

VIG Emerging Europe Bond Investment Fund

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

INVESTMENT POLICY OF THE FUND

The Fund aims to achieve capital growth by investing in bonds of emerging European countries and state-owned companies. The Fund does not apply credit rating restrictions: it may purchase securities of any country or company with any long-term credit rating. The Fund aims for the highest possible capital growth alongside reasonable risk-taking. The Fund primarily purchases foreign currency emerging market bonds, in addition to which it holds Hungarian local currency short-term and long-term bonds for diversification and liquidity management purposes. The bond portfolio may also include short-term, long-term, fixed or floating-rate, structured and convertible bonds issued by mortgage credit institutions, other credit institutions, local governments or other business entities. The core of the Fund's investments is Central Eastern Europe (Hungary, Croatia, Poland, Romania, Slovakia, Ukraine), South East Europe (Serbia, Turkey), the Baltics (Latvia, Lithuania) and the Commonwealth of Independent States (Azerbaijan, Belarus, Kazakhstan, Russia, Georgia, Armenia) and bonds of majority state-owned companies, in addition to which the Fund holds short-term and long-term Hungarian government securities for diversification and liquidity management purposes. The target weight for bond exposures in the Fund in the 16 countries listed (target countries) is 95%. We do not set a limit on debt classification in the Fund. The Fund may only conclude derivative transactions for hedging purposes, or in the interest of establishing an efficient portfolio. The Fund may also hold non-leveraged bond-type collective investment forms. The Fund may also take on significant foreign currency exposure, which is normally covered 100% by the Fund Manager in the target currency (USD), but depending on market conditions, the Fund may also hold open foreign currency positions.

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 slightly increased exposure to Poland while other fund's positions remained unchanged throughout last month.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Fund has no benchmark
ISIN code:	HU0000724232
Start:	12/29/2020
Currency:	USD
Net Asset Value of the whole Fund:	5,252,333 EUR
Net Asset Value of U series:	180,608 USD
Net Asset Value per unit:	0.729198 USD

DISTRIBUTORS

Erste Investment Plc., 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	94.10 %
Corporate bonds	4.42 %
T-bills	2.79 %
Liabilities	-3.47 %
Current account	2.70 %
Receivables	1.08 %
Market value of open derivative positions	-1.62 %
Total	100.00 %
Derivative products	2.00 %
Net corrected leverage	100.00 %

Assets with over 10% weight

There is no such instrument in the portfolio

RISK PROFILE

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

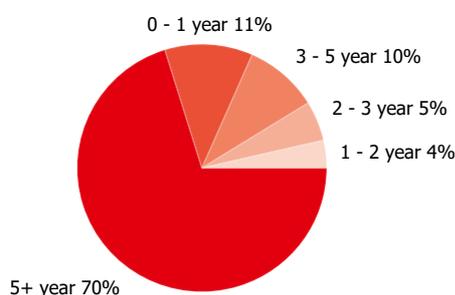
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-1.54 %	
From launch	-9.04 %	
1 month	-2.85 %	
3 months	-0.32 %	
2023	7.27 %	
2022	-26.99 %	
2021	-5.59 %	

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 09/28/2022 - 04/30/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	9.21 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	18.12 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	17.27 %
WAM (Weighted Average Maturity)	7.09 years
WAL (Weighted Average Life)	10.06 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
QATAR 3.4 04/16/25	interest-bearing	State of Qatar	04/16/2025	8.74 %
REPHUN 2032/09/22 6,25% USD	interest-bearing	Államadósság Kezelő Központ	09/22/2032	7.23 %
TURKEY 6 03/25/27	interest-bearing	Turkish State	03/25/2027	5.30 %
POLAND USD2032/11/16 5,75%	interest-bearing	Polish State	11/16/2032	5.11 %
TURKEY 7 5/8 04/26/29	interest-bearing	Turkish State	04/26/2029	4.52 %
MHPSA 6 1/4 09/19/29	interest-bearing	MHP Lux S.A.	09/19/2029	4.42 %
UKRAIN 9 3/4 11/01/30	interest-bearing	Ukrainian State	11/01/2030	4.37 %
Republic of HUNGARY 2041/03/29 7,625% USD	interest-bearing	Államadósság Kezelő Központ	03/29/2041	4.18 %
KAZAKS 6.5 07/21/45	interest-bearing	Kazakh State	07/21/2045	3.97 %
TURKEY 6 5/8 02/17/45	interest-bearing	Turkish State	02/17/2045	3.78 %

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