

VIG Emerging Europe Bond Investment Fund

U series USD MONTHLY report - 2023 JULY (made on: 07/31/2023)

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

The US inflation report for June surprised to the downside. Both the headline and core indices increased 0.2% MoM, 0.1% below market expectations. Chinese GDP data for the second quarter of this year confirmed the widely anticipated slowdown, while US retail sales for June rose for a third consecutive month. ECB's Knot said that core inflation in the Eurozone has likely plateaued and that rate hikes beyond July are possible but not certain. Both the Fed and the ECB raised rates by 25bp and refrained from providing any guidance about future rate moves. The BoJ tweaked its yield-curve-control to allow for more flexibility in dealing with spikes in yields. The US economy grew at a stronger-than-expected 2.4% annualized rate in Q2 '23, while German GDP stagnated. China's top leaders pledged more policy support to stimulate the economy once again. Major central banks approaching the end of rate-hike cycles and hopes for a soft-landing supported stock markets, while credit spreads moved moderately tighter. The BoJ's decision fueled a pronounced bear-steepening across bond markets. In FX, EUR-USD fell back below 1.10.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	The fund has no benchmark
ISIN code:	HU0000724232
Start:	12/29/2020
Currency:	USD
Net Asset Value of the whole Fund:	3,310,257 EUR
Net Asset Value of U series:	38,497 USD
Net Asset Value per unit:	0.737950 USD

DISTRIBUTORS

Erste Befektetési Zrt., VIG Befektetési Alapkezelő Magyarország Zrt.

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	70.69 %
T-bills	18.83 %
Corporate bonds	6.23 %
Receivables	4.41 %
Current account	3.46 %
Liabilities	-0.02 %
Market value of open derivative positions	-3.55 %
Total	100,00 %
Derivative products	22.19 %
Net corrected leverage	100.00 %

Assets with over 10% weight

D231227 (Államadósság Kezelő Központ Zrt.)

RISK PROFILE

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

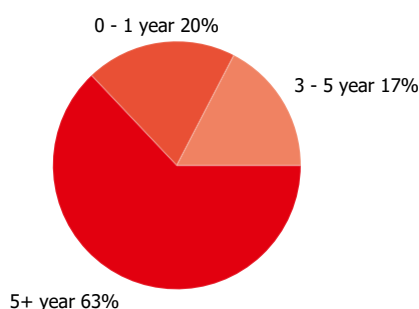
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-11.09 %	
1 month	3.44 %	
3 months	5.04 %	
2022	-26.99 %	
2021	-5.59 %	

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 09/28/2022 - 07/31/2023



— VIG Emerging Europe Bond Investment Fund U series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	7.76 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	29.10 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	29.10 %
WAM (Weighted Average Maturity)	6.96 years
WAL (Weighted Average Life)	8.95 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
D231227	zero coupon	Államadósság Kezelő Központ Zrt.	12/27/2023	18.82 %
REPHUN 2028/05/22 6,125% USD	interest-bearing	Államadósság Kezelő Központ Zrt.	05/22/2028	8.65 %
TURKEY 6 03/25/27	interest-bearing	Török Állam	03/25/2027	7.96 %
TURKEY 2036/03/17 6.875% USD	interest-bearing	Török Állam	03/17/2036	7.60 %
UKRAIN 9 3/4 11/01/30	interest-bearing	Ukrán állam	11/01/2030	6.96 %
MHP SA 6 1/4 09/19/29	interest-bearing	MHP Lux S.A.	09/19/2029	6.23 %
ROMANI USD 2044/01/22 6,125%	interest-bearing	Román Állam	01/22/2044	6.01 %
TURKEY 6 5/8 02/17/45	interest-bearing	Török Állam	02/17/2045	5.86 %
Republic of HUNGARY 2041/03/29 7,625% USD	interest-bearing	Államadósság Kezelő Központ Zrt.	03/29/2041	5.09 %
POLAND USD2032/11/16 5,75%	interest-bearing	Lengyel Állam	11/16/2032	4.39 %

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