

VIG Developed Market Short Term Bond Investment Fund

E series EUR MONTHLY report - 2024 NOVEMBER (made on: 11/30/2024)



INVESTMENT POLICY OF THE FUND

The aim of the Fund is to increase the euro savings held in the Fund, while assuming low interest-rate and credit risk. The Fund mainly buys short-term, euro-denominated bonds of investment-grade issuers, and aims to generate a return for investors through interest income and price gains on them. The Fund Manager invests the savings held in the Fund in short-term bonds denominated in euros. The Fund Manager assumes a low interest-rate risk; the modified duration of the portfolio is more than 6 months, but may not be higher than 2.5 years. The Fund also follows a cautious strategy in terms of assuming credit risk, investing a maximum of just 10% of its assets in bonds of non-investment grade or non-credit rated issuers. The Fund primarily invests in developed-market government securities, but this can also be supplemented by credit-institution, corporate and/or municipal bonds, as well as by term deposits and repo transactions. The Fund can also invest a small part of its portfolio in emerging markets. In addition, the Fund may invest in collective investment forms, and can fine-tune the design of its portfolio through the use of derivatives (stock-exchange and OTC transactions). The Fund invests exclusively in securities denominated in euros, and may hold currency assets in bank deposits or bank accounts only for the purpose of liquidity management and currency hedging. It is not possible to make individual investor decisions in the Fund. No individual investor's decisions can be made in the Fund.

MARKET SUMMARY

Last month's forecast update to the upside in the US core inflation probably reminded to the Fed of the policy edge and limited room for policy error as it tries to balance monetary policy in a higher neutral rate and expansionary fiscal policy environment. The rise of 0.27% over month, the strongest since March, raises the question as to the Fed should pause in December or not. Treasuries and the greenback surprisingly didn't react much to the PCE print. Instead, month-end demand and short covering in Treasuries pushed down yields across the curve and profit taking lashed the dollar back. The 10y TIIPs moved below 2%, a recent month low. According to the recent Fed minutes, many members support a step-by-step rate cuts. Treasuries performed strongly, with 10y yields stopping almost at 4.20% (200DMA) – down c.30bp from the post-election high. NFP, CPI and the Fed meeting pose upside risk for bond yields later in the year. Kiwi and Canadian bonds performed strongly last month. JGBs underperformed but the yen fought back in the last week of November, tracking the lower Nikkei and firmer expectations of a BoJ rate hike next month after the acceleration in Tokyo inflation. BRL sky-rocketed to a new all-time low below 6.0. We switched from French very short government bonds to longer dated German and French, other positions remained unchanged, amid stayed positive towards asset class overall.

GENERAL INFORMATION

| | |
|------------------------------------|--|
| Fund Manager: | VIG Investment Fund Management Hungary |
| Custodian: | Raiffeisen Bank Zrt. |
| Main distributor: | VIG Investment Fund Management Hungary |
| Benchmark composition: | Fund has no benchmark |
| ISIN code: | HU0000731963 |
| Start: | 08/22/2023 |
| Currency: | EUR |
| Net Asset Value of the whole Fund: | 34,247,070 EUR |
| Net Asset Value of E series: | 33,259,820 EUR |
| Net Asset Value per unit: | 1.036135 EUR |

DISTRIBUTORS

Conseq Investment Management, a.s., OTP Bank Nyrt., SC Aegon ASIGURARI DE VIATA SA, VIG Asset Management Hungary Plc.

SUGGESTED MINIMUM INVESTMENT PERIOD

| | | | | | | |
|--------|--------|------|------|------|------|------|
| 3 mths | 6 mths | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr |
|--------|--------|------|------|------|------|------|

ASSET ALLOCATION OF THE FUND

| Asset | Weight |
|---|-----------------|
| Government bonds | 94.97 % |
| Corporate bonds | 3.44 % |
| T-bills | 1.37 % |
| Current account | 0.16 % |
| Market value of open derivative positions | 0.06 % |
| Receivables | 0.01 % |
| Liabilities | -0.01 % |
| Total | 100,00 % |
| Derivative products | 0.00 % |
| Net corrected leverage | 100.00 % |
| Assets with over 10% weight | |
| BTPS 6 1/2 11/01/27 (Italian State) | |
| FRTR 1 05/25/27 (French state) | |

RISK PROFILE

| | | | | | | |
|------------|---|---|-------------|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| ←-----→ | | | | | | |
| Lower risk | | | Higher risk | | | |

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NET YIELD PERFORMANCE OF THE SERIES

| Interval | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| YTD | 1.92 % | |
| From launch | 2.83 % | |
| 1 month | 0.78 % | |
| 3 months | 1.26 % | |

NET PERFORMANCE OF THE SERIES

net asset value per share, 08/22/2023 - 11/30/2024



RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year | 1.58 % |
| Annualized standard deviation of the fund's weekly yields-based on 3 year | 1.47 % |
| Annualized standard deviation of the fund's weekly yields-based on 5 year | 1.47 % |
| WAM (Weighted Average Maturity) | 2.33 years |
| WAL (Weighted Average Life) | 2.47 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity | |
|-----------------------|------------------|-----------------------|------------|---------|
| BTPS 6 1/2 11/01/27 | interest-bearing | Italian State | 11/01/2027 | 15.07 % |
| FRTR 1 05/25/27 | interest-bearing | French state | 05/25/2027 | 10.83 % |
| FRTR 2,5% 09/24/26 | interest-bearing | French state | 09/24/2026 | 9.74 % |
| EU 2 7/8 12/06/27 | interest-bearing | European Union | 12/06/2027 | 7.21 % |
| SPGB 2027/10/31 1,45% | interest-bearing | Spanish State | 10/31/2027 | 6.41 % |
| DBR 0 1/4 08/15/28 | interest-bearing | German State | 08/15/2028 | 4.97 % |
| SPGB 2 1/2 05/31/27 | interest-bearing | Spanish State | 05/31/2027 | 4.02 % |
| BGB 0.8 06/22/28 | interest-bearing | Belgian State | 06/22/2028 | 3.08 % |
| EU 10/05/26 2,75% | interest-bearing | European Union | 10/05/2026 | 2.96 % |
| EU 07/04/25 0,8% | interest-bearing | European Union | 07/04/2025 | 2.90 % |

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbtv. 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 | alapkezeslo@am.vig | www.vigam.hu