

LHV Euro Bond Fund

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Comment from the fund manager

Romet Enok



During the month ended, we added Western European securities with a very high credit quality to our portfolio – a covered bond backed by Swiss residential mortgages issued by UBS; bonds from one of Europe's highest-rated industrial conglomerates, Sweden's Investor AB; and a senior bond issued by Norwegian-government-controlled DNB Bank. Meanwhile, we made our second investment into Estonian-issued securities by acquiring bonds issued by Estonian energy company Eesti Energia last summer for the European market. When Eesti Energia issued new shorter-term bonds last month to local investors at a 5% interest rate, the expected return on the subordinated bonds sold to the European market, based on our current purchase price, is 6.8% annually.

The fund's portfolio is currently composed of very low-risk securities – high-rated bonds issued by banks and industrial sector in Western Europe, Scandinavia and the United States. A number of these bonds are secured by residential real estate. Among the entirety of the 26 investments made in the portfolio, we currently hold two lower-rated positions – subordinated bonds from Luminor Bank and Eesti Energia. By low risk, we mean that we avoid very long-term bonds.

It was a quiet May on European bond markets. High-rated companies and government bonds posted slight gains. Risk premiums on bonds continue to gradually decrease, and as such, the new issuance market has been very active. The fund's return for May was +0.25%.

ISIN	EE3600001921
FOUNDED	02.12.2024
START OF OPERATION	28.01.2025
BASE CURRENCY	EUR
ASSET CLASS	BONDS
FUND SIZE	10 112 372

TOP 10 ISSUERS

JP MORGAN CHASE & CO	7.60%
SKANDINAVISKA ENSKILDA BANKEN AB (SEB)	7.22%
BANCO SANTANDER SA	5.17%
ING DIBA AG	5.14%
UBS SWITZERLAND AG	4.99%
CREDIT AGRICOLE HOME LOAN SFH	4.87%
LUMINOR	4.59%
DNB BANK ASA	4.15%
NORDEA BANK ABP	4.00%
BANK POLSKA KASA OPIEKI SA	3.53%

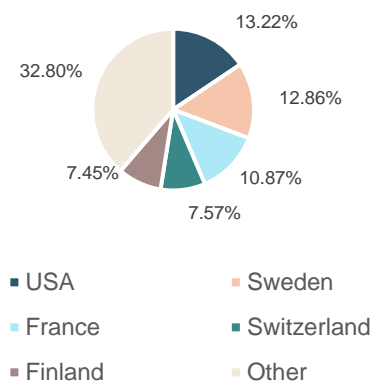
10 BIGGEST TOTALS	51.26%
DIFFERENT INVESTMENTS	26

AVERAGE BONDS PERFORMANCES

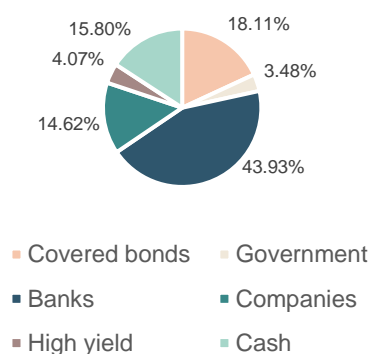
AVERAGE YIELD TO MATURITY	3.43%
AVERAGE DURATION	3.43
AVERAGE CREDIT RATING	A1

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 lhv.ee/en/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.

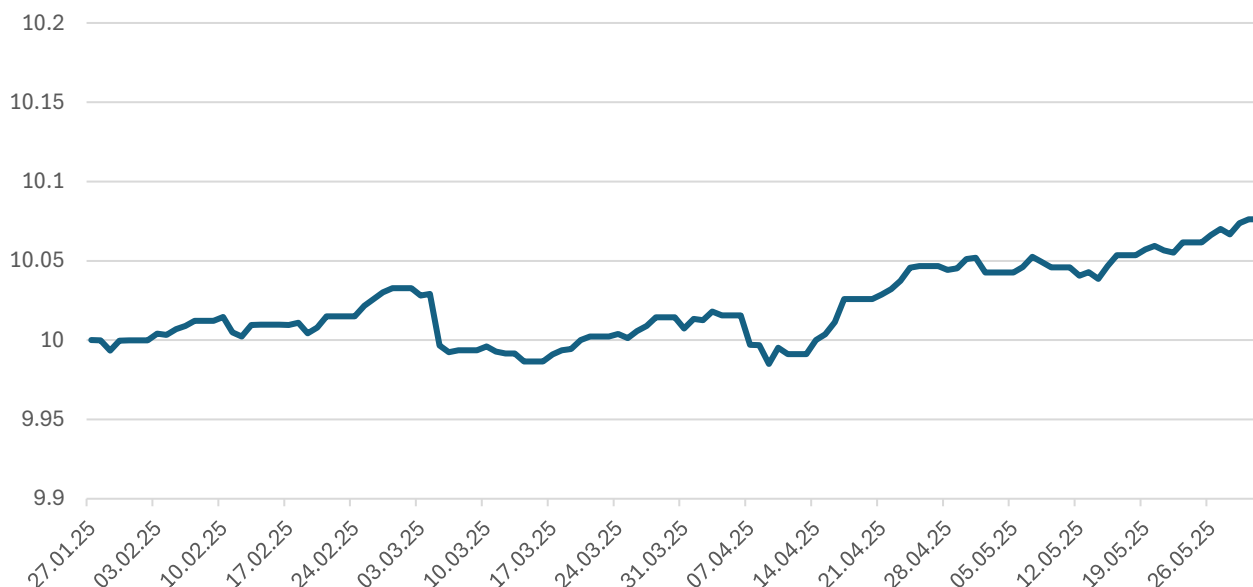
Geographical distribution



Sectors



Unit price movement



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