

VIG Developed Market Short Term Bond Investment Fund

E series EUR MONTHLY report - 2024 MAY (made on: 05/31/2024)

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

In early May, President Joe Biden ordered an increase in tariffs on imports from China, including EVs, batteries, semiconductors, solar cells and critical minerals. The EC's spring economic forecast estimates Eurozone GDP to raise by 0.8% this year and to accelerate further to 1.4% in 2025. Sovereign bond yields declined moderately on the release. Later in the month, the Eurozone composite PMI for May signalled moderate expansion in Q2 '24, driven by services, while price pressure eased. The minutes of the FOMC's May 1st meeting appeared to be hawkish, while Fed Governor Christopher Waller said he needs to see "several more months of good inflation data" to vote for a rate cut. UK CPI inflation fell less than expected, making a BoE rate cut in June unlikely. In core bond markets, 10Y yields increased by 5-10bps. In the last week of May, Eurozone inflation data surprised to the upside, rising to 2.6% YoY in May from 2.4% in April, due to a rise in services inflation. Former US President Donald Trump was found guilty of falsifying business records in a criminal trial in New York. US consumer confidence picked up last month, but Q1 '24 GDP growth was revised down and the May Beige Book showed that firms' outlooks had deteriorated. Sell off in government bonds continued along with curves bear-steepening. The 10-year Bund yield reached 2.70%. EM debt and corporate-credit spreads remained resilient. Equity markets corrected modestly from recent peaks. EUR/USD was volatile but trendless, while USD/JPY retreated from peaks above 157. EUR/HUF outperformed, moving closer to 390. We added to the Italian and Portuguese duration and switched from Belgian government papers into Croatian and Serbian ones, amid stayed positive with a tactically cautious bias 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: | HU0000731963 |
| Start: | 08/22/2023 |
| Currency: | EUR |
| Net Asset Value of the whole Fund: | 32,773,569 EUR |
| Net Asset Value of E series: | 32,481,245 EUR |
| Net Asset Value per unit: | 1.006779 EUR |

DISTRIBUTORS

Conseq Investment Management, a.s., SC Aegon ASIGURARI DE VIATA SA, 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 | 85.11 % |
| Corporate bonds | 9.72 % |
| T-bills | 4.74 % |
| Liabilities | -89.70 % |
| Receivables | 89.63 % |
| Current account | 0.50 % |
| Market value of open derivative positions | 0.00 % |
| Total | 100.00 % |
| Derivative products | 32.36 % |
| Net corrected leverage | 121.06 % |

Assets with over 10% weight

| |
|-----------------------------------|
| EU 07/04/25 0,8% (European Union) |
| FRGB 2025/10 6,00% (French state) |
| FRTR 2,5% 09/24/26 (French state) |

RISK PROFILE

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

VIG Developed Market Short Term Bond Investment Fund

E series EUR MONTHLY report - 2024 MAY (made on: 05/31/2024)

NET YIELD PERFORMANCE OF THE SERIES

| Interval | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| YTD | -0.96 % | |
| From launch | 0.68 % | |
| 1 month | 0.06 % | |
| 3 months | -0.05 % | |
| 6 months | -0.15 % | |

NET PERFORMANCE OF THE SERIES

net asset value per share, 08/22/2023 - 05/31/2024



RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year | 1.16 % |
| Annualized standard deviation of the fund's weekly yields-based on 3 year | 1.16 % |
| Annualized standard deviation of the fund's weekly yields-based on 5 year | 1.16 % |
| WAM (Weighted Average Maturity) | 1.68 years |
| WAL (Weighted Average Life) | 1.72 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity | |
|------------------------------------|------------------|---------------------------------------|------------|---------|
| EURO-SCHATZ FUT Jun24 Buy | derivative | Raiffeisen Hun | 06/06/2024 | 13.13 % |
| Short Euro-BTP Fu Jun24 Buy | derivative | Raiffeisen Hun | 06/06/2024 | 12.83 % |
| EU 07/04/25 0,8% | interest-bearing | European Union | 07/04/2025 | 11.21 % |
| Francia Államkötvény 2025/10 6,00% | interest-bearing | French state | 10/25/2025 | 10.49 % |
| FRTR 2,5% 09/24/26 | interest-bearing | French state | 09/24/2026 | 10.10 % |
| BTPS 3.4 03/28/25 | interest-bearing | Italian State | 03/28/2025 | 6.89 % |
| Short Euro-BTP Fu Jun24 Buy | derivative | Raiffeisen Hun | 06/06/2024 | 6.42 % |
| FRTR 1% 11/25/25 | interest-bearing | French state | 11/25/2025 | 6.23 % |
| SPGB 2026/04/30 1,95% | interest-bearing | Spanish State | 04/30/2026 | 5.97 % |
| EFSS 02/17/25 0,4% | interest-bearing | European Financial Stability Facility | 02/17/2025 | 5.38 % |

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