | 1.62% |
| RAIFFEISEN BK VAR PERP /2024 | XS2785548053 | AT | EUR | 9.13% | 30/01/3100 | 100.05 | 600,300 | 107.25 | 645,467 | 1.61% |
| TRANSILVANIA VAR% 07.12.2028 | XS2724401588 | RO | EUR | 6.63% | 07/12/2028 | 102.95 | 617,682 | 107.10 | 645,430 | 1.61% |
| ELEVING GROUP 9.500% 24.10.2030 | XS3167361651 | LU | EUR | 8.00% | 24/10/2030 | 99.10 | 584,696 | 103.62 | 621,643 | 1.55% |
| LHV GROUP VAR% 16.09.2035 | XS3153067288 | EE | EUR | 5.94% | 16/09/2035 | 99.82 | 598,902 | 101.13 | 616,334 | 1.54% |
| PARC BIDCO FRN 21.11.2028 | NO0013478800 | NO | EUR | 7.50% | 21/11/2028 | 100.00 | 600,000 | 99.63 | 603,127 | 1.50% |
| ALPPES CAPITAL 8.000% 09.08.2028[1] | LV0000105419 | LV | EUR | 8.80% | 09/08/2028 | 100.00 | 600,000 | 100.00 | 600,000 | 1.50% |
| CPI PROPERTY VAR% PERP | XS3099834676 | LU | EUR | 9.00% | 30/01/3100 | 96.00 | 576,000 | 92.78 | 580,129 | 1.45% |
| ELKO GROUP 7.250% 20.12.2029 | LV0000108637 | LV | EUR | 10.00% | 20/12/2029 | 99.45 | 571,850 | 100.00 | 575,811 | 1.44% |
| VERVE GROUP FRN 01.04.2029 | SE0023848429 | SE | EUR | 6.25% | 01/04/2029 | 97.32 | 583,897 | 94.14 | 573,949 | 1.43% |
| SOSTINES BOKSTAI FRN 18.05.2026 | LT0000407629 | LT | EUR | 6.00% | 18/05/2026 | 101.34 | 557,365 | 99.50 | 552,516 | 1.38% |
| LENZING VAR% SUB PERPETUAL | XS3106543534 | AT | EUR | 6.77% | 30/01/3100 | 116.60 | 583,006 | 100.00 | 521,575 | 1.30% |
| POS11 11.000% 02.04.2027[1] | EE0000000529 | EE | EUR | 8.75% | 02/04/2027 | 100.00 | 500,000 | 100.00 | 513,444 | 1.28% |
| SUMMUS CAP 9.500% 11.06.2027 | LV0000860187 | EE | EUR | 7.13% | 11/06/2027 | 100.87 | 505,346 | 101.90 | 513,163 | 1.28% |
| CHAPTERS 7% 08.08.2030 | DE000A4DFK32 | DE | EUR | 10.50% | 08/08/2030 | 100.00 | 500,000 | 99.50 | 511,405 | 1.28% |
| INTRALOT 6.75% 15.10.2031 | XS3192259516 | LU | EUR | 10.63% | 15/10/2031 | 100.00 | 500,000 | 99.48 | 505,823 | 1.26% |
| KOLIBRI FRN 13.02.2029 | NO0013461384 | DE | EUR | 8.54% | 13/02/2029 | 100.00 | 480,000 | 102.06 | 495,644 | 1.24% |
| NORTHMILL GRP FRN 21.02.2036 | SE0026821332 | SE | SEK | 8.13% | 21/02/2036 | 9.10 | 455,025 | 9.39 | 474,062 | 1.18% |
| KLOVERN FRN 01.01.2029 | SE0026526238 | SE | SEK | 7.50% | 01/01/2029 | 9.10 | 454,794 | 9.31 | 473,587 | 1.18% |
| BONAVA AB FRN 03.09.2028 | SE0023950910 | SE | SEK | 5.50% | 03/09/2028 | 8.96 | 447,828 | 9.42 | 473,404 | 1.18% |
| INTL PERS FIN FRN 10.11.2028 | XS3222732664 | GB | SEK | 9.45% | 10/11/2028 | 9.14 | 456,921 | 9.36 | 473,070 | 1.18% |
| TURKIYE BANKASI VAR% PERP | XS2970145012 | TR | USD | 5.50% | 30/01/3100 | 96.90 | 484,496 | 89.18 | 463,700 | 1.16% |

