

VIG Developed Market Short Term Bond Investment Fund

U series USD MONTHLY report - 2023 OCTOBER (made on: 10/31/2023)

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 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. Initial allocation of the fund remained mostly unchanged last month.

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:	2,236,947 EUR
Net Asset Value of U series:	19,608 USD
Net Asset Value per unit:	1.006881 USD

ASSET ALLOCATION OF THE FUND

Asset	Weight
Assets with over 10% weight	
FRGB 2025/10 6,00% (Francia Állam)	
EU 07/04/25 0,8% (Európai Unió)	
BGTB 0 05/09/24 (Belga Állam)	
BTF 0 01/24/24 (Francia Állam)	

DISTRIBUTORS

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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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 launch	0.69 %	
1 month		
3 months		

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 10/31/2023



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	0.24 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	0.24 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	0.24 %
WAM (Weighted Average Maturity)	1.23 years
WAL (Weighted Average Life)	1.24 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
Short Euro-BTP Fu Dec23 Buy	derivatív	Raiffeisen Hun	12/07/2023	18.68 %
EURO-SCHATZ FUT Dec23 Buy	derivatív	Raiffeisen Hun	12/07/2023	14.11 %
Francia Államkötvény 2025/10 6,00%	interest-bearing	Francia Állam	10/25/2025	11.79 %
EU 07/04/25 0,8%	interest-bearing	Európai Unió	07/04/2025	11.16 %
BGTB 0 05/09/24	zero coupon	Belga Állam	05/09/2024	10.96 %
BTF 0 01/24/24	zero coupon	Francia Állam	01/24/2024	10.64 %
DB 1,375% 09/03/26 visszahívható 2025	interest-bearing	Deutsche Bank	09/03/2025	8.39 %
SPGB 2024/04/30 3,8%	interest-bearing	Spanyol Állam	04/30/2024	6.83 %
PGB 2,875 10/15/25	interest-bearing	Portugál Állam	10/15/2025	6.69 %
RATB 0 01/25/24	zero coupon	Osztrák Állam	01/25/2024	6.65 %

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 | alapkezezo@am.vig | www.vigam.hu