VIG BondMaxx Total Return Bond Investment Fund

U series USD MONTHLY report - 2024 OCTOBER (made on: 10/31/2024)

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

Last month’s economic data suggests that the US and the EU economies are diverging further. The US economy stays robust, with upward revisions of economic growth and strong job creation reported in recent months. Contrary, the Eurozone has encountered unexpected economic activity slowdowns, with weaker growth signals emerging from different sectors. Overall inflation slows down across Atlantic, while core inflation has shown signs of stickiness, indicating underlying pressures that continue to bothers both economies. In the recent weeks, global financial markets responded to the volatile economic environment and central bank actions. In the US, relatively strong labour market and optimistic corporate earnings expectations have supported positive investor sentiment, resulting in a strong performance for the stock market. Expectations of further interest rate cuts by the Fed is also contributing to a favourable environment for equities. On the other hand, the Eurozone has experienced mixed market moves, where the ECB’s monetary easing has provided some support, but economic uncertainty has toned down market sentiment. In China, recent economic stimulus measures fuelled a rally in equities, even though apprehension about the sustainability of growth remain amid structural problems. In fixed income markets, expectations of further rate cuts have initially led to a decrease in US bond yields, but more recent strong labour market data caused a meaningful uptick of the entire curve. At the same time EGBs yields moved slightly lower, showing some decoupling from the US movements due to the region’s distinct economic challenges. Overall, both equity and fixed income markets reflected a cautious optimism driven by central bank easing policies – but potential volatility looms, influenced by upcoming earnings reports, geopolitical tensions, and differing recovery trajectories. The fund still keeps its Ukrainian exposure (despite being decreased by a third on very strong YtD performance), and waits for improvement in the Ukrainian-Russia war; a relocation out of the EM credit (Kazakhstan and Qatar) took place to the U.S. Treasuries and French government bonds, further intention to keep or to add to the current exposure to the core rates and/or EM credit markets 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 3%
ISIN code:	HU0000727045
Start:	09/14/2021
Currency:	USD
Net Asset Value of the whole Fund:	16,053,806,433 HUF
Net Asset Value of U series:	365,244 USD
Net Asset Value per unit:	0.884711 USD

DISTRIBUTORS

OTP Bank Nyrt., VIG Asset Management Hungary Plc.

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	56.79 %
Collective securities	20.88 %
Corporate bonds	19.98 %
Mortgage debentures	1.42 %
T-bills	1.22 %
Liabilities	-4.30 %
Receivables	4.29 %
Current account	3.54 %
Market value of open derivative positions	-3.81 %
Total	**100,00 %**
Derivative products	108.04 %
Net corrected leverage	107.05 %

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	0.26 %	2.55 %
From launch	-3.84 %	0.99 %
1 month	-1.62 %	0.25 %
3 months	0.76 %	0.76 %
2023	7.21 %	0.88 %
2022	-16.13 %	0.00 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 09/14/2021 - 10/31/2024

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	4.94 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.13 %
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	6.75 %
WAM (Weighted Average Maturity)	4.80 years
WAL (Weighted Average Life)	5.98 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Dec24 Buy	derivative	Raiffeisen Hun	12/31/2024	10.04 %
iShares Core EUR Corp Bond UCITS ETF	investment note	iShares Core EUR Corp Bond UCITS ETF		7.69 %
iShares USD Corp Bond UCITS ETF	investment note	iShares USD Corp Bond UCITS ETF		7.19 %
USGB 2033/11 4,5%	interest-bearing	USA	11/15/2033	5.83 %
iShares USD Short Duration Corp Bond UCITS ETF	investment note	iShares USD Short Duration Corp Bond UCITS ETF		4.80 %
MOL 2027/10/08 1,5%	interest-bearing	MOL Plc.	10/08/2027	4.31 %
LONG GILT FUTURE Dec24 Buy	derivative	Raiffeisen Hun	12/27/2024	4.29 %
UAE 4,05% 07/07/32	interest-bearing	United Arab Emirates	07/07/2032	3.42 %
CROATI 2035/06/14 4% EUR	interest-bearing	Republic of Croatia	06/14/2035	3.32 %
MFB 2025/06/24 1,375% EUR	interest-bearing	Hungarian Investment Bank cPlc.	06/24/2025	3.27 %

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