

VIG Developed Market Short Term Bond Investment Fund

U series USD MONTHLY report - 2024 JUNE (made on: 06/30/2024)



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

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. We adjusted Italian, Spanish, French and Portuguese positions without meaningful changes of positioning as well as switched some part of EU exposure into Austria, amid stayed positive with a tactically cautious bias 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:	HU0000732045
Start:	10/03/2023
Currency:	USD
Net Asset Value of the whole Fund:	32,966,294 EUR
Net Asset Value of U series:	333,731 USD
Net Asset Value per unit:	1.029040 USD

DISTRIBUTORS

Conseq Investment Management, a.s., VIG Asset Management Hungary Plc.

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	88.17 %
Corporate bonds	9.70 %
T-bills	1.41 %
Current account	0.72 %
Liabilities	-0.01 %
Market value of open derivative positions	0.01 %
Total	100,00 %
Derivative products	14.29 %
Net corrected leverage	103.40 %

Assets with over 10% weight

BTPS 6 1/2 11/01/27 (Italian State)

FRTR 2,5% 09/24/26 (French state)

RISK PROFILE

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

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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-0.03 %	
From launch	2.90 %	
1 month	0.38 %	
3 months	0.31 %	
6 months	-0.03 %	

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 06/30/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	1.29 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	1.29 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	1.29 %
WAM (Weighted Average Maturity)	2.04 years
WAL (Weighted Average Life)	2.11 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
BTPS 6 1/2 11/01/27	interest-bearing	Italian State	11/01/2027	15.46 %
FRTR 2,5% 09/24/26	interest-bearing	French state	09/24/2026	10.07 %
EURO-SCHATZ FUT Sep24 Buy	derivative	Raiffeisen Hun	09/06/2024	9.62 %
FRTR 1 05/25/27	interest-bearing	French state	05/25/2027	6.88 %
SPGB 2027/10/31 1,45%	interest-bearing	Spanish State	10/31/2027	6.53 %
EU 07/04/25 0,8%	interest-bearing	European Union	07/04/2025	5.96 %
EFSF 02/17/25 0,4%	interest-bearing	European Financial Stability Facility	02/17/2025	5.37 %
RAGB 4.85 03/15/26	interest-bearing	Austrian State	03/15/2026	5.13 %
Francia Államkötvény 2025/10 6,00%	interest-bearing	French state	10/25/2025	4.89 %
SPGB 2025/10/31 2,15%	interest-bearing	Spanish State	10/31/2025	4.55 %

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 | alapkezo@am.vig | www.vigam.hu