

VIG Developed Market Short Term Bond Investment Fund

UI series USD MONTHLY report - 2024 JANUARY (made on: 01/31/2024)

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

The ECB didn't make changes into its monetary policy last month. ECB President Lagarde stressed that the first rate cut to be made in the summer but left the door open to an early start to the easing cycle if the data supports the decision. The Eurozone composite PMI for January rose a tad but remained in contractionary territory. In the US, the economy expanded at a strong 3.3% YoY pace in Q4 '23, driven by personal consumption. Later in the month, the Fed also left its monetary policy unchanged, dropping its tightening bias and shifting to a neutral stance. The BoE made a similar move. All three central banks signalled that rate cuts are coming, but probably later than markets expect. In the US, the Employment Cost Index, the Fed's preferred measure of wage growth, pointed to easing wage pressures, while JOLTS job openings rose in December. EU GDP stagnated in the last quarter of 2023, whereas inflation decelerated slightly less than expected. UST and Bund yields fell 10-20bp due to concerns about US regional banks. Huge supply in the euro area was absorbed with very limited pressure on spreads. The January equity rally came to a halt. EUR-USD rebounded towards 1.09. The HUF reversed its losses as the NBH only cut by 75bp, while easing political risks helped the PLN. We added to the French, Italian, Portuguese and Spanish positions and stayed positive towards asset class overall.

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:	HU0000732052
Start:	10/03/2023
Currency:	USD
Net Asset Value of the whole Fund:	25,533,399 EUR
Net Asset Value of UI series:	10,246 USD
Net Asset Value per unit:	1.024565 USD

DISTRIBUTORS

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	131.25 %
T-bills	17.87 %
Corporate bonds	2.32 %
Liabilities	-107.44 %
Receivables	55.69 %
Current account	0.28 %
Market value of open derivative positions	0.03 %
Total	100,00 %
Derivative products	51.60 %
Net corrected leverage	121.03 %

Assets with over 10% weight

EU 07/04/25 0,8% (European Union)
FRGB 2025/10 6,00% (French state)
PGB 2,875 10/15/25 (Portuguese State)
SPGB 2026/04/30 1,95% (Spanish 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
YTD	0.05 %	
From launch	2.46 %	
1 month	0.05 %	
3 months	1.84 %	

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 01/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	0.84 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	0.84 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	0.84 %
WAM (Weighted Average Maturity)	1.75 years
WAL (Weighted Average Life)	1.79 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
EU 07/04/25 0,8%	interest-bearing	European Union	07/04/2025	14.32 %
Francia Államkötvény 2025/10 6,00%	interest-bearing	French state	10/25/2025	11.75 %
PGB 2,875 10/15/25	interest-bearing	Portuguase State	10/15/2025	11.53 %
SPGB 2026/04/30 1,95%	interest-bearing	Spanish State	04/30/2026	10.76 %
BTSP 3.4 03/28/25	interest-bearing	Italian State	03/28/2025	9.53 %
FRTR 2,5% 09/24/26	interest-bearing	French state	09/24/2026	9.10 %
Short Euro-BTP Fu Mar24 Buy	derivative	Raiffeisen Hun	03/07/2024	6.25 %
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EURO-SCHATZ FUT Mar24 Buy	derivative	Raiffeisen Hun	03/07/2024	5.41 %
EURO-SCHATZ FUT Mar24 Buy	derivative	Raiffeisen Hun	03/07/2024	5.41 %

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