

# VIG Developed Market Short Term Bond Investment Fund

U series USD MONTHLY report - 2023 DECEMBER (made on: 12/31/2023)

## 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, in the US, November JOLTS job openings was reported weaker of the market consensus, while the ISM services index moved to a slight increase in activity in November. In Germany, both factory orders and industrial production contracted more than forecasted in October and Italy's services PMI for November pointed to further weakness. The last month of 2023 was mostly about important central bank meetings. The message from the Fed's dot plot and Mr. Powell was unequivocal dovish, while the ECB and the Bank of England did not support the aggressive rate cut expectations priced in by markets. The Eurozone composite PMI disappointed, moving back further into contractionary territory. The bull run in the government bond market continued, while the stock-market rally started to fade, limiting this month's gains, despite stayed at elevated levels. In FX, the USD weakened further across the board, with EUR-USD reaching the 1.10 area. We opened positions in Lithuanian government papers as well as added to the French, Italian, Portuguese 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: | 7,190,847 EUR                          |
| Net Asset Value of U series:       | 274,299 USD                            |
| Net Asset Value per unit:          | 1.029338 USD                           |

## DISTRIBUTORS

Conseq Investment Management, a.s., 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                          | 64.39 %         |
| T-bills                                   | 30.25 %         |
| Corporate bonds                           | 5.40 %          |
| Liabilities                               | -3.02 %         |
| Current account                           | 1.54 %          |
| Receivables                               | 1.51 %          |
| Market value of open derivative positions | -0.07 %         |
| <b>Total</b>                              | <b>100.00 %</b> |
| Derivative products                       | 31.39 %         |
| Net corrected leverage                    | 118.51 %        |

### Assets with over 10% weight

|                                       |
|---------------------------------------|
| FRTR 0% 02/25/25 (French state)       |
| BTPS 3.4 03/28/25 (Italian State)     |
| FRGB 2025/10 6,00% (French state)     |
| SPGB 2026/04/30 1,95% (Spanish State) |
| EU 07/04/25 0,8% (European Union)     |

## RISK PROFILE

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

# VIG Developed Market Short Term Bond Investment Fund

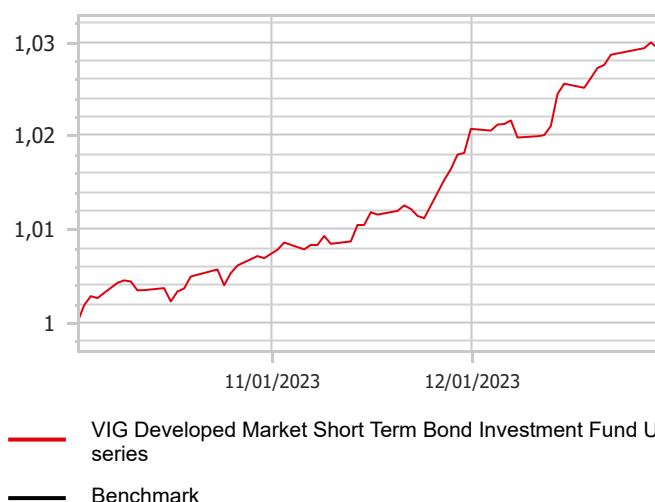
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## NET YIELD PERFORMANCE OF THE SERIES

| Interval    | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| From launch | 2.93 %        |                 |
| 1 month     | 1.10 %        |                 |
| 3 months    |               |                 |

## NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 12/31/2023



## RISK INDICATORS

|                                                                           |            |
|---------------------------------------------------------------------------|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year | 0.69 %     |
| Annualized standard deviation of the fund's weekly yields-based on 3 year | 0.69 %     |
| Annualized standard deviation of the fund's weekly yields-based on 5 year | 0.69 %     |
| WAM (Weighted Average Maturity)                                           | 1.43 years |
| WAL (Weighted Average Life)                                               | 1.46 years |

## TOP 10 POSITIONS

| Asset                              | Type             | Counterparty / issuer    | Maturity   |         |
|------------------------------------|------------------|--------------------------|------------|---------|
| FRTR 0% 02/25/25                   | zero coupon      | French state             | 02/25/2025 | 12.04 % |
| BTPS 3.4 03/28/25                  | interest-bearing | Italian State            | 03/28/2025 | 11.25 % |
| Francia Államkötvény 2025/10 6,00% | interest-bearing | French state             | 10/25/2025 | 10.43 % |
| SPGB 2026/04/30 1,95%              | interest-bearing | Spanish State            | 04/30/2026 | 10.41 % |
| EU 07/04/25 0,8%                   | interest-bearing | European Union           | 07/04/2025 | 10.16 % |
| PGB 2,875 10/15/25                 | interest-bearing | Portuguese State         | 10/15/2025 | 9.87 %  |
| Short Euro-BTP Fu Mar24 Buy        | derivative       | Raiffeisen Hun           | 03/07/2024 | 7.42 %  |
| EIB 0 03/25/25                     | zero coupon      | EUROPEAN INVESTMENT BANK | 03/25/2025 | 6.37 %  |
| Short Euro-BTP Fu Mar24 Buy        | derivative       | Raiffeisen Hun           | 03/07/2024 | 5.93 %  |
| EURO-SCHATZ FUT Mar24 Buy          | derivative       | Raiffeisen Hun           | 03/07/2024 | 5.93 %  |

### 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