

VIG Emerging Europe Bond Investment Fund

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

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

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 didn't make meaningful changes to the fund's composition throughout last month.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Fund has no benchmark
ISIN code:	HU0000718416
Start:	01/05/2017
Currency:	USD
Net Asset Value of the whole Fund:	3,287,526 EUR
Net Asset Value of UI series:	86,955 USD
Net Asset Value per unit:	0.869551 USD

DISTRIBUTORS

OTP Bank Nyrt., Raiffeisen Bank cPlc., VIG Asset Management Hungary Plc.

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	83.34 %
T-bills	8.81 %
Corporate bonds	6.35 %
Receivables	6.17 %
Liabilities	-3.90 %
Current account	0.19 %
Market value of open derivative positions	-0.88 %
Total	100.00 %
Derivative products	2.89 %
Net corrected leverage	100.00 %

Assets with over 10% weight

There is no such instrument in the portfolio

RISK PROFILE

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

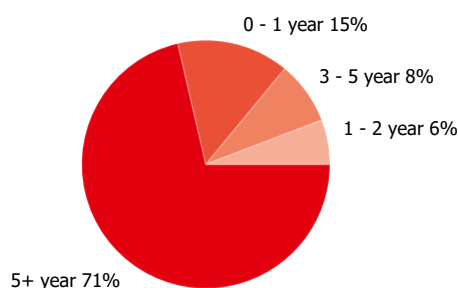
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NET YIELD PERFORMANCE OF THE SERIES

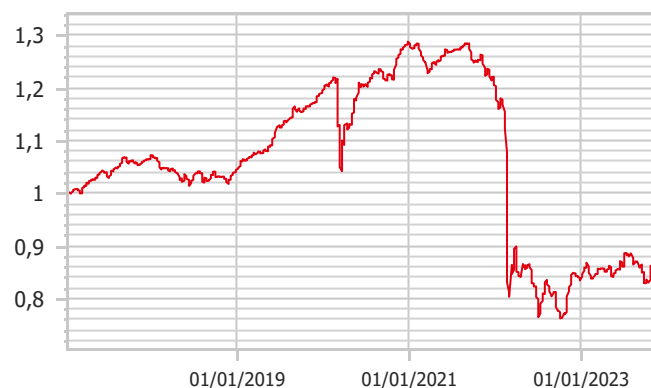
Interval	Yield of note	Benchmark yield
YTD	3.62 %	
From launch	-2.00 %	
1 month	3.52 %	
3 months	-0.07 %	
2022	-31.30 %	
2021	-5.11 %	
2020	8.12 %	
2019	14.48 %	
2018	-2.34 %	

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 01/05/2017 - 11/30/2023



— VIG Emerging Europe Bond Investment Fund UI series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	8.40 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	17.65 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	14.77 %
WAM (Weighted Average Maturity)	7.16 years
WAL (Weighted Average Life)	9.12 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US T-Bill 02/08/24	zero coupon	USA	02/08/2024	8.82 %
TURKEY 6 03/25/27	interest-bearing	Turkish State	03/25/2027	8.14 %
UKRAIN 9 3/4 11/01/30	interest-bearing	Ukrainian State	11/01/2030	6.48 %
MHP SA 6 1/4 09/19/29	interest-bearing	MHP Lux S.A.	09/19/2029	6.36 %
ROMANI USD 2044/01/22 6,125%	interest-bearing	Romanian State	01/22/2044	5.80 %
REPHUN 2032/09/22 6,25% USD	interest-bearing	Government Debt Management Agency Pte. Ltd.	09/22/2032	5.76 %
KAZAKS 5.125 07/21/25	interest-bearing	Kazakh State	07/21/2025	5.72 %
TURKEY 6 5/8 02/17/45	interest-bearing	Turkish State	02/17/2045	5.69 %
AZERBJ 4 3/4 03/18/24	interest-bearing	Republic of Azerbaijan	03/18/2024	5.60 %
SERBIA 2033/09/26 6,5% USD	interest-bearing	Serbian State	09/26/2033	5.55 %

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