

LHV Euro Bond Fund

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Comment from the fund manager

Romet Enok



The fund started its investment activities on January 28. By the end of February, slightly more than half of the fund's volume had been invested in a total of fifteen bonds. The largest part of the portfolio consists of various securities issued by major European and U.S. banks – JP Morgan, SEB, Credit Agricole, Nordea, BNP Paribas, Goldman Sachs, and Morgan Stanley.

The last decade has passed under the increasingly stringent pace of banking regulations on both sides of the Atlantic. Although this has put significant pressure on their profitability, from the perspective of a bond investor, it is unequivocally a positive development. Increased equity and stricter regulations make bonds more attractive from an investor's viewpoint. Regulation also indirectly leads to the fact that nearly all banks now regularly issue a wide variety of securities.

The first new issue in which the fund participated was a subordinated bond issued by Luminor Bank on the European market. The bond's interest rate was set at 7.375%, and the bank has the right to redeem it after six years. Overall activity in the European bond market remained high in February, and new issuances were organized in very large volumes. In addition to Luminor, we also participated in Nordea's new issuance.

Market interest rates ended the month slightly lower than in January, with the main question still being the European Central Bank's future policy regarding interest rate cuts or maintaining stability after the March decision. The slight decline in interest rates provided a tailwind for the fund, resulting in a return of +0.3% by the end of February. We continue to build the portfolio primarily with higher-rated and shorter-term bonds.

ISIN	EE3600001921
FOUNDED	02.12.2024
START OF OPERATION	28.01.2025
BASE CURRENCY	EUR
ASSET CLASS	BONDS
FUND SIZE	10 007 711

TOP 10 ISSUERS

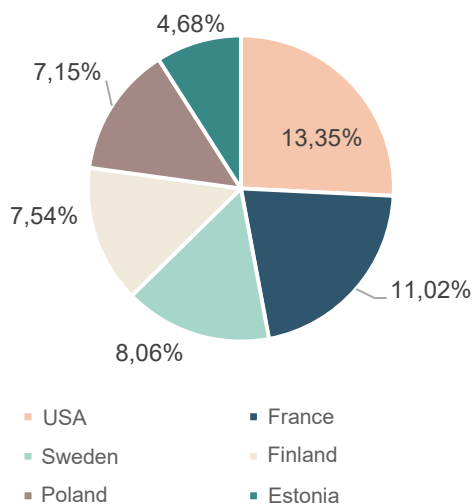
JP MORGAN CHASE & CO	7.67%
SKANDINAVISKA ENSKILDA BANKEN AB (SEB)	5.16%
CREDIT AGRICOLE HOME LOAN SFH	4.86%
LUMINOR	4.68%
NORDEA BANK ABP	4.04%
BANK POLSKA KASA OPIEKI SA	3.58%
BANK GOSPODARSTWA KRAJOWEGO	3.56%
SAMPO OYJ	3.51%
BNP PARIBAS	3.08%
TOTALENERGIES SE	3.07%
10 BIGGEST TOTALS	43.21%
DIFFERENT INVESTMENTS	15

AVERAGE BONDS PERFORMANCES

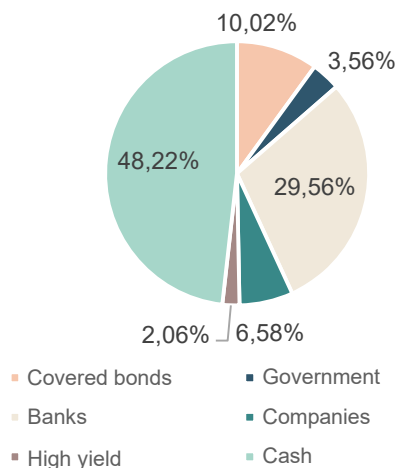
AVERAGE YIELD TO MATURITY	3.48%
AVERAGE DURATION	4.25
AVERAGE CREDIT RATING	A1

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 at lhv.ee/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.

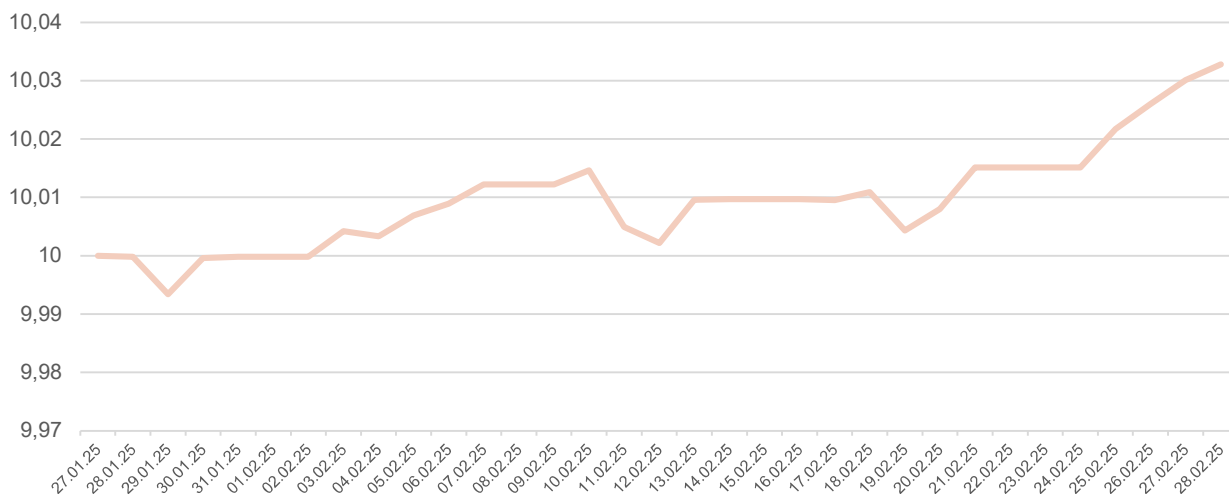
Geographical distribution



Sectors



Unit price movement



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