

VIG BondMaxx Total Return Bond Investment Fund

A series HUF MONTHLY report - 2023 OCTOBER (made on: 10/31/2023)

INVESTMENT POLICY OF THE FUND

The Fund is a total return investment fund that aims to create a portfolio consisting of bond-type assets through active portfolio management that achieves annualised capital growth for investors higher than the benchmark over a 3-year time horizon. It intends to achieve this objective primarily through asset allocation in global bond markets.

The Fund invests exclusively in bond-type instruments. The Fund's investment universe focuses on developed market government bonds, developed market corporate bonds, local currency emerging market government bonds and hard currency emerging market government and corporate bonds. The primary source of return for the Fund is asset allocation across bond-type asset classes. The asset allocation is based on an "investment clock" approach that uses economic data analysis to determine the position of major regions within a growth cycle. This is complemented by the forecasting of expected movements in real interest rates and inflation expectations, which are also crucial for the allocation across bond markets. Portfolio managers use all these as the basis for making allocation decisions, overweighting the best performing bond asset class in any current economic cycle based on experience and expectations. In the investment process, portfolio managers optimise the interest rate and credit risk of the overall fund and of the exposures to individual bond markets in order to achieve the investment objective.

MARKET SUMMARY

Last month, the war between Israel and Hamas triggered fresh geopolitical uncertainty and modestly higher energy prices. The US September inflation report showed weaker progress on disinflation, with services inflation picking up. Several Fed officials emphasised the central bank could proceed carefully and that a rise in long-term yields may mean less need to raise rates. The ECB left interest rates unchanged, as expected by the majority of the market, and the tone was slightly less hawkish. Both the Fed and the BoE left interest rates unchanged and retained a tightening bias, although the odds of further hikes appear to be waning. China's PMIs resumed weakening from low levels, signalling that growth remains under pressure. The BoJ tweaked its yield-curve-control framework, refraining from making any substantial changes. Weak growth and easing inflation in the Eurozone, together with a moderately dovish FOMC meeting outcome, drove government-bond yields down; the 10Y UST yield fell to 4.65%, while the 10Y Bund yield dropped to 2.70%. Equities were well supported in this environment and are set to close the month with gains. Credit spreads tightened across the board. EUR-USD steadied above 1.06, while USD-JPY fell back towards 150, after having reached a peak of nearly 152. The fund still keeps its Ukrainian exposure, and waits for improvement in the Ukrainian-Russia war; we added in French long-term government bonds, further intention to raise exposure to the core rates markets while decreasing Hungarian risk stays in place.

GENERAL INFORMATION

| | |
|------------------------------------|--|
| Fund Manager: | VIG Investment Fund Management Hungary |
| Custodian: | Raiffeisen Bank Zrt. |
| Main distributor: | VIG Investment Fund Management Hungary |
| Benchmark composition: | Hurdle rate, annual 9% |
| ISIN code: | HU0000709597 |
| Start: | 01/12/2011 |
| Currency: | HUF |
| Net Asset Value of the whole Fund: | 17,168,216,030 HUF |
| Net Asset Value of A series: | 1,643,253,127 HUF |
| Net Asset Value per unit: | 1.486560 HUF |

DISTRIBUTORS

CIB BANK ZRT, CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., ERSTE Group Bank AG Austria, KBC Securities Magyarországi Fióktelepe, MBH Bank Nyrt., MBH Befektetési Bank Zrt, MKB Bank Nyrt. 0789, OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Unicredit Bank Hungary Zrt., VIG Befektetési Alapkezelő Magyarország Zrt.