**Statement of investments as of 31/12/2025 (continued)**

| Name | ISIN | Emitent country | FX | YTM | Maturity | Average acquisition cost per unit | Average acquisition cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **BONDS*** | | | | | | | | | | |
| KINEPOLIS 2.90% 15.12.2027 | BE0002577550 | BE | EUR | 6.57% | 15/12/2027 | 92.40 | 462,000 | 90.55 | 453,403 | 1.13% |
| WORLDLINE 5.500% 10.06.2030 | FR0014010A08 | FR | EUR | 7.68% | 10/06/2030 | 90.35 | 451,750 | 87.41 | 452,420 | 1.13% |
| MAINOR ULEMISTE 8.50% 10.03.2027 | EE3300003136 | EE | EUR | 8.45% | 10/03/2027 | 102.16 | 434,194 | 102.50 | 446,663 | 1.11% |
| ALPHA SERV VAR% PERP | XS2805274326 | GR | EUR | 8.00% | 30/01/3100 | 100.55 | 402,200 | 108.82 | 444,562 | 1.11% |
| INEOS FIN 7.25% 31.03.2031 | XS3192215492 | GB | EUR | 9.03% | 31/03/2031 | 100.50 | 502,500 | 86.12 | 440,043 | 1.10% |
| CIVINITY 10.000% 17.07.2029 | LT0000134413 | LT | EUR | 8.13% | 17/07/2029 | 100.00 | 400,000 | 103.50 | 432,301 | 1.08% |
| LUMINOR HOLD VAR JR SUB PERP | XS2982074861 | EE | EUR | 6.71% | 30/01/3100 | 100.00 | 400,000 | 103.38 | 425,054 | 1.06% |
| UBM DEV 7.00% 29.10.2029 | AT0000A3FFK1 | AT | EUR | 9.50% | 29/10/2029 | 98.50 | 394,000 | 105.03 | 424,937 | 1.06% |
| TPA I USD SOFR FRN 26.03.2030 | NO0013501759 | DK | USD | 9.00% | 26/03/2030 | 91.71 | 458,547 | 84.28 | 421,644 | 1.05% |
| HAWK INFINITY FRN 15.10.2029 | NO0013358069 | NO | NOK | 9.13% | 15/10/2029 | 8.54 | 426,816 | 8.17 | 417,927 | 1.04% |
| ARLES FRN 04.11.2030 | NO0013684662 | NL | EUR | 14.00% | 04/11/2030 | 99.50 | 398,000 | 102.50 | 415,409 | 1.04% |
| HOMNN HOLZWRK 7.50% 02.06.2032 | NO0013536169 | DE | EUR | 8.35% | 02/06/2032 | 100.00 | 400,000 | 101.93 | 410,104 | 1.02% |
| ARCO VARA 8.800% 24.09.2028 | EE0000002244 | EE | EUR | 9.00% | 24/09/2026 | 100.00 | 400,000 | 100.90 | 404,187 | 1.01% |
| VLI TIMBER 9.000% 30.03.2028 | LT0000134256 | LT | EUR | 6.75% | 30/03/2028 | 100.00 | 400,000 | 100.00 | 403,000 | 1.01% |
| PIRAEUR VAR% PERP | XS3201977595 | GR | EUR | 10.75% | 30/01/3100 | 100.00 | 400,000 | 98.88 | 400,668 | 1.00% |
| DELFINGROUP 9.50% 25.09.2027 | LV0000106649 | LV | EUR | 6.50% | 25/09/2027 | 100.11 | 400,441 | 100.00 | 400,528 | 1.00% |
| AIDER KONSERN FRN 05.09.2028 | NO0013321349 | NO | NOK | 11.00% | 05/09/2028 | 8.57 | 385,738 | 8.55 | 386,865 | 0.96% |
| INTL PERS FIN 10.75% 14.12.2029 | XS2835773255 | GB | EUR | 8.07% | 14/12/2029 | 108.55 | 325,650 | 108.38 | 326,631 | 0.81% |
| CPI PROPERTY 6.00% 27.01.2032 | XS2904791774 | LU | EUR | 8.00% | 27/01/2032 | 95.93 | 287,796 | 100.70 | 318,756 | 0.79% |
| CITADELE BANKA 5.00% 13.12.2031 | LV0000880102 | LV | EUR | 9.00% | 13/12/2031 | 96.03 | 297,703 | 100.13 | 311,152 | 0.78% |
| EUROPI PROPERTY FRN 06.12.2027 | SE0017832728 | SE | EUR | 7.27% | 06/12/2027 | 100.00 | 300,000 | 100.65 | 303,307 | 0.76% |
| ADVANZIA FRN SUBORD 24.03.2031 | NO0010955909 | LU | EUR | 7.00% | 24/03/2031 | 100.50 | 301,500 | 101.02 | 303,169 | 0.76% |
| HAWK INFINITY FRN 10.07.2030 | NO0013525006 | NO | NOK | 7.25% | 10/07/2030 | 8.67 | 320,974 | 7.95 | 301,655 | 0.75% |
| BIGBANK 9.000% AT1 TWDN PERP[1] | EE3300005081 | EE | EUR | 10.00% | 30/01/3100 | 100.00 | 300,000 | 100.00 | 301,125 | 0.75% |
| HOTREMA 9.000% 25.04.2028 | LT0000134553 | LT | EUR | 7.35% | 25/04/2028 | 100.00 | 300,000 | 100.00 | 300,375 | 0.75% |
| VIRIDIEN 8.500% 15.10.2030 | XS3023943692 | FR | EUR | 7.25% | 15/10/2030 | 101.87 | 276,336 | 104.86 | 289,256 | 0.72% |
| ITHACA ENERGY N 8.125% 15.10.2029 | USG49774AC90 | GB | USD | 9.60% | 15/10/2029 | 91.69 | 275,071 | 88.28 | 269,161 | 0.67% |
| INTL PETROL 7.5% 10.10.2030 | NO0013671107 | CA | USD | 6.52% | 10/10/2030 | 85.45 | 256,345 | 86.03 | 262,332 | 0.65% |
| JDC GROUP AG FRN 28.08.2029 | NO0013618587 | DE | EUR | 9.13% | 28/08/2029 | 100.00 | 250,000 | 101.68 | 255,693 | 0.64% |
| CITADELE BANKA VAR% PERP | XS3060301168 | LV | EUR | 9.00% | 30/01/3100 | 100.05 | 250,125 | 100.50 | 255,301 | 0.64% |
| BIGBANK 9.000% SUB AT1[1] | EE0000000560 | EE | EUR | 8.50% | 30/01/3100 | 100.00 | 250,000 | 100.00 | 250,938 | 0.63% |
| INBANK ALLUTA T2 9% 13.12.2033 | EE3300003714 | EE | EUR | 10.25% | 13/12/2033 | 100.00 | 228,000 | 109.38 | 249,489 | 0.62% |
| CULLINAN HOLDCO 8.5% 15.10.2029 | XS3148179230 | EE | EUR | 8.00% | 15/10/2029 | 73.46 | 203,211 | 87.88 | 247,998 | 0.62% |

