LHV Euro Bond Fund

REPORT ISSUANCE DATE 31.10.2025

Comment from the fund manager

Romet Enok

ISIN	EE3600001921
FOUNDED	02.12.2024
START OF OPERATION	28.01.2025
BASE CURRENCY	EUR
ASSET CLASS	BONDS
FUND SIZE	12 397 563

In October, all of the components of the European bond market yielded a positive result. Interestingly, the results were closely aligned with ratings – the higher the rating, the better the performance. The return on long-dated German government bonds reached +1.0% over the month, while holders of lower-rated corporate debt had to settle for +0.1%.

In this light, the market signals are somewhat curious. Usually, one would expect a result like this to be achieved amidst market jitters or slightly spooked investors moving assets to higher-rated securities issued by stronger companies. In September, there were not too many signs of that happening, as borrowing of new money from the markets, i.e. sales of freshly issued bonds, continued at a rapid pace. Various sectors and companies of all sizes had good access to capital. In addition, October is a key month for release of financial results for the previous quarter, and companies often carry out larger bond issues after the latest figures are released. This, too, panned out reliably – transaction volumes were large and the cost of capital was favourable.

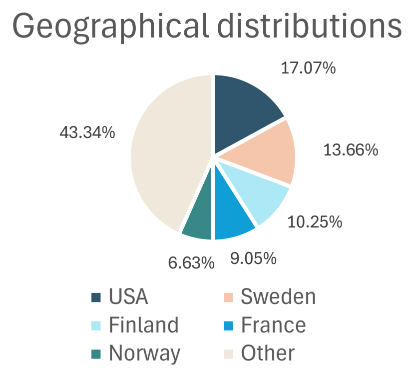
The LHV Eurobonds Fund portfolio is currently primarily composed of private sector securities with very high ratings. Given that there is, as noted, a tailwind behind higher-rated securities, we made no changes in our portfolio in the last month. Significantly, all 32 bonds in our portfolio delivered a positive return. The fund's return for the month was a +0.5%.

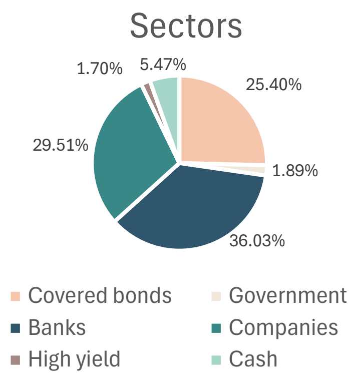
TOP 10 ISSUERS

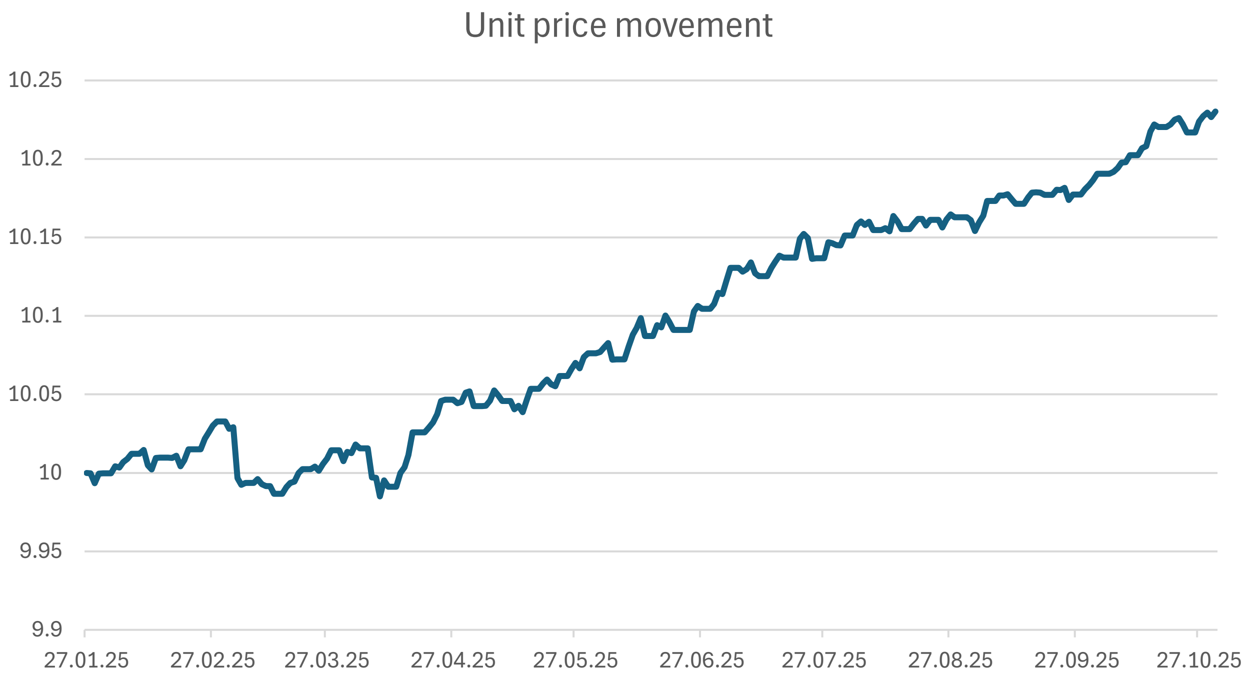
JP MORGAN CHASE & CO	6.26%
SKANDINAVISKA ENSKILDA BANKEN AB (SEB)	5.95%
INVESTOR AB	5.32%
KBC GROUP NV	5.08%
BANCO SANTANDER SA	4.24%
ING DIBA AG	4.21%
OP MORTGAGE BANK	4.12%
DBS BANK LTD	4.06%
CREDIT AGRICOLE HOME LOAN SFH	3.96%
ERSTE GROUP BANK AG	3.92%
10 BIGGEST TOTALS	**47.12%**
DIFFERENT INVESTMENTS	**32**

AVERAGE BONDS PERFORMANCES

AVERAGE YIELD TO MATURITY	3.03%
AVERAGE DURATION	3.11
AVERAGE CREDIT RATING	Aa3







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.