

# LHV Euro Bond Fund

REPORT ISSUANCE DATE 30.11.2025

## Comment from the fund manager

Romet Enok



November was a weaker month on the corporate bond market of Europe's larger companies. The market did recover from its low in the middle of the month but the result for November stayed in negative territory. The LHV Euro Bond Fund saw minimal movement all month long and closed at zero.

The biggest headlines during the month were related to major AI investments and raising the extraordinarily high funding of debt financing needed. Although this debt is being raised (directly or indirectly) thus far by the very largest tech sector firms, clear questions have come up in relation to the profitability of the investments. At the very least, there are concerns about the sudden increase in demand for capital on the bond market and resulting increase in borrowing costs for nearly all companies, even ones far from the AI sector. In a negative scenario, it could also mean that projects will be incapable of servicing their obligations in the future. In this context, it should not be forgotten that this is the third consecutive year across the entire market where financing conditions have consistently become more affordable for companies. In this situation, setbacks in higher-risk securities should not come as a surprise to anyone.

There were no changes in our fund's portfolio. We are keeping the quality of credit in our investments very high and preferring shorter-term bonds. The average expected return on these securities from merely holding them and in the absence of any additional price appreciation is currently around 3%. If price movements eventually materialize on the market, we are prepared to take advantage of them to generate additional return.

ISIN	EE3600001921
FOUNDED	02.12.2024
START OF OPERATION	28.01.2025
BASE CURRENCY	EUR
ASSET CLASS	BONDS
FUND SIZE	12 580 342

### TOP 10 ISSUERS

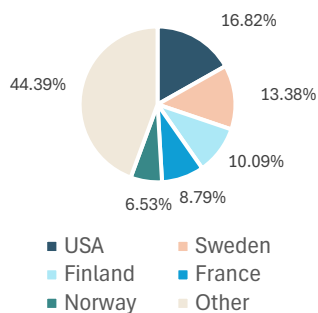
JP MORGAN CHASE & CO	6.17%
SKANDINAVISKA ENSKILDA BANKEN AB (SEB)	5.80%
INVESTOR AB	5.24%
KBC GROUP NV	5.01%
BANCO SANTANDER SA	4.18%
ING DIBA AG	4.16%
OP MORTGAGE BANK	4.07%
DBS BANK LTD	4.00%
CREDIT AGRICOLE HOME LOAN SFH	3.91%
ERSTE GROUP BANK AG	3.87%
<b>10 BIGGEST TOTALS</b>	<b>46.41%</b>
DIFFERENT INVESTMENTS	32

### AVERAGE BONDS PERFORMANCES

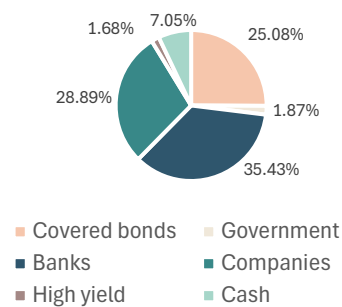
AVERAGE YIELD TO MATURITY	3.03%
AVERAGE DURATION	3.09
AVERAGE CREDIT RATING	Aa3

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](http://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.

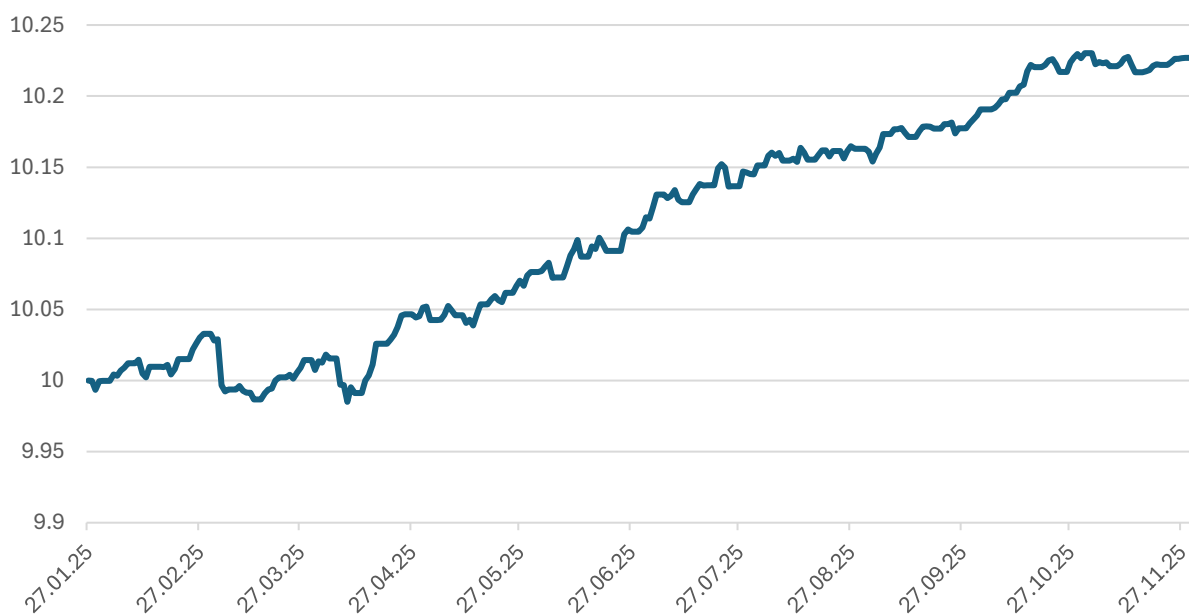
## Geographical distributions



## Sectors



## Unit price movement



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