VIG BondMaxx Total Return Bond Investment Fund

P series PLN MONTHLY report - 2024 JUNE (made on: 06/30/2024)

INVESTMENT POLICY OF THE FUND

The Fund is a total return investment fund that aims to create a portfolio consisting of bond-type assets through active portfolio management that achieves annualised capital growth for investors higher than the benchmark over a 3-year time horizon. It intends to achieve this objective primarily through asset allocation in global bond markets.
The Fund invests exclusively in bond-type instruments. The Fund's investment universe focuses on developed market government bonds, developed market corporate bonds, local currency emerging market government bonds and hard currency emerging market government and corporate bonds. The primary source of return for the Fund is asset allocation across bond-type asset classes. The asset allocation is based on an “investment clock” approach that uses economic data analysis to determine the position of major regions within a growth cycle. This is complemented by the forecasting of expected movements in real interest rates and inflation expectations, which are also crucial for the allocation across bond markets. Portfolio managers use all these as the basis for making allocation decisions, overweighting the best performing bond asset class in any current economic cycle based on experience and expectations. In the investment process, portfolio managers optimise the interest rate and credit risk of the overall fund and of the exposures to individual bond markets in order to achieve the investment objective.

MARKET SUMMARY

French President called a snap parliamentary election after very weak results of the EU elections (the first round was held on 30 June and the final in a week after). The EU is about to impose additional tariffs on electric vehicles from China of 17-38% on top of an existing 10% tariff. The European Commission announced it intends to open excessive deficit procedures for seven countries, including France, Italy and Hungary. Eurozone PMIs for June came in below expectations and US retail sales for May surprised to the downside. The German Ifo disappointed as business expectations recorded their first decline in five months. The incumbent, US President Joe Biden, performed poorly in the first presidential debate. The SNB decided to cut its policy rate by 25bp to 1.25% at its June meeting, while the BoE and Norges Bank kept their monetary policy on hold. The Fed remained on hold, while Fed Chair Powell downplayed the importance of the change in the median dot, which indicates just one rate cut in 2024, from three previously. US CPI inflation surprised to the downside, with monthly core inflation the lowest since August 2021. US inflation data pushed the 10Y UST yield 20bp lower, and this also affected core EGBs. Political developments sent OAT-Bund spreads wider and contributed to the underperformance of European equities relative to their US peers, which marked new highs. EGBs and USTs mostly trod water amid a light data agenda and ahead of key releases and political events over the coming weeks. European corporate credit risk premiums moved within a very narrow range, and European stock markets traded sideways. The euro and sterling remained sluggish. USD-JPY hit new multi-year highs above 161. The fund still keeps its Ukrainian exposure (despite being decreased a bit on very strong YtD performance), and waits for improvement in the Ukrainian-Russia war; the fund proceeded to relocate some of the duration to the EM credit space along with a slight decrease of the exposure to the core markets, in this light, we opened positions in Kazakh and Chilean sovereigns, added to Qatar and adjusted Deutsche Bank exposure, further intention to keep or to add to the current exposure to the core rates and/or EM credit markets while decreasing Hungarian risk stays in place.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Hurdle rate, annual 6%
ISIN code:	HU0000712401
Start:	08/12/2013
Currency:	PLN
Net Asset Value of the whole Fund:	15,286,170,004 HUF
Net Asset Value of P series:	13,759,112 PLN
Net Asset Value per unit:	1.128587 PLN

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka, ERSTE Group Bank AG Austria

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	47.82 %
Collective securities	26.48 %
Corporate bonds	18.59 %
T-bills	3.02 %
Mortgage debentures	1.34 %
Liabilities	-9.29 %
Receivables	7.40 %
Current account	5.12 %
Market value of open derivative positions	-0.47 %
Total	**100,00 %**
Derivative products	119.97 %
Net corrected leverage	110.56 %

