

VIG Emerging Europe Bond Investment Fund

PI series PLN MONTHLY report - 2024 FEBRUARY (made on: 02/29/2024)

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

Last month, the Eurozone composite PMI rose supported by a stronger services sector, while the contraction in German manufacturing deepened. The Ifo index improved somewhat, also supported by services. EU CPI in February decelerated less than forecasted amid sticky services prices, while the US core PCE deflator for January marked its strongest monthly rise over a year. Both data reinforce market's view that the ECB and the Fed are less likely to cut rates before June. In Japan, inflation data supported expectations that the BoJ is close to exiting negative rates. 10Y EGB yields were up around 10bp on the last week of February. Italy sold around EUR 18 billion of new BTP Valore Mar30, with robust demand from retail investors supporting the whole BTP market. EUR IG and HY spreads widened moderately amid strong supply. Equity markets were mixed. In FX, EUR-USD steadied close to 1.08, while the USD-JPY break below 150 was short-lived. In CEE, the HUF underperformed given the acceleration in NBH rate cuts and disputes over central bank independence. We slightly increased exposure to Hungary funded from Polish ones while other fund's positions remained unchanged 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: | HU0000724273 |
| Start: | 12/29/2020 |
| Currency: | PLN |
| Net Asset Value of the whole Fund: | 3,811,876 EUR |
| Net Asset Value of PI series: | PLN |
| Net Asset Value per unit: | 0.646968 PLN |

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka, 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 | 92.03 % |
| Corporate bonds | 6.42 % |
| T-bills | 0.94 % |
| Current account | 2.22 % |
| Receivables | 0.80 % |
| Liabilities | -0.09 % |
| Market value of open derivative positions | -2.31 % |
| Total | 100.00 % |
| Derivative products | 2.76 % |
| 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 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

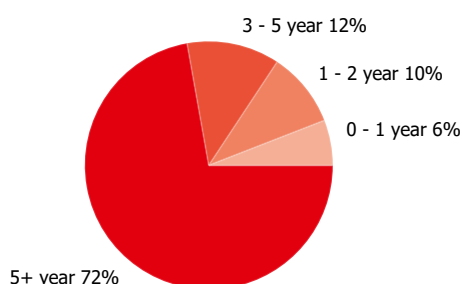
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NET YIELD PERFORMANCE OF THE SERIES

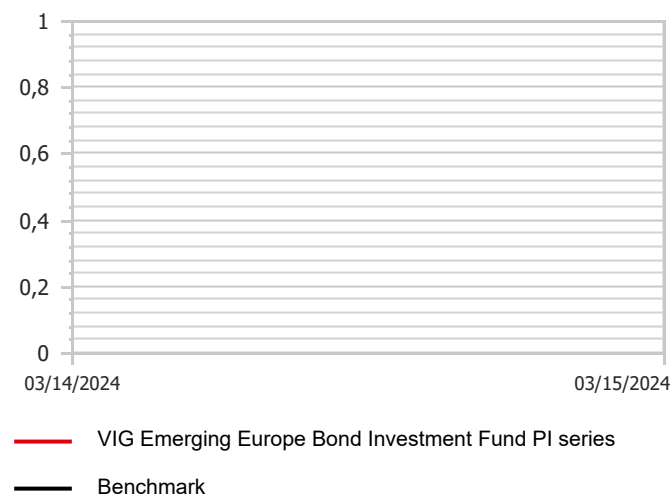
| Interval | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| YTD | 0.00 % | |
| From launch | -12.85 % | |
| 1 month | 0.00 % | |
| 3 months | 0.00 % | |
| 2023 | 0.00 % | |
| 2022 | -33.48 % | |
| 2021 | -5.06 % | |

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 12/30/2016 - 02/29/2024



RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields- based on 1 year | no data |
| Annualized standard deviation of the benchmark's weekly yields- based on 1 year | no data |
| Annualized standard deviation of the fund's weekly yields- based on 3 year | 0.00 % |
| Annualized standard deviation of the fund's weekly yields- based on 5 year | 0.00 % |
| WAM (Weighted Average Maturity) | 7.03 years |
| WAL (Weighted Average Life) | 8.92 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity | |
|---|------------------|-----------------------------|------------|--------|
| TURKEY 6 03/25/27 | interest-bearing | Turkish State | 03/25/2027 | 7.32 % |
| MHP SA 6 1/4 09/19/29 | interest-bearing | MHP Lux S.A. | 09/19/2029 | 6.41 % |
| Republic of HUNGARY 2041/03/29 7,625% USD | interest-bearing | Államadósság Kezelő Központ | 03/29/2041 | 5.98 % |
| UKRAIN 9 3/4 11/01/30 | interest-bearing | Ukrainian State | 11/01/2030 | 5.80 % |
| TURKEY 6 5/8 02/17/45 | interest-bearing | Turkish State | 02/17/2045 | 5.15 % |
| REPHUN 2032/09/22 6,25% USD | interest-bearing | Államadósság Kezelő Központ | 09/22/2032 | 5.13 % |
| ROMANI USD 2044/01/22 6,125% | interest-bearing | Romanian State | 01/22/2044 | 5.10 % |
| SERBIA 2033/09/26 6,5% USD | interest-bearing | Serbian State | 09/26/2033 | 5.05 % |
| AZERBJ 4 3/4 03/18/24 | interest-bearing | Republic of Azerbaijan | 03/18/2024 | 4.93 % |
| KAZAKS 5.125 07/21/25 | interest-bearing | Kazakh State | 07/21/2025 | 4.91 % |

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