

VIG Developed Market Short Term Bond Investment Fund

UI series USD MONTHLY report - 2024 APRIL (made on: 04/30/2024)

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

Early April, Fed Chair Powell admitted a "lack of further progress" on inflation this year, suggesting that rate cuts are likely to come rather later while ECB speakers confirmed that a first rate reduction is likely to occur in June. Raising tensions in the Middle East spooked volatility in energy markets. China's GDP growth slightly increased to 5.3% YoY in the first quarter thanks to a solid quarterly performance which, however, is unlikely to be sustainable. The advance estimate of US Q1 24 GDP showed solid growth of 1.6% annualized, while core PCE inflation rose more than expected to 3.7% annualized. The April Eurozone composite PMI and German Ifo Business Climate Index both showed further improvement, supporting expectations of a modest recovery in economic activity. Government bond markets saw a continuation of the most recent bear trend across the board as US rate-cut expectations were pushed back. The Fed left key rates unchanged, announced it would slow the pace of QT and re-affirmed that rates cuts are likely to be delayed. At the end of a volatile month, 10Y EGBs and USTs yields trade around 5-10bp below last Friday's levels. Equities continued the decline started in early April, while credit spreads stayed range bound with no meaningful differentiation between financials, corporates or high yield. EUR-USD remains above 1.07, while likely intervention by the BoJ drove USD-JPY below 155 from peaks above 160. The upward shift in interest-rate expectations and signs of economic recovery lifted CEE currencies. We added to the Italian positions, switched from German and Spanish government papers into European ones, closed Dutch exposure and initiated new investments in the Belgian government bonds, amid stayed positive with a 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:	HU0000732052
Start:	10/03/2023
Currency:	USD
Net Asset Value of the whole Fund:	32,725,854 EUR
Net Asset Value of UI series:	10,193 USD
Net Asset Value per unit:	1.019267 USD

DISTRIBUTORS

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	85.12 %
Corporate bonds	9.71 %
T-bills	4.73 %
Current account	0.49 %
Liabilities	-0.06 %
Market value of open derivative positions	0.01 %
Receivables	0.00 %
Total	100.00 %
Derivative products	26.02 %
Net corrected leverage	114.74 %

Assets with over 10% weight

BTPS 3.4 03/28/25 (Italian State)
EU 07/04/25 0,8% (European Union)
FRGB 2025/10 6,00% (French state)
FRTR 2,5% 09/24/26 (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	-0.47 %	
From launch	1.93 %	
1 month	-0.22 %	
3 months	-0.52 %	
6 months	1.31 %	

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 04/30/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	1.15 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	1.15 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	1.15 %
WAM (Weighted Average Maturity)	1.59 years
WAL (Weighted Average Life)	1.62 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
EURO-SCHATZ FUT Jun24 Buy	derivative	Raiffeisen Hun	06/06/2024	13.17 %
Short Euro-BTP Fu Jun24 Buy	derivative	Raiffeisen Hun	06/06/2024	12.87 %
BTPS 3.4 03/28/25	interest-bearing	Italian State	03/28/2025	11.62 %
EU 07/04/25 0,8%	interest-bearing	European Union	07/04/2025	11.19 %
Francia Államkötvény 2025/10 6,00%	interest-bearing	French state	10/25/2025	10.48 %
FRTR 2,5% 09/24/26	interest-bearing	French state	09/24/2026	10.10 %
FRTR 1% 11/25/25	interest-bearing	French state	11/25/2025	6.23 %
SPGB 2026/04/30 1,95%	interest-bearing	Spanish State	04/30/2026	5.96 %
PGB 2,875 10/15/25	interest-bearing	Portuguase State	10/15/2025	5.87 %
BGB 0.8 06/22/25	interest-bearing	Belgian State	06/22/2025	5.75 %

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