

# Handelsbanken Euro Obligation (A1 EUR)

The fund invests in interest-bearing financial instruments, denominated in EUR, that are issued or guaranteed by a state, municipality or by a governmental or municipal authority or by some intergovernmental agency in which one or several states are members, as well as in covered bonds. The fund's assets may also be invested in interest-bearing financial instruments with high credit worthiness, so-called Investment Grade. The average residual duration of the fund's investments is between 2 and 10 years. The investment focus of the fund does not permit investments in corporate credits, which means that by definition controversial sectors are excluded. For further information, please refer to the fund's prospectus. The fund is reported as an Article 6 fund pursuant to EU regulation 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR).

## Performance

04.07.2024

YTD	1 week	1 mth.	3 mån	1 year	5 years	10 years
-2.42%	-0.33%	-0.54%	-1.20%	2.59%	-14.36%	1.18%

## Average performance

Average perf.	2 years	3 years	5 years	10 years
Fund <sup>1</sup>	-1.75%	-5.35%	-2.80%	0.13%
Index <sup>2</sup>	-1.23%	-5.17%	-2.64%	0.40%

<sup>1</sup> Calculated on the fund's monthly closing price

<sup>2</sup> Benchmark index: Solactive Eurozone Government Bond Index TR. The information in the table refers to the benchmark index valid at any given time. In the event the fund has previously had other benchmark indexes, this information can be found in the fund's annual report.

## Five years performance



## Portfolio



Bonds and Cash 100.00%

As of: 31.05.2024

Germany	28.56%
Italy	26.97%
France	19.19%
Spain	11.58%
Belgium	3.72%
Netherlands	3.59%
Austria	2.29%
Ireland	1.39%
Portugal	1.38%
Other	1.33%

As of: 31.05.2024

Fund performance was positive during the quarter and the fund rose 2.73% in SEK. The central banks' reversal on rate cuts at the end of 2023 eased the financial environment. Q1 2024 was thereby marked by an increased risk appetite and positive performance in the equity and credit markets. As a result, European rates declined in countries that are considered to be more risky, such as Italy, in comparison to countries deemed to be less risky, such as Germany.

## Fund manager



### Joakim Buddgård

Experience in the fund industry 2006.  
Portfolio Manager since 1 March 2024.

Main category	
Risk	3
Rate	356.32 (04.07.2024)
Reporting Currency	EUR
Price/Trade	Daily
Total Rating™	★★★
Minimum investment	0 EUR
Monthly savings	0 EUR
Traded on the Internet	No
Management Fee	0.6%
Entry charge	0%
Exit charge	0%
Fund assets	1,273 MSEK
Distribution per fund unit	-
Distribution date	-
Fund, date of launch	26.09.2014 <sup>1</sup>
Share class, date of launch	26.09.2014

<sup>1</sup> The fund's historical price prior to the launch date is attributed to the merger between Placeringsfonden Handelsbanken Euro-obligation (Finland) and Handelsbanken Euro Obligation (Sweden), which occurred on 26 September 2014. The investment focus will be unchanged after the merger and Handelsbanken Fonder AB (Sweden) will remain as the management company after the funds' merger.

## Largest holdings

Interest Rate Swap-EUR-20260619 Receive	16.03%
Euro Schatz Future Sept 24	9.06%
Italy (Republic Of) 1.85%	7.99%
Euro Bobl Future Sept 24	5.76%
Italy (Republic Of) 3.4%	5.32%
Spain (Kingdom of) 6%	4.73%
Italy (Republic Of) 2.05%	4.68%
Italy (Republic Of) 4%	4.33%
Euro OAT Future Sept 24	4.04%
France (Republic Of) 1%	3.92%

The fund's overweight in Italy during a large portion of the quarter was positive for returns. Interest rate spreads at the end of the quarter were traded at historically low levels, which led us to close this overweight and take profits from this position at the end of March. The timing of this was good, given that the trend has turned.

Portugal's credit rating was also upgraded during the quarter from BBB to A. The journey has been long for the country since it was hit hard during the euro crisis and is already being traded at relatively low rate levels. Consequently, these levels have not moved significantly. The fund held a neutral position in Portugal during the quarter.

Inflation data in the US was higher than forecast and it is not difficult to identify unsettling upside risks. The fund has been positioned for lower short- to medium term rates, which had a negative impact on returns. We also believe that long-term rates, despite cuts to key rates, will hold up as a result of an increased supply and higher risk premiums. The fund is therefore retaining the positions for steeper rate curves, although the positioning has been moved from two relative five years to two relative ten years, as this better reflects this outlook. This position had a negative impact on returns in the period.

As of: 26.04.2024

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Historical yields are not a guarantee of future returns. A fund can both increase and decrease in value and it is not guaranteed that you will recover the entire invested amount. Note that a fund with risk level 5-7, as stated in the fund's fact sheet (KID), can vary greatly in value due to the fund's composition and management methodology. The prospectus, fund rules and KID are available under each fund. [Summary of investors' rights](#).

The fund's fact sheet, risk level, fund rules and prospectus are available at [www.handelsbanken.se/funds](http://www.handelsbanken.se/funds). Handelsbanken does not assume liability for any errors in the information.

[www.handelsbanken.se/funds](http://www.handelsbanken.se/funds)

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