## Statement of investments as of 31/12/2025 (continued)

| Name | ISIN | Emitent country | FX | YTM | Maturity | Average acquisition cost per unit | Average acquisition cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| EQL PHARMA FRN 24.01.2028 | SE0023595350 | SE | SEK | 9.50% | 24/01/2028 | 8.71 | 217,635 | 9.34 | 236,131 | 0.59% |
| SIAULIU BANKAS 10.75% 22.06.2033 | LT0000407751 | LT | EUR | 9.50% | 22/06/2033 | 112.56 | 225,120 | 110.00 | 231,310 | 0.58% |
| CONSILIUM OPTIMUM 9% 20.12.2027 | LT0000411266 | LT | EUR | 7.00% | 20/12/2027 | 100.00 | 224,000 | 100.00 | 224,616 | 0.56% |
| AKROPOLIS 6.00% 15.05.2030 | XS3046302488 | LT | EUR | 9.00% | 15/05/2030 | 100.00 | 200,000 | 105.15 | 217,853 | 0.54% |
| SENSYS GATSO FRN 13.09.2028 | SE0022727095 | SE | EUR | 8.50% | 13/09/2028 | 101.00 | 202,000 | 102.38 | 208,171 | 0.52% |
| IUTECR 11.000% 06.10.2026 | XS2378483494 | LU | EUR | 13.55% | 06/10/2026 | 93.50 | 187,000 | 101.30 | 207,788 | 0.52% |
| IN BALANCE 10.50% 24.02.2026[1] | LT0000133480 | LT | EUR | 7.00% | 24/02/2026 | 100.00 | 200,000 | 100.00 | 207,361 | 0.52% |
| NTI GROUP FRN 28.03.2030 | NO0013505834 | EE | EUR | 7.25% | 28/03/2030 | 100.05 | 200,100 | 100.44 | 200,942 | 0.50% |
| DELFINGROUP FRN SUB 25.07.2028 | LV0000802700 | EE | EUR | 7.25% | 25/07/2028 | 100.00 | 200,000 | 100.00 | 200,375 | 0.50% |
| HOLM BANK PERP 14%[1] | EE3300004241 | EE | EUR | 8.88% | 30/01/3100 | 100.00 | 200,000 | 100.00 | 200,233 | 0.50% |
| KVARTALAS 8.00% 19.12.2026 | LT0000411167 | LU | EUR | 7.06% | 19/12/2026 | 102.35 | 184,538 | 100.65 | 181,946 | 0.45% |
| YINSON PRO 9.625% 03.05.2029 | NO0013215509 | LT | USD | 6.25% | 03/05/2029 | 92.06 | 184,124 | 89.29 | 181,166 | 0.45% |
| OKEA 9.125% 15.05.2028 | NO0013223503 | RO | USD | 6.88% | 15/05/2028 | 93.55 | 187,110 | 88.33 | 178,598 | 0.45% |
| OKEA 9.125% 25.06.2029 | NO0013593855 | SE | USD | 5.63% | 25/06/2029 | 86.30 | 172,607 | 89.07 | 178,393 | 0.44% |
| PANORO 10.25% SIN 11.12.2029 | NO0013415786 | NO | USD | 7.38% | 11/12/2029 | 93.87 | 187,737 | 85.99 | 172,895 | 0.43% |
| ARCO VARA 10.000% 12.12.2026[1] | EE3300005156 | EE | EUR | 12.00% | 12/12/2026 | 100.00 | 170,000 | 100.00 | 170,850 | 0.43% |
| CONSILIUM OPTIMUM 12% 20.05.2027 | LT0000409047 | LU | EUR | 12.00% | 20/05/2027 | 100.19 | 160,310 | 103.25 | 167,333 | 0.42% |
| INVALDA INVL 7.000% 14.06.2027 | LT0000409229 | NO | EUR | 7.50% | 14/06/2027 | 100.00 | 155,000 | 100.77 | 156,668 | 0.39% |
| DELFINGROUP 10.0% 25.09.2028 | LV0000803914 | LV | EUR | 9.50% | 25/09/2028 | 101.04 | 151,558 | 102.32 | 153,688 | 0.38% |
| CLEANR GRUPA 6.500% 14.11.2029 | LV0000107365 | LV | EUR | 6.50% | 14/11/2029 | 100.00 | 150,000 | 100.48 | 151,972 | 0.38% |
| CITADELE BANKA 8.000% 05.04.2034 | LV0000803054 | EE | EUR | 10.00% | 05/04/2034 | 100.00 | 140,000 | 106.50 | 151,770 | 0.38% |
| INBANK 10.0% ALL ADD TIER1[1] | EE3300004381 | EE | EUR | 10.63% | 30/01/3100 | 100.00 | 150,000 | 100.00 | 150,083 | 0.37% |
| ANDFJORD SALM FRN 23.06.2028 | NO0013587246 | SE | NOK | 8.50% | 23/06/2028 | 8.46 | 148,099 | 8.26 | 144,955 | 0.36% |
| OCEAN YIELD FRN 05.09.2029 | NO0013321364 | NO | NOK | 10.50% | 05/09/2029 | 8.49 | 127,289 | 8.57 | 129,180 | 0.32% |
| ADVANZIA FRN SUB EUR 28.02.2034 | NO0013162743 | CA | EUR | 2.90% | 28/02/2034 | 100.00 | 100,000 | 111.12 | 111,928 | 0.28% |
| AMS-OSRAM 10.5% 30.03.2029 | XS2724532333 | EE | EUR | 10.00% | 30/03/2029 | 107.85 | 107,850 | 104.50 | 107,125 | 0.27% |
| VOLTA SKAI 10% 01.10.2027 | EE0000002475 | LT | EUR | 6.13% | 01/10/2027 | 100.00 | 100,000 | 100.00 | 102,472 | 0.26% |
| FERTIBERIA CORP FRN 08.05.2028 | NO0013219477 | EE | EUR | 8.82% | 08/05/2028 | 100.00 | 100,000 | 101.00 | 102,027 | 0.25% |
| LIVEN 10.500% 23.05.2028 | EE3300004332 | LU | EUR | 6.67% | 23/05/2028 | 100.00 | 65,000 | 102.05 | 67,034 | 0.17% |
| BIGBANK 12.000% SUB AT PERP[1] | EE3300003581 | LT | EUR | 9.00% | 30/01/3100 | 106.55 | 53,273 | 104.65 | 52,573 | 0.13% |
| **BONDS TOTAL** | | | | | | | **37,820,710** | | **38,641,585** | **96.37%** |

