LHV Euro Bond Fund

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Comment from the fund manager

Romet Enok

After three months of gains, the fund fell into negative territory in July, posting a return of -0.34%.

In July, yields around the world continued to push upward. At month's end, 10-year government bond yields were 4.7% in the United States, 5.1% in the United Kingdom and 2.8% even in Japan, up from 4.2%, 4.5% and 2.1% at the beginning of the year. Although yields have risen in the Eurozone as well – the yield on the German 10-year bond rose from 2.9% to 3.2% in late December – the emergent trend is that prospective bond investors are turning their eyes to Europe. That is unsurprising, considering that bond investors are looking for low inflation, institutional stability and moderate levels of debt burden. Political volatility in the US, the decline in the Japanese yen and the Japanese bond market, and budget problems faced by Britain's incoming government stand in sharp contrast with the European Central Bank's good reputation and Europe's relatively low debt level compared to the rest of the world.

The decisions of governments have had a greater than usual impact on the bond market during our time in operation, and the trend is likely to continue going forward as well. The performance, results and forecasts for companies have clearly been secondary in prominence. Even if the pendulum does not swing back all the way, we are prepared that it will not stay on the politicians' side forever, and the decision-makers that actually advance the economy - i.e. businesses - will again be determining the trends on the bond market.

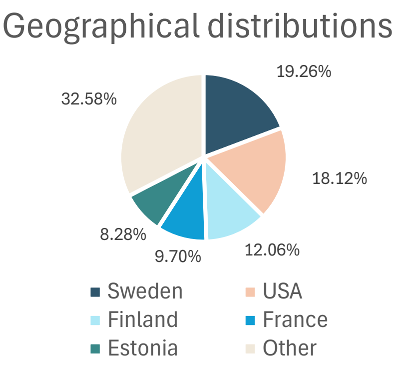
Historical Results

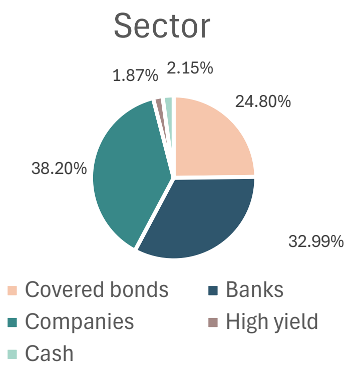
	1 month	12 months
Fund	-0.34%	1.44%

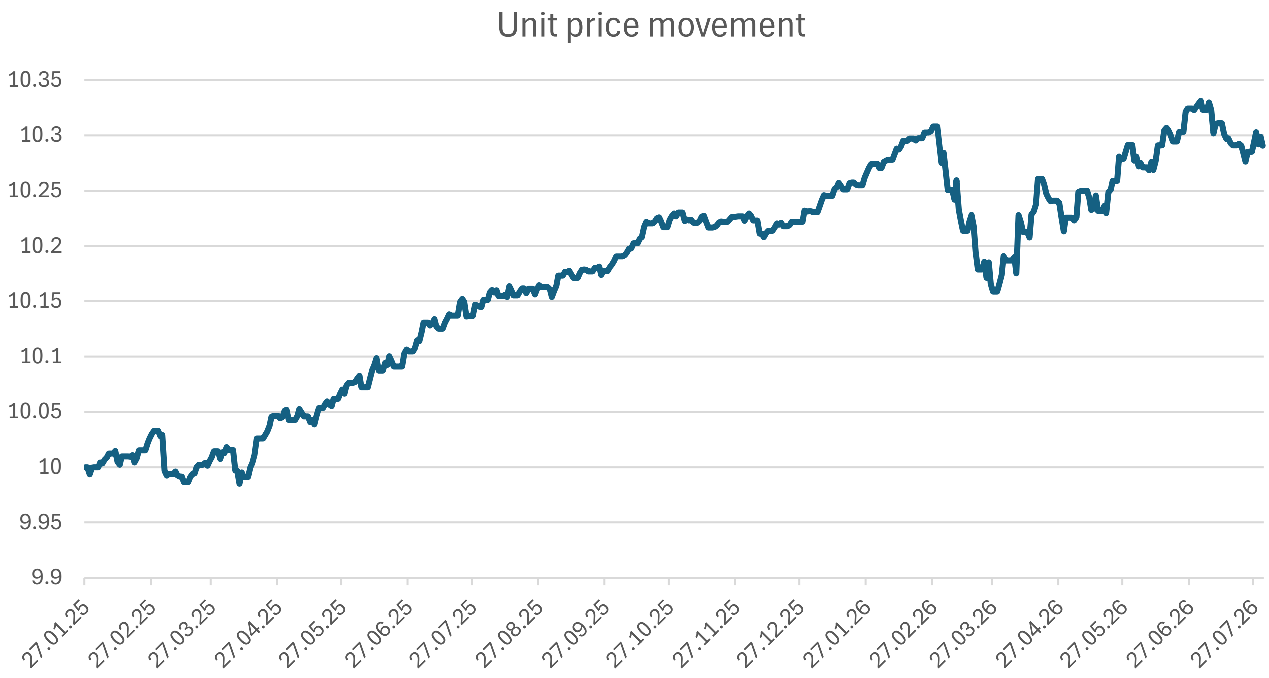
ISIN	EE3600001921
FOUNDED	02.12.2024
START OF OPERATION	28.01.2025
BASE CURRENCY	EUR
ASSET CLASS	BONDS
FUND SIZE	11 332 606

TOP 10 ISSUERS	
JP MORGAN CHASE & CO	6.42%
EESTI ENERGIA AS	6.40%
SKANDINAVISKA ENSKILDA BANKEN AB (SEB)	6.32%
INVESTOR AB	5.81%
SWEDBANK AB	4.63%
OP MORTGAGE BANK	4.52%
ING DIBA AG	4.49%
DBS BANK LTD	4.39%
CREDIT AGRICOLE HOME LOAN SFH	4,35%
ERSTE GROUP BANK	4.29%
10 BIGGEST TOTALS	**51.62%**
DIFFERENT INVESTMENTS	**30**

AVERAGE BONDS PERFORMANCES	
AVERAGE YIELD TO MATURITY	3.32%
AVERAGE DURATION	2.89
AVERAGE CREDIT RATING	A2







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. Due to the fund's short history, data for the 2-, 3-, and 5-year returns are not available. The value of the amount invested in the fund is not guaranteed.