

VIG Developed Market Short Term Bond Investment Fund

U series USD MONTHLY report - 2023 SEPTEMBER (made on: 09/30/2023)

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 FOMC paused rates hiking and published a hawkish set of interest-rate projections, indicating that monetary policy will likely remain tighter for longer. Both the BoE and the SNB surprisingly refrained from raising rates, while the Riksbank and the Norges Bank delivered the expected 25bp hikes. Eurozone PMIs continue to point to stagnation or slight contraction in activity. Eurozone both headline and core CPI have eased substantially last month, to 4.3% and to 4.5%, respectively. The Italian government increased its budget-deficit/GDP target for 2024 to 4.3% (from 3.7% in April), while the public debt/GDP ratio is projected to stabilize overall. In the US, Congress has reached a deal to avoid a government shutdown "at the last minute". US personal consumption growth for Q2 '23 was revised significantly downwards to 0.8% from 1.7%, the slowest pace in more than a year. Declining inflation across the Eurozone triggered some relief during a volatile last week of September. The 10Y Bund yield returned to the 2.85% area after approaching 3%. The 10Y BTP-Bund spread tightened 10bp, after reaching 200bp. The swings on rates shaped performance for equity and credit markets, which are offsetting their earlier losses. In FX, EURUSD regained 1.06 after falling below 1.05, while a rally up to 150 for USDJPY was averted. Initial allocation of the fund is fully focused on high-quality investment grade investments with more than 80% in government bonds and a bit less than 10% in each supranationals and corporates, top 3 biggest positions in Germany, Italy and Spain followed by France, Belgium, Austria and Portugal.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	The fund has no benchmark
ISIN code:	HU0000732045
Start:	10/03/2023
Currency:	USD
Net Asset Value of the whole Fund:	1,571,926 EUR
Net Asset Value of U series:	
Net Asset Value per unit:	

ASSET ALLOCATION OF THE FUND

Asset	Weight
Assets with over 10% weight	
FRGB 2025/10 6,00% (Francia Állam)	

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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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
From start		
1 month		
3 months		

NET PERFORMANCE OF THE SERIES

net asset value per share, 09/06/2023 - 09/30/2023



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	no data
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	no data
Annualized standard deviation of the fund's weekly yields-based on 3 year	no data
Annualized standard deviation of the fund's weekly yields-based on 5 year	no data
WAM (Weighted Average Maturity)	1.03 years
WAL (Weighted Average Life)	1.05 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
Short Euro-BTP Fu Dec23 Buy	derivatív	Raiffeisen Hun	12/07/2023	26.50 %
EURO-SCHATZ FUT Dec23 Buy	derivatív	Raiffeisen Hun	12/07/2023	20.04 %
Francia Államkötvény 2025/10 6,00%	interest-bearing	Francia Állam	10/25/2025	10.58 %
PGB 4.95 10/25/23	interest-bearing	Portugál Állam	10/25/2023	9.99 %
EU 07/04/25 0,8%	interest-bearing	Európai Unió	07/04/2025	9.72 %
SPGB 2024/04/30 3,8%	interest-bearing	Spanyol Állam	04/30/2024	9.69 %
SPGB 2025/10/31 2,15%	interest-bearing	Spanyol Állam	10/31/2025	9.48 %
RATB 0 01/25/24	zero coupon	Osztrák Állam	01/25/2024	9.43 %
BGTB 0 05/09/24	zero coupon	Belga Állam	05/09/2024	9.33 %
SGLT 05/10/24	zero coupon	Spanyol Állam	05/10/2024	9.32 %

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