* Accrued interest in the amount of 683,531.35 EUR has been added to the value of bonds

## Statement of investments as of 31/12/2025 (continued)

| Name | Derivative Type | Emitent country | Rating agency | Rating | FX | Maturity | Average acquisi-tion cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **DERIVATIVES** | | | | | | | | | | |
| FX-Forward EUR/USD SEB | Forward | EE | | | USD | 10.02.2026 | | | 88,458 | 0.22% |
| FX Swap | Swap | EE | | | USD | 30.04.2026 | | | 8,650 | 0.02% |
| FX-Forward EUR/SEK SEB | Forward | EE | | | SEK | 10.02.2026 | | | -62,431 | -0.16% |
| **DERIVATIVES TOTAL** | | | | | | | | | **34,677** | **0.09%** |
| **INSTRUMENTS TOTAL** | | | | | | | **37,820,710** | | **38,676,262** | **96.45%** |

| Name | Credit Institution's country | Credit Institution | FX | Interest rate | Quantity | Average acquisition cost per unit | Average acquisition cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **CASH** | | | | | | | | | | |
| CURRENT ACCOUNT | EE | SEB | EUR | | | | 60 | | 60 | 0.00% |
| CURRENT ACCOUNT | EE | Swedbank | EUR | | | | 986,620 | | 986,620 | 2.46% |
| CURRENT ACCOUNT | EE | Swedbank | NOK | | | | 393,064 | | 393,064 | 0.98% |
| CURRENT ACCOUNT | EE | Swedbank | SEK | | | | 7,987 | | 7,987 | 0.02% |
| CURRENT ACCOUNT | EE | Swedbank | USD | | | | 60,503 | | 60,503 | 0.15% |
| **CURRENT ACCOUNT TOTAL** | | | | | | | **1,448,236** | | **1,448,236** | **3.61%** |
| **INVESTMENTS TOTAL** | | | | | | | **39,268,946** | | **40,124,498** | **100.06%** |
| **OTHER ASSETS** | | | | | | | | | | |
| OTHER RECEIVABLE | | | EUR | | | | 8,187 | | 8,187 | 0.02% |
| **OTHER ASSETS TOTAL** | | | | | | | **8,187** | | **8,187** | **0.02%** |
| **TOTAL ASSETS OF THE FUND** | | | | | | | **39,277,133** | | **40,132,686** | **100.08%** |
| LIABILITIES | | | | | | | | | -34,549 | -0.08% |
| **NET ASSETS OF THE FUND** | | | | | | | | | **40,098,137** | **100.00%** |

