VIG BondMaxx Total Return Bond Investment Fund

PI series PLN MONTHLY report - 2024 AUGUST (made on: 08/31/2024)

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

The US economy is slowing down, amid manufacturing and services sectors struggling, as indicated by the ISM surveys and reflected in labour market data. Consumers spending is shifting from services to more essentials. In the Eurozone, leading indicators suggest a marginal economic slowdown at the end of the second quarter, despite the positive trend continued. Germany’s PMI indicates congestion, while France continues to shrink, although at a slower pace; Italy and Spain still expand, with Spain notably strong. Inflation decreased slightly to 2.5%, with core inflation steady at 2.9%, driven by service prices. Disinflation is expected to continue slowly. GDP growth in China slowed to 4.7% in Q2, below expectations. Retail sales decelerated, though industrial production exceeded expectations, supported by robust foreign demand. The Fed left its monetary policy unchanged but indicated that it might cut rates at its next meeting. The BoE delivered a hawkish 25bp cut, while the BoJ continued to buck the global trend by hiking its policy rate to 0.25%. Demand for govies remained strong, with Bund and UST yields declining further. The BTP-Bund and OAT-Bund spreads widened. Focused on partly disappointing corporate earnings, the European stock market came under pressure, while the US market trod water. Credit spreads increased at the end of the month despite continued strong bank earnings. 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; no meaningful changes into the fund’s allocation were made, 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:	HU0000727391
Start:	09/14/2021
Currency:	PLN
Net Asset Value of the whole Fund:	15,785,720,946 HUF
Net Asset Value of PI series:	54,158 PLN
Net Asset Value per unit:	0.917654 PLN

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	54.52 %
Collective securities	20.34 %
Corporate bonds	16.42 %
T-bills	1.72 %
Mortgage debentures	1.43 %
Receivables	8.25 %
Liabilities	-8.25 %
Current account	3.57 %
Market value of open derivative positions	1.99 %
Total	**100,00 %**
Derivative products	115.44 %
Net corrected leverage	110.24 %

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	4.22 %	4.10 %
From launch	-2.86 %	2.49 %
1 month	1.31 %	0.49 %
3 months	4.59 %	1.50 %
2023	2.34 %	3.23 %
2022	-12.67 %	0.40 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 09/14/2021 - 08/31/2024

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	4.54 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.22 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	7.50 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	7.50 %
WAM (Weighted Average Maturity)	4.30 years
WAL (Weighted Average Life)	5.40 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Dec24 Buy	derivative	Raiffeisen Hun	12/31/2024	20.39 %
iShares Core EUR Corp Bond UCITS ETF	investment note	iShares Core EUR Corp Bond UCITS ETF		7.46 %
iShares USD Corp Bond UCITS ETF	investment note	iShares USD Corp Bond UCITS ETF		7.10 %
USGB 2033/11 4,5%	interest-bearing	USA	11/15/2033	4.76 %
iShares USD Short Duration Corp Bond UCITS ETF	investment note	iShares USD Short Duration Corp Bond UCITS ETF		4.60 %
LONG GILT FUTURE Dec24 Buy	derivative	Raiffeisen Hun	12/27/2024	4.38 %
MOL 2027/10/08 1,5%	interest-bearing	MOL Plc.	10/08/2027	4.22 %
EU 12/04/30 3,125%	interest-bearing	European Union	12/04/2030	3.46 %
UAE 4,05% 07/07/32	interest-bearing	United Arab Emirates	07/07/2032	3.33 %
CROATI 2035/06/14 4% EUR	interest-bearing	Republic of Croatia	06/14/2035	3.20 %

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