

# LHV Euro Bond Fund

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## Comment from the fund manager

Romet Enok



The European high-rated bonds market was extraordinarily stable during the last month. At a time when US long-term bonds fell nearly 4% in light of the escalating trade tensions, gold prices fell nearly 5%, global equity markets dropped more than 10% and oil prices declined more than 15%, the European bonds market was in the red only for a week and a maximum of 0.3% below its peak. The month ended clearly in positive territory and the situation stands at the same level as at the start of the year. The yield on the LHV Eurobonds Fund was 0.51% as of late April.

The period of higher volatility on financial markets and in politics was also reflected in movements within our portfolio. Historically, investors have looked to US government bonds as the most stable major asset class, but after the events of recent weeks, a certain shift in the European direction can be seen. While it is still too early to know whether the change will persist, April saw a clearly visible rise in demand for European bonds with very high ratings. As a result, the best-performing asset group in the LHV Eurobonds Fund in April was bank bonds backed by residential mortgages carrying strong credit ratings. More than 80% of such investments in our fund have a credit rating on par with that of US government bonds.

As to new investments, an SEB bond was added to our fund during the month. SEB and KBC Bank bonds – KBC Bank already being part of our portfolio – represent a type of securities we currently prefer. Both institutions have a strong market position in traditional banking in a significant developed economies (Sweden and Belgium, respectively), and both have at least another substantial profitable business area besides banking (asset management and insurance, respectively), both have at least one other significant profitable geographic market (the Baltics and the Czech Republic, respectively) and both have a major shareholder with a very long history and local roots. Moreover, neither of the investments exposes us to long-term interest rate risk as the coupon rates are fixed for four and three years, respectively.

ISIN	EE3600001921
FOUNDED	02.12.2024
START OF OPERATION	28.01.2025
BASE CURRENCY	EUR
ASSET CLASS	BONDS
FUND SIZE	10 019 312

### TOP 10 ISSUERS

JP MORGAN CHASE & CO	7.66%
SKANDINAVISKA ENSKILDA BANKEN AB (SEB)	7.28%
ING DIBA AG	5.19%
CREDIT AGRICOLE HOME LOAN SFH	4.90%
LUMINOR	4.62%
NORDEA BANK ABP	4.03%
BANK POLSKA KASA OPIEKI SA	3.55%
BANK GOSPODARSTWA KRAJOWEGO	3.52%
SAMPO OYJ	3.48%
KBC GROUP NV	3.12%

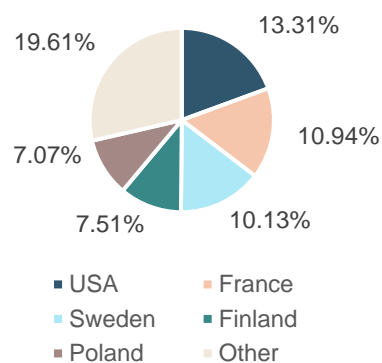
10 BIGGEST TOTALS	47.35%
DIFFERENT INVESTMENTS	21

### AVERAGE BONDS PERFORMANCES

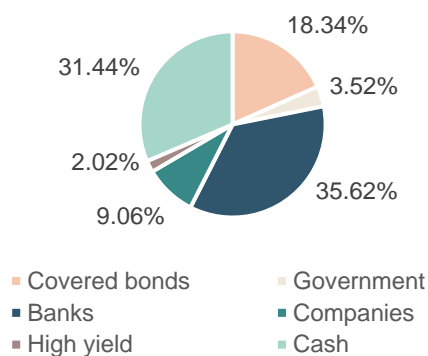
AVERAGE YIELD TO MATURITY	3.38%
AVERAGE DURATION	3.94
AVERAGE CREDIT RATING	A1

The past performance of the investment fund does not guarantee or indicate the future performance of the fund in subsequent periods. The information provided should not be construed as investment advice, an investment recommendation, or any other investment or ancillary service. Please refer to the fund's prospectus and the key investor information, and request additional information at [lhv.ee/investment-funds](http://lhv.ee/investment-funds). The LHV Euro Bond Fund is managed by AS LHV Asset Management. The historical average returns of the fund for calendar years are presented as geometric averages.

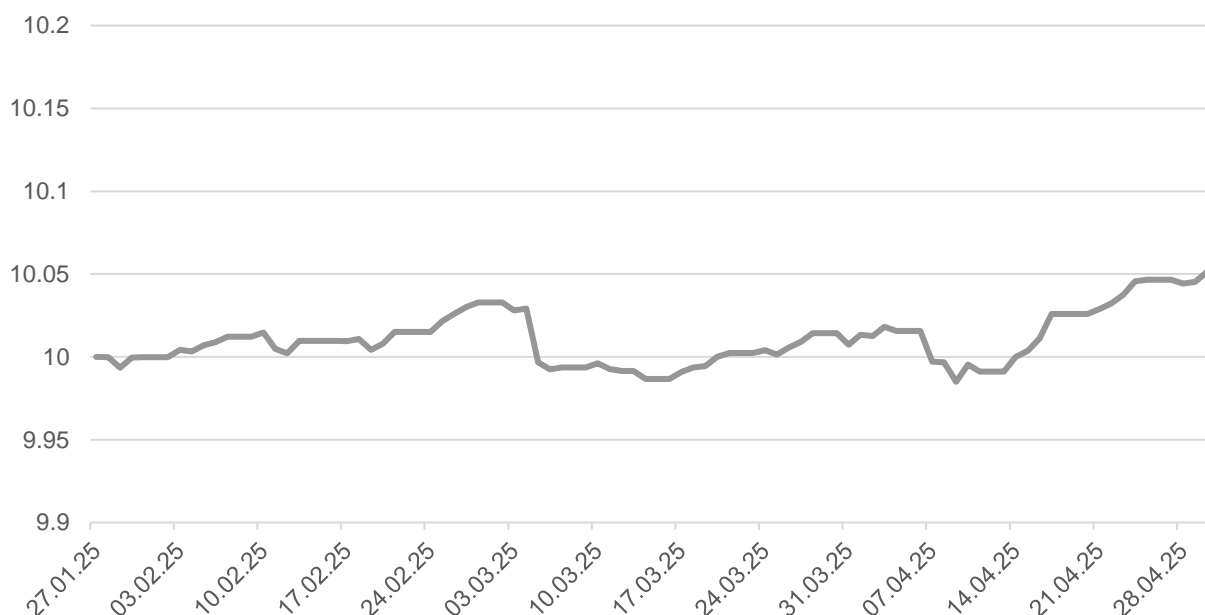
## Geographical distribution



## Sectors



## Unit price movement



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