Assets with over 10% weight

There is no such instrument in the portfolio

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	**2 yr**	3 yr	4 yr	5 yr

RISK PROFILE

1	**2**	3	4	5	6	7

Lower risk — Higer risk

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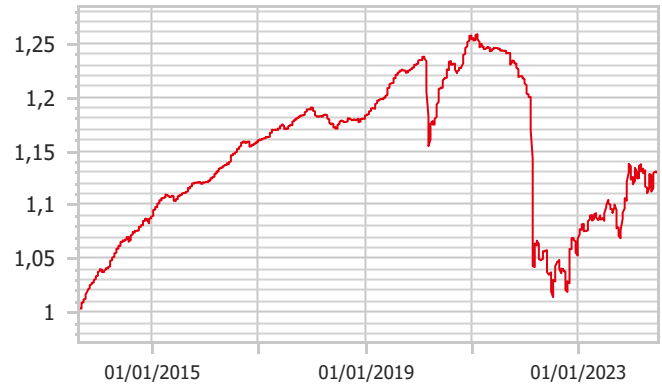
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-0.48 %	3.03 %
From launch	1.12 %	2.17 %
1 month	1.05 %	0.46 %
3 months	-0.89 %	1.52 %
2023	7.79 %	3.23 %
2022	-13.53 %	0.40 %
2021	-3.20 %	0.40 %
2020	2.16 %	1.42 %
2019	4.31 %	1.25 %
2018	-0.71 %	1.31 %
2017	2.62 %	1.20 %
2016	3.37 %	2.23 %
2015	3.07 %	2.52 %
2014	5.13 %	4.34 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 08/12/2013 - 06/30/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	4.62 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.21 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	6.88 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	5.97 %
WAM (Weighted Average Maturity)	3.77 years
WAL (Weighted Average Life)	4.76 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Sep24 Buy	derivative	Raiffeisen Hun	09/30/2024	21.38 %
iShares Core EUR Corp Bond UCITS ETF	investment note	iShares Core EUR Corp Bond UCITS ETF		7.74 %
iShares USD TIPS UCITS ETF	investment note	iShares USD TIPS UCITS ETF		7.44 %
iShares USD Corp Bond UCITS ETF	investment note	iShares USD Corp Bond UCITS ETF		7.32 %
iShares USD Short Duration Corp Bond UCITS ETF	investment note	iShares USD Short Duration Corp Bond UCITS ETF		4.83 %
OTPHB 2,875 07/15/29 visszahívható 2024	interest-bearing	OTP Bank Nyrt.	07/15/2024	4.64 %
LONG GILT FUTURE Sep24 Buy	derivative	Raiffeisen Hun	09/26/2024	4.47 %
MOL 2027/10/08 1,5%	interest-bearing	MOL Plc.	10/08/2027	4.34 %
USGB 2025/03 3,875%	interest-bearing	USA	03/31/2025	3.62 %
EU 12/04/30 3,125%	interest-bearing	European Union	12/04/2030	3.51 %

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbftv. requirements. It contains the following elements based on the last net asset value of the reporting month: presentation of the assets of the fund regarding asset type of portfolio investment and regarding other categories detailed in its investment policy; list of assets (issuers) representing more than 10% of the portfolio; net asset value of the fund, including the cumulated and the calculated value per unit share. Investors are kindly advised, that past performance of the fund does not guarantee future performance. The returns presented are to be considered without applicable taxes, distribution fees and commissions, fees related to account keeping and other costs in relation with holding an investment fund unit. Information presented in the Portfolio Report are for information purposes only, not intended to serve as investment advice, or any other offer. Investors are kindly advised to carefully read the Key Investors Document and Prospectus of the fund, in order to understand the risks of investing into the fund, and to be able to make an informed investor decision. The referred documents are available at the distribution locations and on the official website of VIG Fund Management Zrt. VIG Investment Fund Management Hungary | 1091 Budapest, Üllői út 1. | +36 1 477 4814 | alapkezelo@am.vig | www.vigam.hu