## Statement of investments as of 31/12/2024

| Name | ISIN | Emitent country | Rating agency | Rating | FX | YTM | Maturity | Average acquisition cost per unit | Average acquisition cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **BONDS*** | | | | | | | | | | | | |
| NOVA LJUBLJAN VAR EUR | XS2750306511 | SI | S&P | BBB | EUR | 5.84% | 24/01/203 | 100.10 | 600,600 | 107.12 | 681,283 | 3.44% |
| TRANSILVANIA VAR% 07.12.2028 | XS2724401588 | RO | Fitch | BBB- | EUR | 4.78% | 07/12/202 | 102.95 | 617,682 | 108.65 | 654,754 | 3.31% |
| LHV GROUP VAR% 03.10.2027 | XS2693753704 | EE | | | EUR | 6.49% | 03/10/202 | 100.67 | 604,000 | 105.48 | 645,687 | 3.26% |
| RAIFFEISEN BK VAR PERP | XS2785548053 | AT | S&P | A- | EUR | 7.30% | 30/01/310 | 100.05 | 600,300 | 100.93 | 609,990 | 3.08% |
| SUMMUS CAP 9.500% 11.06.2027 | LV0000860187 | EE | | | EUR | 7.36% | 11/06/202 | 100.87 | 505,346 | 104.75 | 527,442 | 2.67% |
| PLATFORM GRP 8.875% | NO0013256834 | DE | | | EUR | 9.14% | 11/07/202 | 100.10 | 500,500 | 99.21 | 516,914 | 2.61% |
| SIAULIU BANK VAR% PERP | XS2922133363 | LT | | | EUR | 8.70% | 30/01/310 | 100.00 | 500,000 | 100.59 | 511,955 | 2.59% |
| ELEVING GROUP 9.500% | XS2393240887 | LU | Fitch | B | EUR | 10.22% | 18/10/202 | 98.73 | 483,781 | 98.82 | 493,630 | 2.49% |
| SOSTINES BOKSTAI FRN | LT0000407629 | LT | | | EUR | 8.82% | 18/05/202 | 101.39 | 456,260 | 100.00 | 454,682 | 2.30% |
| MAINOR ULEMISTE 8.50% | EE3300003136 | EE | | | EUR | 7.29% | 10/03/202 | 102.16 | 434,194 | 102.40 | 446,238 | 2.25% |
| ALPHA SERV VAR% PERP | XS2805274326 | GR | S&P | BB- | EUR | 7.11% | 30/01/310 | 100.55 | 402,200 | 105.36 | 430,706 | 2.18% |
| GRENKE VAR% PERP | XS1689189501 | DE | S&P | BBB | EUR | 9.92% | 30/01/310 | 100.30 | 401,200 | 97.99 | 421,270 | 2.13% |
| PIRAEUS FIN VAR% PERP | XS2354777265 | GR | S&P | BB- | EUR | 8.34% | 30/01/310 | 101.50 | 406,000 | 104.76 | 420,474 | 2.12% |
| AIDER KONSERN FRN 05.09.2028 | NO0013321349 | NO | | | NOK | 8.00% | 05/09/202 | 8.57 | 385,738 | 8.70 | 393,842 | 1.99% |
| BONAVA AB FRN 11.03.2027 | SE0013887973 | SE | | | SEK | 6.88% | 11/03/202 | 8.87 | 354,984 | 8.84 | 355,211 | 1.79% |
| VNV GL FRN% 03.10.2027 | SE0022761011 | SE | | | SEK | 8.69% | 03/10/202 | 8.81 | 330,222 | 8.70 | 333,169 | 1.68% |
| INTL PERS FIN 10.75% 14.12.2029 | XS2835773255 | GB | Fitch | BB | EUR | 8.54% | 14/12/202 | 108.55 | 325,650 | 108.75 | 327,765 | 1.66% |
| MAXIMA 6.250% 12.07.2027 | XS2485155464 | LT | S&P | BB+ | EUR | 5.21% | 12/07/202 | 101.93 | 305,800 | 102.38 | 315,962 | 1.60% |
| ALPHA SERV VAR% 13.02.2030 | XS2111230285 | GR | S&P | BB- | EUR | 4.20% | 13/02/203 | 94.63 | 283,875 | 100.22 | 311,862 | 1.58% |
| CPI PROPERTY 6.00% 27.01.2032 | XS2904791774 | LU | S&P | BB+ | EUR | 5.87% | 27/01/203 | 95.93 | 287,796 | 100.72 | 306,819 | 1.55% |
| EUROPI PROPERTY FRN | SE0017832728 | SE | | | EUR | 7.88% | 06/12/202 | 100.00 | 300,000 | 100.74 | 303,848 | 1.54% |
| BIGBANK 9.000% AT1 | EE3300005081 | EE | | | EUR | 9.00% | 30/01/310 | 100.00 | 300,000 | 100.00 | 302,325 | 1.53% |
| ADVANZIA FRN SUBORD | NO0010955909 | LU | | | EUR | 8.65% | 24/03/203 | 100.50 | 301,500 | 100.18 | 300,792 | 1.52% |
| ITHACA ENERGY N 8.125% | USG49774AC90 | GB | | | USD | 7.80% | 15/10/202 | 91.69 | 275,071 | 97.78 | 297,796 | 1.50% |
| AKROPOLIS 2.875% 02.06.2026 | XS2346869097 | LT | S&P | BB+ | EUR | 5.03% | 02/06/202 | 90.18 | 270,525 | 97.11 | 296,328 | 1.50% |
| CITADELE BANKA 5.00% | LV0000880102 | LV | | | EUR | 5.91% | 13/12/203 | 96.03 | 297,703 | 94.85 | 294,805 | 1.49% |
| CULLINAN HOLD 4.625% | XS2397354528 | LU | S&P | B *- | EUR | 7.82% | 15/10/202 | 71.75 | 215,250 | 94.74 | 287,111 | 1.45% |
| INBANK ALLUTA T2 9% 13.12.2033 | EE3300003714 | EE | | | EUR | 7.83% | 13/12/203 | 100.00 | 228,000 | 107.48 | 245,157 | 1.24% |
| PIRAEUR FIN VAR% 17.04.2034 | XS2747093321 | GR | S&P | BB- | EUR | 5.64% | 17/04/203 | 99.84 | 199,678 | 111.37 | 232,979 | 1.18% |
| HAWK INFINITY FRN 15.10.2029 | NO0013358069 | NO | | | NOK | 11.13% | 15/10/202 | 8.53 | 221,777 | 8.50 | 226,193 | 1.14% |
| CIRCULAR TIRE FRN 26.11.2029 | SE0023260674 | SE | | | SEK | 7.25% | 26/11/202 | 8.65 | 216,224 | 8.94 | 225,211 | 1.14% |
| CONSILIUM OPTIMUM 9% | LT0000411266 | LT | | | EUR | 9.00% | 20/12/202 | 100.00 | 224,000 | 100.00 | 224,616 | 1.13% |
| CESKA SPOR VAR% 15.01.2030 | XS2746647036 | CZ | S&P | A+ | EUR | 3.72% | 15/01/203 | 100.20 | 200,400 | 104.98 | 219,219 | 1.11% |
| YIT OYJ FRN 18.06.2027 | FI4000571278 | FI | | | EUR | 8.11% | 18/06/202 | 101.61 | 203,225 | 106.37 | 213,479 | 1.08% |

