

LHV World Equities Fund

REPORT ISSUANCE DATE

31.12.2025

Comment from the fund manager

Mikk Taras



December put a positive finishing touch on 2025. The fund's unit price rose by 1,8% over the month. The strongest contributors were positions that had been in an uptrend throughout the year. The largest drivers of the monthly gain were equities linked to copper and precious metals. The European banks index ETF also climbed to new highs. For the full year, the fund's unit price increased by 16.2%.

Geopolitically, the year was tense, but the bigger risks for equity markets did not materialize. Among the fund's holdings, Barrick Mining and Pan American Silver delivered the strongest gains, appreciating by 103.2–131.7% (in euro terms). Over the course of the year, we also locked in profits from this rally. The uptrend continued in the Amundi Euro Stoxx Banks ETF as well, which rose 89.7%. European banks were attractively valued, well capitalized, and returned capital generously to investors during the year through dividends and share buybacks. The largest decline among the fund's holdings came from Danish pharmaceutical company Novo Nordisk, whose shares fell 46.5% (in euro terms) due to intensified competition and several profit warnings. Growth expectations did not also materialize in German IT company Bechtle whose share price fell 43.1%.

Measured in euros, European, Asian, and Latin American equity markets outperformed U.S. equities for the first time in several years. It was not a weak year for U.S. stocks — the S&P 500 rose 17.9%. The problem was the dollar, which depreciated 11.6% against the euro. Within the fund, we deliberately kept U.S. dollar exposure relatively low. Our U.S. equity allocation was primarily in commodity-related stocks, which tend to offer a natural hedge against dollar weakness.

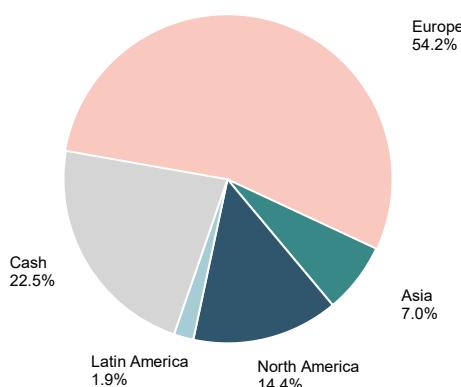
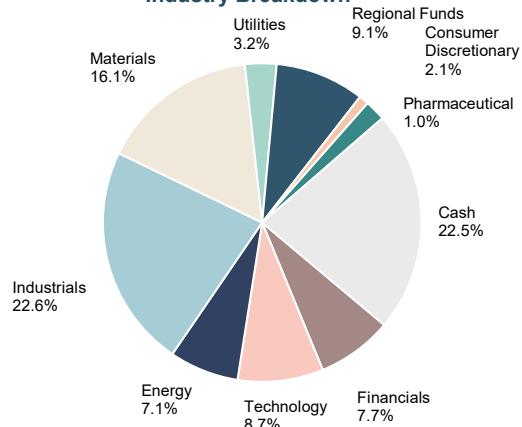
In 2025, the fund increased allocations to German equities, which should be supported by the growing spillover of the government's additional infrastructure investment into the economy. While in 2025 Germany's planned public investment flowed primarily into the defense sector, in 2026 it is expected to expand into other areas — from railways to digital services. The German state plans to inject an additional EUR 1 trillion into the economy over the coming years, which should create attractive growth opportunities in equity markets. The fund's largest equity position is the Invesco MDAX ETF (German mid-cap listed companies). Within the Nordic markets, our larger allocation is to Swedish listed companies characterized by high returns on capital. In Finland, the fund holds value stocks backed by high-quality assets at low valuations. The global economy continues to trend toward de-globalisation, with each major country seeking to reduce its dependence on others. One implication of a de-globalising world is that commodities should remain structurally well supported. Historically, commodity-sector equities have also provided a good hedge against inflation. The fund maintains equity exposures related to metals and the energy sector in the portfolio.

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. The LHV World Equities Fund is managed by AS LHV Asset Management. Historical annual average performance figures are geometrical averages based on last calendar years.

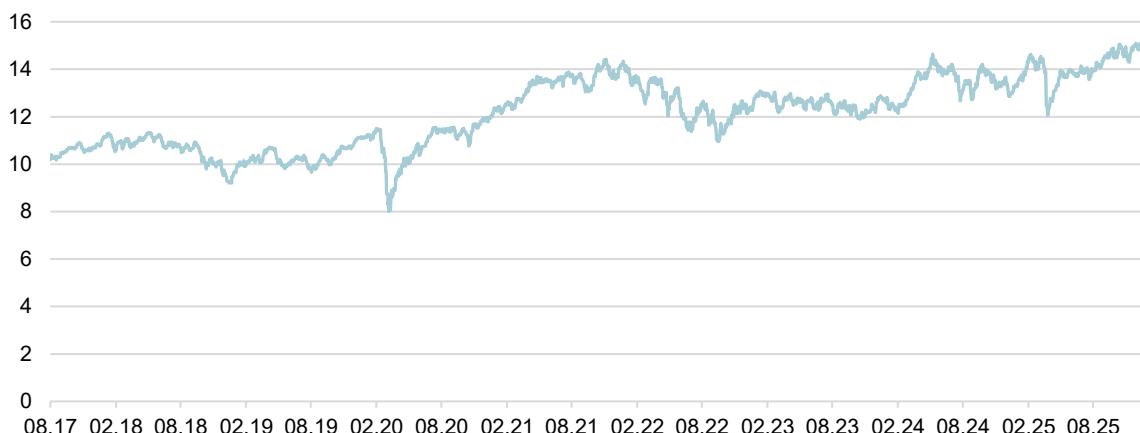
ISIN	EE3600092417
FOUNDED	27.04.2007
START OF OPERATION	13.08.2007
ASSET CLASS	Equities
FUND SIZE	9 706 889 EUR

TOP10 INVESTMENTS

INVESCO MDAX UCITS ETF	5.53 %
AMUNDI EURO STOXX BANKS UCITS ETF	4.82 %
GLOBAL X COPPER MINERS ETF	4.34 %
PAN AMERICAN SILVER	3.90 %
STORA ENSO	3.85 %
ISHARES MSCI CHINA ETF	3.53 %
LIFCO	3.47 %
ALIBABA GROUP HOLDING	3.44 %
FORTUM	3.20 %
ADDTECH AB	3.02 %
VALUE OF TOP 10 INVESTMENTS	39.12 %
TOTAL NUMBER OF INVESTMENTS	29

Geographical Breakdown**Industry Breakdown****Historical Results**

	1 month	12 months	36 months	2023-2024 average	2022-2024 average	2020-2024 average	YTD
Fund	1.83%	16.23%	23.76%	3.19%	-2.73%	3.33%	16.23%

Share Price Movement

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