

VIG Czech Short Term Bond Investment Fund

I series CZK MONTHLY report - 2024 MARCH (made on: 03/31/2024)

INVESTMENT POLICY OF THE FUND

The Fund aims to increase the value of its assets under management and to provide investors with a higher yield than Czech bank deposits and short-term bonds over a period of 1 to 2 years. No individual investor's decisions can be made in the Fund. The Fund Manager selects portfolio elements in accordance with the above principles. When making investment decisions, the tools of fundamental analysis and technical analysis are used, and the current market sentiment is also taken into account. The Fund primarily invests in discount treasury bills issued by the Czech State, sovereign bonds, bonds of quasi-sovereign companies, or bonds or deposit-like instruments issued by the Czech National Bank, the European Central Bank or the central bank of another Member State of the European Union. To a limited extent, the portfolio may include government securities, state-guaranteed bonds, corporate bonds (including those issued by financial institutions) and mortgage bonds with at least investment-grade credit rating. Investments may be made in Czech crowns or, to a limited extent, in other currencies. In the case of assets denominated in a currency other than Czech crowns, the Asset Manager shall strive to fully hedge foreign exchange risks (there cannot be a difference of more than 5% between the currency exposure of the derivative transaction and that of the asset to be hedged).

The Fund may enter into deposit and repo transactions, invest – to a limited extent – in units in collective investment undertakings, and derivatives may as well be used (for the purposes of hedging or building an efficient portfolio).

MARKET SUMMARY

The main questionmark for March was 50 or 75bps easing by the Czech National Bank (CNB). Market expectations ran forward especially previously this year, local macro environment would have allowed a larger rate cut, but general macro environment is rather making bond investors cautious. Despite the fact that core market long bond yields increased already close to 50 bps this year (that is comparable to the first disappointment in 1995, which was the perfect playbook for soft landing in modern US history) so valuation and levels of bond yields could be marked as attractive, even more if we taking quite dovish FED during the last meeting into account, however latest macro data, increase in global commodity prices and breaking higher than 4,35% for the US10Yr yield is a rather negative signal for bond investors.

In the end, the CNB reduced its two-week repo rate by another 50bp, with two dissenting votes cast in favour of a larger cut (75bp). The vote split provided no surprises. Although inflation returned to the +2.0% Y/Y target, the central bank maintained its hawkish rhetoric, offering a list of upside risks to the inflation outlook and flagging various areas of concern. More interestingly, the movement of the koruna exchange rate was added to the list of inflationary risks, despite different references before. The CNB is expected to continue its rate-cutting cycle in May (most probably by 50bps), when staff will prepare the new macroeconomic forecast. Czech short term bond yields increased by close to 30bps during the month detracting some performance for the fund.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Fund has no benchmark
ISIN code:	HU0000731799
Start:	07/03/2023
Currency:	CZK
Net Asset Value of the whole Fund:	31,347,785 CZK
Net Asset Value of I series:	24,184,260 CZK
Net Asset Value per unit:	1.042425 CZK

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
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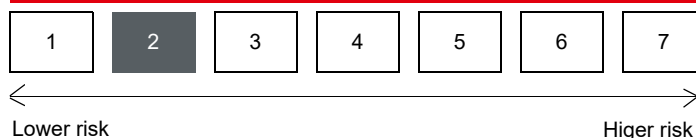
ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	53.66 %
T-bills	22.21 %
Current account	21.77 %
Receivables	2.38 %
Liabilities	-0.01 %
Total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

Assets with over 10% weight

CZGB 2026/06/26 1% (Czech state)
CZGB 2024/12/12 0% (Czech state)
CZGB 2026/02/26 6% (Czech state)
CZGB 2027/02/10 0,25% (Czech state)

RISK PROFILE



VIG Czech Short Term Bond Investment Fund

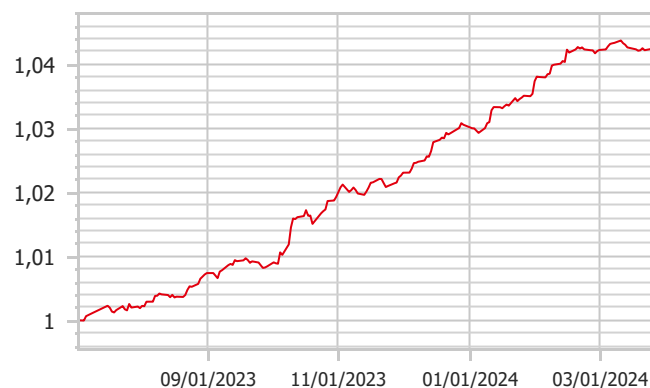
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	1.16 %	
From launch	4.24 %	
1 month	0.04 %	
3 months	1.16 %	
6 months	3.37 %	

NET PERFORMANCE OF THE SERIES

net asset value per share, 07/03/2023 - 03/31/2024



— VIG Czech Short Term Bond Investment Fund I series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	0.85 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	0.85 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	0.85 %
WAM (Weighted Average Maturity)	1.38 years
WAL (Weighted Average Life)	1.39 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
CZGB 2026/06/26 1%	interest-bearing	Czech state	06/26/2026	28.40 %
CZGB 2024/12/12 0%	zero coupon	Czech state	12/12/2024	22.22 %
CZGB 2026/02/26 6%	interest-bearing	Czech state	02/26/2026	12.69 %
CZGB 2027/02/10 0,25%	interest-bearing	Czech state	02/10/2027	12.61 %

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