**Statement of investments as of 31/12/2024 (continued)**

| Name | ISIN | Emitent country | Rating agency | Rating | FX | YTM | Maturity | Average acquisition cost per unit | Average acquisition cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ENCORE CAP FRN 15.01.2028 | XS2271247178 | US | Fitch | BB+ | EUR | 7.07% | 15/01/202 | 100.80 | 201,600 | 100.97 | 205,110 | 1.05% |
| CAPITALICA BALTIC 10% 07.02.2026 | LT0000408692 | LT | | | EUR | 9.99% | 07/02/202 | 100.55 | 201,100 | 100.00 | 202,944 | 1.04% |
| YINSON PRO 9.625% 03.05.2029 | NO001321550 | SG | | | USD | 8.67% | 03/05/202 | 92.06 | 184,124 | 99.84 | 202,625 | 1.04% |
| LENZING VAR% SUBORD | XS2250987356 | AT | | | EUR | 5.70% | 07/09/202 | 88.00 | 176,000 | 100.69 | 202,136 | 1.04% |
| BALTIC OPPORTUNIT FRN 27.02.2026 | LT0000408817 | LT | | | EUR | 8.98% | 27/02/202 | 100.00 | 200,000 | 100.00 | 201,647 | 1.03% |
| SENSYS GATSO FRN 13.09.2028 | SE0022727095 | SE | | | EUR | 8.55% | 13/09/202 | 101.00 | 202,000 | 98.50 | 201,083 | 1.03% |
| DELFINGROUP FRN SUB 25.07.2028 | LV0000802700 | LV | | | EUR | 14.33% | 25/07/202 | 100.00 | 200,000 | 100.00 | 200,398 | 1.03% |
| HOLM BANK PERP 14% | EE3300004241 | EE | | | EUR | 14.00% | 30/01/310 | 100.00 | 200,000 | 100.00 | 200,233 | 1.03% |
| OKEA 9.125% 15.05.2028 | NO001322350 | NO | | | USD | 8.51% | 15/05/202 | 93.55 | 187,110 | 98.27 | 198,746 | 1.02% |
| INTL PETROL 7.25% 01.02.2027 | NO001242347 | CA | S&P | B | USD | 7.77% | 01/02/202 | 88.62 | 177,238 | 95.62 | 197,027 | 1.01% |
| IUTECR 11.000% 06.10.2026 | XS2378483494 | LU | | | EUR | 14.22% | 06/10/202 | 93.50 | 187,000 | 95.08 | 195,352 | 1.00% |
| PANORO 10.25% SIN 11.12.2029 | NO001341578 | NO | | | USD | 10.29% | 11/12/202 | 93.87 | 187,737 | 96.41 | 193,861 | 0.99% |
| EUTELSAT 9.75% 13.04.2029 | XS2796660384 | FR | S&P | B- | EUR | 11.48% | 13/04/202 | 101.50 | 203,000 | 94.24 | 192,691 | 0.99% |
| ATSINAU ENERGETIK 5.00% | LT0000405938 | LT | | | EUR | 10.65% | 14/12/202 | 91.57 | 183,146 | 95.00 | 190,472 | 0.98% |
| AXACTOR FRN 15.09.2026 | NO001109371 | NO | S&P | B- | EUR | 13.04% | 15/09/202 | 92.75 | 185,500 | 93.65 | 187,976 | 0.96% |
| ATRIUM FIN 2.625% EUR 05.09.2027 | XS2294495838 | CY | | | EUR | 7.22% | 05/09/202 | 81.00 | 162,000 | 89.15 | 179,973 | 0.92% |
| ELKO GRUPA 6% 12.02.2026 | LV0000870079 | LV | | | EUR | 7.66% | 12/02/202 | 97.80 | 171,150 | 98.25 | 175,963 | 0.90% |
| ARCO VARA 10.000% 12.12.2026 | EE3300005156 | EE | | | EUR | 10.00% | 12/12/202 | 100.00 | 170,000 | 100.00 | 170,803 | 0.88% |
| INVALDA INVL 7.000% 14.06.2027 | LT0000409229 | LT | | | EUR | 6.11% | 14/06/202 | 100.00 | 155,000 | 102.00 | 158,582 | 0.81% |
| CONSILIUM OPTIMUM 12% | LT0000409047 | LT | | | EUR | 10.87% | 20/05/202 | 100.04 | 152,062 | 102.35 | 157,599 | 0.81% |
| CITADELE BANKA 8.000% 05.04.2034 | LV0000803054 | LV | | | EUR | 7.07% | 05/04/203 | 100.00 | 140,000 | 106.25 | 151,420 | 0.78% |
| DELFINGROUP 10.0% 25.09.2028 | LV0000803914 | LV | | | EUR | 10.00% | 25/09/202 | 101.04 | 151,558 | 100.60 | 151,108 | 0.78% |
| INBANK 10.0% ALL ADD TIER1 | EE3300004381 | EE | | | EUR | 10.00% | 30/01/310 | 100.00 | 150,000 | 100.00 | 150,083 | 0.77% |
| OCEAN YIELD FRN 05.09.2029 | NO001332136 | NO | | | NOK | 7.70% | 05/09/202 | 8.49 | 127,289 | 8.52 | 128,487 | 0.66% |
| SIAULIU BANKAS 10.75% 22.06.2033 | LT0000407751 | LT | | | EUR | 6.13% | 22/06/203 | 114.00 | 114,000 | 114.00 | 119,655 | 0.61% |
| ADDVISE GROUP FRN 26.05.2026 | SE0020180271 | SE | | | SEK | 6.58% | 26/05/202 | 8.69 | 108,652 | 8.90 | 112,131 | 0.58% |
| TRANSILVANIA VAR% 27.04.2027 | XS2616733981 | RO | Fitch | BBB- | EUR | 6.02% | 27/04/202 | 104.50 | 104,500 | 105.95 | 111,981 | 0.57% |
| ADVANZIA FRN SUB EUR 28.02.2034 | NO001316274 | LU | | | EUR | 8.96% | 28/02/203 | 100.00 | 100,000 | 104.25 | 105,134 | 0.54% |
| B2 IMPACT ASA FRN 30.01.2028 | NO001313896 | NO | S&P | BB- | EUR | 6.73% | 30/01/202 | 101.25 | 101,250 | 103.65 | 105,037 | 0.54% |
| FERTIBERIA CORP FRN 08.05.2028 | NO001321947 | ES | | | EUR | 8.00% | 08/05/202 | 100.00 | 100,000 | 102.25 | 103,472 | 0.53% |
| MEDIA AND GAMES FRN 21.06.2026 | SE0018042277 | SE | | | EUR | 7.03% | 21/06/202 | 102.50 | 102,500 | 102.85 | 103,052 | 0.53% |

