

VIG Developed Market Short Term Bond Investment Fund

UI series USD MONTHLY report - 2024 FEBRUARY (made on: 02/29/2024)

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, the Eurozone composite PMI rose supported by a stronger services sector, while the contraction in German manufacturing deepened. The Ifo index improved somewhat, also supported by services. EU CPI in February decelerated less than forecasted amid sticky services prices, while the US core PCE deflator for January marked its strongest monthly rise over a year. Both data reinforce market's view that the ECB and the Fed are less likely to cut rates before June. In Japan, inflation data supported expectations that the BoJ is close to exiting negative rates. 10Y EGB yields were up around 10bp on the last week of February. Italy sold around EUR 18 billion of new BTP Valore Mar30, with robust demand from retail investors supporting the whole BTP market. EUR IG and HY spreads widened moderately amid strong supply. Equity markets were mixed. In FX, EUR-USD steadied close to 1.08, while the USD-JPY break below 150 was short-lived. In CEE, the HUF underperformed given the acceleration in NBH rate cuts and disputes over central bank independence. We added to the French, Italian, Portuguese, Spanish and Dutch positions and 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: | HU0000732052 |
| Start: | 10/03/2023 |
| Currency: | USD |
| Net Asset Value of the whole Fund: | 33,968,214 EUR |
| Net Asset Value of UI series: | 10,176 USD |
| Net Asset Value per unit: | 1.017562 USD |

DISTRIBUTORS

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 | 90.42 % |
| T-bills | 7.96 % |
| Corporate bonds | 1.14 % |
| Current account | 0.63 % |
| Liabilities | -0.21 % |
| Receivables | 0.08 % |
| Market value of open derivative positions | -0.01 % |
| Total | 100.00 % |
| Derivative products | 31.30 % |
| Net corrected leverage | 120.24 % |

Assets with over 10% weight

| |
|---------------------------------------|
| BTPS 3.4 03/28/25 (Italian State) |
| PGB 2,875 10/15/25 (Portuguese State) |
| SPGB 2026/04/30 1,95% (Spanish State) |
| EU 07/04/25 0,8% (European Union) |
| FRGB 2025/10 6,00% (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 | -0.63 % | |
| From launch | 1.76 % | |
| 1 month | -0.68 % | |
| 3 months | 0.36 % | |

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 02/29/2024



RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year | 1.05 % |
| Annualized standard deviation of the fund's weekly yields-based on 3 year | 1.05 % |
| Annualized standard deviation of the fund's weekly yields-based on 5 year | 1.05 % |
| WAM (Weighted Average Maturity) | 1.82 years |
| WAL (Weighted Average Life) | 1.86 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity | |
|------------------------------------|------------------|-----------------------|------------|---------|
| BTPS 3.4 03/28/25 | interest-bearing | Italian State | 03/28/2025 | 11.33 % |
| PGB 2,875 10/15/25 | interest-bearing | Portuguase State | 10/15/2025 | 11.30 % |
| SPGB 2026/04/30 1,95% | interest-bearing | Spanish State | 04/30/2026 | 10.96 % |
| EU 07/04/25 0,8% | interest-bearing | European Union | 07/04/2025 | 10.74 % |
| Francia Államkötvény 2025/10 6,00% | interest-bearing | French state | 10/25/2025 | 10.08 % |
| FRTR 2,5% 09/24/26 | interest-bearing | French state | 09/24/2026 | 9.73 % |
| FRTR 1% 11/25/25 | interest-bearing | French state | 11/25/2025 | 5.99 % |
| Short Euro-BTP Fu Mar24 Buy | derivative | Raiffeisen Hun | 03/07/2024 | 4.65 % |
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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 | alapkezezo@am.vig | www.vigam.hu