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 | 31.18 % |
| T-bills | 27.17 % |
| Collective securities | 18.52 % |
| Corporate bonds | 17.94 % |
| Mortgage debentures | 1.19 % |
| Current account | 3.82 % |
| Market value of open derivative positions | 0.43 % |
| Liabilities | -0.27 % |
| Receivables | 0.04 % |
| Total | 100,00 % |
| Derivative products | 124.44 % |
| Net corrected leverage | 114.23 % |

Assets with over 10% weight

There is no such instrument in the portfolio

RISK PROFILE

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

VIG BondMaxx Total Return Bond Investment Fund

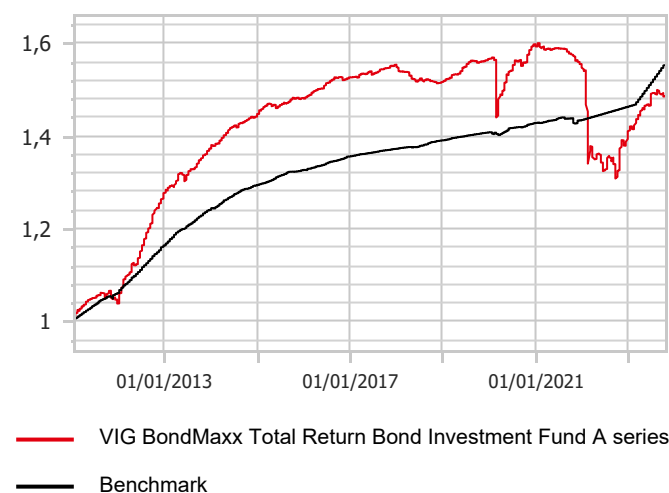
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NET YIELD PERFORMANCE OF THE SERIES

| Interval | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| From launch | 3.15 % | 3.50 % |
| 1 month | -0.28 % | 0.79 % |
| 3 months | -0.71 % | 2.29 % |
| 2022 | -11.91 % | 2.01 % |
| 2021 | -2.34 % | 0.40 % |
| 2020 | 2.20 % | 1.42 % |
| 2019 | 3.18 % | 1.25 % |
| 2018 | -2.29 % | 1.31 % |
| 2017 | 1.71 % | 1.20 % |
| 2016 | 2.90 % | 2.23 % |
| 2015 | 2.76 % | 2.52 % |
| 2014 | 5.32 % | 4.34 % |
| 2013 | 8.16 % | 6.78 % |

NET PERFORMANCE OF THE SERIES

net asset value per share, 01/17/2011 - 10/31/2023



RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields- based on 1 year | 4.60 % |
| Annualized standard deviation of the benchmark's weekly yields- based on 1 year | 0.52 % |
| Annualized standard deviation of the fund's weekly yields- based on 3 year | 6.72 % |
| Annualized standard deviation of the fund's weekly yields- based on 5 year | 5.84 % |
| WAM (Weighted Average Maturity) | 3.08 years |
| WAL (Weighted Average Life) | 3.69 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity | |
|--|-----------------|--|------------|---------|
| US 5YR NOTE (CBT) Dec23 Buy | derivatív | Raiffeisen Hun | 12/29/2023 | 13.31 % |
| US T-Bill 11/30/23 | zero coupon | Amerikai Egyesült Államok | 11/30/2023 | 9.98 % |
| iShares USD TIPS UCITS ETF | investment note | iShares USD TIPS UCITS ETF | | 9.13 % |
| BTF 0 04/17/24 | zero coupon | Francia Állam | 04/17/2024 | 6.90 % |
| LONG GILT FUTURE Dec23 Buy | derivatív | Raiffeisen Hun | 12/27/2023 | 5.93 % |
| US 10YR NOTE (CBT)Dec23 Buy | derivatív | Raiffeisen Hun | 12/19/2023 | 5.32 % |
| US LONG BOND(CBT) Dec23 Buy | derivatív | Raiffeisen Hun | 12/19/2023 | 4.57 % |
| RATB 0 01/25/24 | zero coupon | Osztrák Állam | 01/25/2024 | 4.42 % |
| iShares USD Corp Bond UCITS ETF | investment note | iShares USD Corp Bond UCITS ETF | | 4.41 % |
| iShares USD Short Duration Corp Bond UCITS ETF | investment note | iShares USD Short Duration Corp Bond UCITS ETF | | 3.97 % |

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