## Statement of investments as of 31/12/2024 (continued)

| Name | ISIN | Emitent country | Rating agency | Rating | FX | YTM | Maturity | Average acquisition cost per unit | Average acquisition cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DELFINGROUP FRN 25.02.2026 | LV0000802718 | LV | | | EUR | 10.20% | 25/02/2026 | 100.16 | 100,160 | 101.75 | 101,914 | 0.52% |
| CAPITALICA BALTIC FRN 30.10.2025 | LT0000408247 | LT | | | EUR | 7.85% | 30/10/2025 | 100.00 | 100,000 | 100.43 | 101,820 | 0.52% |
| MAPON FRN 08.03.2027 | LV0000860161 | LV | | | EUR | 7.03% | 08/03/2027 | 100.00 | 100,000 | 101.50 | 101,500 | 0.52% |
| AMS-OSRAM 10.5% 30.03.2029 | XS2724532333 | AT | S&P | B | EUR | 10.86% | 30/03/2029 | 107.85 | 107,850 | 98.75 | 101,378 | 0.52% |
| KVARTALAS 8.00% 19.12.2026 | LT0000411167 | LT | | | EUR | 7.99% | 19/12/2026 | 100.00 | 69,900 | 100.00 | 70,084 | 0.36% |
| LIVEN 10.500% 23.05.2028 | EE3300004332 | EE | | | EUR | 8.66% | 23/05/2028 | 100.00 | 65,000 | 105.35 | 69,179 | 0.35% |
| BIGBANK 12.000% SUB AT | EE3300003581 | EE | | | EUR | 11.46% | 30/01/3100 | 106.55 | 53,273 | 104.65 | 52,573 | 0.27% |
| BIGBANK 8.000% SUBT2 30.11.2033 | EE3300003706 | EE | | | EUR | 7.20% | 30/11/2033 | 100.00 | 10,000 | 105.25 | 10,592 | 0.05% |
| **BONDS TOTAL** | | | | | | | | | **17,831,179** | | **18,595,334** | **93.95%** |

* Accrued interest in the amount of 308,667.74 EUR has been added to the value of bonds

| Name | Derivative Type | Emitent country | Rating agency | Rating | FX | Maturity | Average acquisi-tion cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **DERIVATIVES** | | | | | | | | | | |
| FX-Swap EUR/USD Swedbank AS | Swap | EE | S&P | A+Swedbank AB | USD | 02/05/2025 | | | -33,330 | -0.17% |
| **DERIVATIVES TOTAL** | | | | | | | | | **-33,330** | **-0.17%** |
| | | | | | | | | | | |
| **INSTRUMENTS TOTAL** | | | | | | | **17,831,179** | | **18,562,004** | **93.78%** |

| Name | Credit Institution's country | Credit Institution | FX | Interest rate | Quantity | Average acquisition cost per unit | Average acquisition cost | Market value per unit | Total market value | Share of market value of fund's net assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **CASH** | | | | | | | | | | |
| CURRENT ACCOUNT | EE | Swedbank | EUR | | | | 1,228,094 | | 1,228,094 | 6.20% |
| CURRENT ACCOUNT | EE | Swedbank | NOK | | | | 12,034 | | 12,034 | 0.06% |
| CURRENT ACCOUNT | EE | Swedbank | SEK | | | | 9,775 | | 9,775 | 0.05% |
| **CURRENT ACCOUNT TOTAL** | | | | | | | **1,249,903** | | **1,249,903** | **6.31%** |
| **INVESTMENTS TOTAL** | | | | | | | **19,081,082** | | **19,811,907** | **100.09%** |
| | | | | | | | | | | |
| **TOTAL ASSETS OF THE FUND** | | | | | | | **19,081,082** | | **19,811,907** | **100.09%** |
| LIABILITIES | | | | | | | | | -18,696 | -0.09% |
| **NET ASSETS OF THE FUND** | | | | | | | | | **19,793,211** | **100.00%** |

# STATEMENT OF COMMISSIONS

In EUR
01/01/2025-31/12/2025

| | Number of transactions | Volume of transactions | Total commissions paid |
|---|---|---|---|
| **OTC trades** | | | |
| **Derivatives** | 3 | - | - |
| **Bonds** | | | |
| ABG Sundal Collier ASA | 4 | 1,179,899 | - |
| Adamant Capital Partners | 2 | 414,214 | - |
| Arctic Securities AS | 10 | 2,360,243 | - |
| AS CleanR Grupa | 2 | 740,000 | - |
| Ashenden Finance SA | 5 | 2,352,524 | - |
| B. Metzler seel. Sohn & Co. AG | 3 | 1,314,232 | - |
| Banca Promos SPA | 2 | 1,157,278 | - |
| Bigbank AS | 1 | 250,000 | - |
| DNB Carnegie Investment Bank AB | 7 | 2,553,449 | - |
| ELKO Grupa | 1 | 375,000 | - |
| Erste Group Bank AG | 3 | 1,200,250 | - |
| J.P. Morgan | 6 | 2,795,050 | - |
| Joh. Berenberg, Gossler & Co. KG | 1 | 250,125 | - |
| LHV PANK AS | 10 | 2,830,140 | - |
| Luminor Bank AS Lithuanian Branch | 2 | 800,000 | - |
| OP Corporate Bank PLC | 3 | 1,115,225 | - |
| Pareto Securities AS | 14 | 3,763,218 | - |
| Raiffeisen Bank International AG | 1 | 404,740 | - |
| Redgate Capital AS | 2 | 503,544 | - |
| SEB Pank AS | 10 | 941,608 | - |
| SFI Markets B.V. | 1 | 218,122 | - |
| Signet Bank | 3 | 1,100,000 | - |
| SpareBank 1 Markets AS | 2 | 658,465 | - |
| Swedbank AS | 1 | 114,638 | - |
| UAB FMĮ Orion Securities | 1 | 200,000 | - |
| Avaron investment services client | 1 | 99,493 | - |
| BCP Securities LLC | 4 | 741,357 | - |
| Euroxx Securities SA | 2 | 1,400,000 | - |
| | | | - |
| **TOTAL** | **107** | **31,832,813** | |

