

# Handelsbanken Euro Obligation (A9 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

23.08.2024

YTD	1 week	1 mth.	3 mån	1 year	5 years	10 years
0.53%	0.06%	1.57%	2.95%	5.72%	-	-

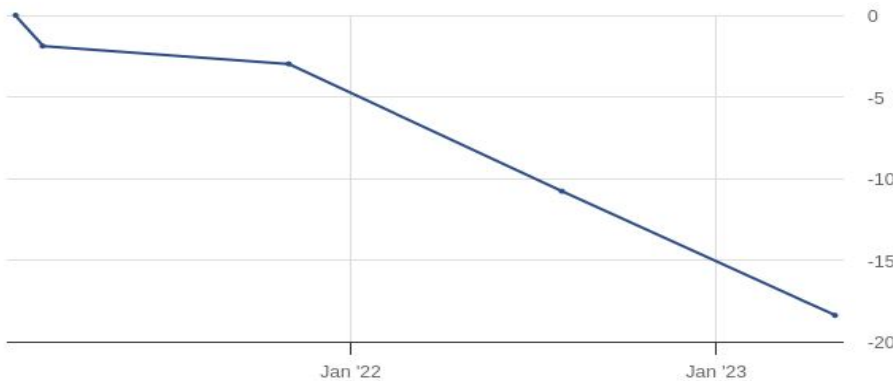
## Average performance

Average. perf.	2 years	3 years	5 years	10 years
Fund <sup>1</sup>	-2.15%	-4.79%	-	-
Index <sup>2</sup>	-2.09%	-5.03%	-	-

<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: 31.07.2024

Italy	30.85%
Germany	23.26%
France	19.03%
Spain	14.39%
Belgium	3.84%
Austria	2.30%
Netherlands	2.03%
Ireland	1.47%
Portugal	1.45%
Other	1.38%

As of: 31.07.2024

## Portfolio manager comments — Q2 2024

The quarter was marked by dramatic circumstances in the European fixed income markets. At the end of the quarter, president Macron made the decision to dissolve the National Assembly and call for a new election in France after his party's poor election results in the European Parliament election held in June. This created uncertainty in the

## Fund manager



### Joakim Buddgård

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

Main category	
Risk	3
Rate	371.79 (23.08.2024)
Reporting Currency	EUR
Price/Trade	Daily
Total Rating™	★★★
Minimum investment	1,000,000 EUR
Monthly savings	0 EUR
Traded on the Internet	No
Management Fee	0.3%
Entry charge	0%
Exit charge	0%
Fund assets	1,273 MSEK
Distribution per fund unit	-
Distribution date	-
Fund, date of launch	26.09.2014
Share class, date of launch	17.06.2020

## Largest holdings

Interest Rate Swap-EUR-20260918 Pay	25.97%
Euro Schatz Future Sept 24	9.26%
Italy (Republic Of) 1.85%	8.10%
Euro Bobl Future Sept 24	5.95%
Italy (Republic Of) 3.4%	5.51%
Italy (Republic Of) 2.1%	4.93%
Spain (Kingdom of) 6%	4.89%
Germany (Federal Republic Of) 0%	4.64%
Italy (Republic Of) 4%	4.51%
Italy (Republic Of) 2.05%	4.49%

financial markets and the interest rate spreads between French and German widened to the highest level since the euro crisis in 2011 when the risk premium required by lenders to extend loans to France increased sharply. The reason is that there are concerns about a period of political chaos ahead, at the same time as the French government is struggling with a growing budget deficit and high government debt. This also led to an increase to the risk premium in peripheral countries such as Italy and Spain. This movement benefited the fund's returns relative to index given that the fund previously had an underweight in Italy and sold its French government bonds directly following Macron's dissolution of the parliament.

Global rates rose during Q2, driven by strong consumers and concerns about a persistent inflation. This led the market to price in additional rate cuts from the US central and the European Central Bank, even though the latter had cut the rate in June. During the quarter the fund held a smaller position for lower medium-term rates in Germany, which weighed on returns. We also believe that long-term rates will hold, despite cuts to key rates, due to an increased supply and higher risk premiums. As a result, the fund is retaining significant positions for steeper yield curves between two and ten years in Europe. These contributed positively to returns during the quarter.

As of: 11.07.2024

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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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