

VIG Developed Market Short Term Bond Investment Fund

U series USD MONTHLY report - 2023 NOVEMBER (made on: 11/30/2023)

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

In November, Eurozone headline and core inflation eased further, to 2.4% and 3.6%, respectively. The President of the European Central Bank, Christine Lagarde said that the central bank might rethink its pandemic purchase programme (PEPP) strategy, which currently foresees full reinvestment until the end of the next year. In the US, core Personal Consumption Expenditure (PCE) inflation slipped to 3.5% YoY in October (below the level of the Fed expectations for the end of the year), while the Beige Book (summary of information on current economic conditions through reports and interviews summarized by the Fed) indicated economic activity had slowed and is expected to slow thereafter. US Congress passed a stopgap spending bill until mid-January. German industrial production contracted in September for a fifth consecutive month. The UK economy stagnated in Q3. In China, inflation fell slightly below zero, reflecting weak domestic demand amid weak exports. Brent oil prices briefly fell below \$80/bbl on global demand fears, reversed some of the losses later in the month on OPEC rumours of further production cuts while the outlook looks gloomy yet. Equity markets moved sideways, while EGB and UST curves bull steepened, following lower-than-expected inflation. Corporate credit spreads tightened slightly. EUR-USD fell back below 1.09 after hitting 1.10, also reversing the initial rally in CEE FX. We opened positions in French government papers and bought EIB bonds as well as added to the Italian and Spanish positions.

GENERAL INFORMATION

| | |
|------------------------------------|--|
| Fund Manager: | VIG Investment Fund Management Hungary |
| Custodian: | Raiffeisen Bank Zrt. |
| Main distributor: | VIG Investment Fund Management Hungary |
| Benchmark composition: | Fund has no benchmark |
| ISIN code: | HU0000732045 |
| Start: | 10/03/2023 |
| Currency: | USD |
| Net Asset Value of the whole Fund: | 2,965,276 EUR |
| Net Asset Value of U series: | 122,265 USD |
| Net Asset Value per unit: | 1.018123 USD |

DISTRIBUTORS

VIG Asset Management Hungary Plc.

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 | 58.38 % |
| T-bills | 33.67 % |
| Corporate bonds | 6.42 % |
| Receivables | 7.88 % |
| Liabilities | -7.30 % |
| Current account | 0.99 % |
| Market value of open derivative positions | -0.03 % |
| Total | 100,00 % |
| Derivative products | 24.90 % |
| Net corrected leverage | 115.96 % |

Assets with over 10% weight

FRGB 2025/10 6,00% (French state)

BTPS 3.4 03/28/25 (Italian State)

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 | 1.81 % | |
| 1 month | 1.12 % | |
| 3 months | | |

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 11/30/2023



RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year | 0.37 % |
| Annualized standard deviation of the fund's weekly yields-based on 3 year | 0.37 % |
| Annualized standard deviation of the fund's weekly yields-based on 5 year | 0.37 % |
| WAM (Weighted Average Maturity) | 1.25 years |
| WAL (Weighted Average Life) | 1.27 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity | |
|---------------------------------------|------------------|--------------------------|------------|---------|
| Short Euro-BTP Fu Dec23 Buy | derivative | Raiffeisen Hun | 12/07/2023 | 14.21 % |
| Francia Államkötvény 2025/10 6,00% | interest-bearing | French state | 10/25/2025 | 12.53 % |
| EURO-SCHATZ FUT Dec23 Buy | derivative | Raiffeisen Hun | 12/07/2023 | 10.66 % |
| BTPS 3.4 03/28/25 | interest-bearing | Italian State | 03/28/2025 | 10.16 % |
| SPGB 2026/04/30 1,95% | interest-bearing | Spanish State | 04/30/2026 | 8.64 % |
| EU 07/04/25 0,8% | interest-bearing | European Union | 07/04/2025 | 8.47 % |
| BGTB 0 05/09/24 | zero coupon | Belgian State | 05/09/2024 | 8.30 % |
| BTF 0 01/24/24 | zero coupon | French state | 01/24/2024 | 8.05 % |
| EIB 0 03/25/25 | zero coupon | EUROPEAN INVESTMENT BANK | 03/25/2025 | 7.27 % |
| DB 1,375% 09/03/26 visszahívható 2025 | interest-bearing | Deutsche Bank | 09/03/2025 | 6.41 % |

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