In EUR
09/10/2023-31/12/2024

| | Number of transactions | Volume of transactions | Total commissions paid |
|---|---|---|---|
| **OTC trades** | | | |
| **Corporate events** | 4 | 912,608 | - |
| **New issues** | | | |
| Ashenden Finance SA | 5 | 1,391,263 | - |
| LHV PANK AS | 6 | 978,072 | - |
| Šiauliu bankas AB | 3 | 905,000 | - |
| Pareto Securities AS | 4 | 705,901 | - |
| ABG Sundal Collier ASA | 3 | 616,224 | - |
| Interkapital vrijednosni papiri d.o.o. | 1 | 600,600 | - |
| Arctic Securities AS | 3 | 502,025 | - |
| J.P. Morgan | 2 | 475,096 | - |
| Bigbank AS | 2 | 310,000 | - |
| Siauliu Bankas AB | 2 | 300,000 | - |
| Inbank | 2 | 235,000 | - |
| Banca Promos SPA | 1 | 200,400 | - |
| Redgate Capital AS | 1 | 200,054 | - |
| Holm Bank AS | 1 | 200,000 | - |
| Arco Vara AS | 1 | 170,000 | - |
| Carnegie Investment Bank AB | 1 | 127,289 | - |
| SEB Pank AS | 1 | 100,000 | - |
| Signet Bank | 1 | 100,000 | - |
| Swedbank AS | 1 | 69,900 | - |
| **Bonds** | | | |
| Ashenden Finance SA | 14 | 2,950,049 | - |
| SEB Pank AS | 15 | 1,723,282 | - |
| Pareto Securities AS | 6 | 1,140,499 | - |
| Carnegie Investment Bank AB | 4 | 952,857 | - |
| Adamant Capital Partners | 5 | 798,621 | - |
| Luminor Bank AS Lithuanian Branch | 3 | 756,922 | - |
| LHV PANK AS | 3 | 608,403 | - |
| J.P. Morgan | 2 | 496,761 | - |
| Avaron Flexible Strategies Fund | 2 | 329,106 | - |
| BCP Securities LLC | 1 | 310,266 | - |
| Signet Bank | 2 | 301,739 | - |
| Avaron's investment services client | 4 | 291,807 | - |
| Arctic Securities AS | 2 | 281,728 | - |
| Banca Promos SPA | 2 | 240,786 | - |
| B. Metzler seel. Sohn & Co. AG | 1 | 209,654 | - |
| Gottex Securities | 1 | 187,601 | - |
| Avaron Emerging Europe Fund | 1 | 135,000 | - |
| SFI Markets B.V. | 1 | 103,667 | - |
| ABG Sundal Collier ASA | 1 | 103,648 | - |
| Vertikal Digital OÜ | 1 | 53,273 | - |
| Swedbank AS | 1 | 50,170 | - |
| Avaron Emerging Europe Smaller Companies Fund | 1 | 8,000 | - |
| **TOTAL** | **118** | **21,133,267** | |

## REPORT ON REMUNERATION OF THE FUND MANAGEMENT COMPANY

The remuneration principles of all Avaron employees including investment managers and risk-takers are set in the Company's Remuneration Policy. The remuneration of Avaron employees consists of fixed and variable remuneration. The total remuneration is based on local labour market conditions, and is designed so as to achieve a reasonable balance between the fixed and variable components of the salary.

Avaron employees receive a fixed salary, which reflects relevant professional experience and organisational responsibility as set out in the employee's job description. Variable remuneration depends on the performance of the employee, the business unit concerned and Avaron's overall results. The assessment of the performance is set in a three-year framework, to ensure, that the assessment process is based on longer-term performance taking into account the business cycle of the Company and its business risks. After awarding a bonus to the employees the Company has a three-year period during which it has the right to reduce the bonus, stop the payments of the announced bonus or even require partial or full repayment. The full Remuneration Policy of AS Avaron Asset Management can be downloaded here www.avaron.com/documents.

The Fund Management Company employed 16 specialists as at the end of 2025 (end-2024: 15 specialists). Total remuneration amounted to:

In EUR

| | **2025** | **2024** |
|---|---|---|
| Wages and salaries | 610,030 | 266,310 |
| Social tax and unemployment insurance contributions | 196,102 | 161,588 |
| **TOTAL** | **806,132** | **427,898** |
| inc. bonus program cost with applicable taxes | 93,410 | 93,587 |

The Members of the Management Board did not receive extra remuneration for participating in the work of the managing bodies. Independent member of the Supervisory Board did not receive any payments in the financial year 2025.

No remuneration has been paid by the Fund.

# INDEPENDENT CERTIFIED AUDITOR'S REPORT

*Independent auditor's report is available in Estonian at Avaron's website:*
*https://avaron.ee/dokumendid/*