

VIG Emerging Europe Bond Investment Fund

U series USD MONTHLY report - 2024 MAY (made on: 05/31/2024)

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

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 moved to neutral positioning in Hungary, Romania and Turkey from lower exposure and slightly added to the Azeri and Serbian exposures, 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:	HU0000724232
Start:	12/29/2020
Currency:	USD
Net Asset Value of the whole Fund:	5,707,952 EUR
Net Asset Value of U series:	321,614 USD
Net Asset Value per unit:	0.740547 USD

DISTRIBUTORS

Erste Investment Plc., 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	95.37 %
Corporate bonds	4.06 %
Current account	0.65 %
Liabilities	-0.09 %
Receivables	0.05 %
Market value of open derivative positions	-0.03 %
Total	100.00 %
Derivative products	7.67 %
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 →

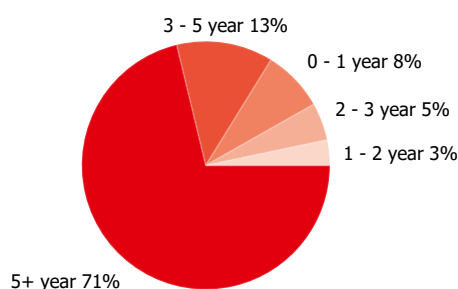
VIG Emerging Europe Bond Investment Fund

U series USD MONTHLY report - 2024 MAY (made on: 05/31/2024)

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	0.00 %	
From launch	-8.41 %	
1 month	1.56 %	
3 months	0.87 %	
2023	7.27 %	
2022	-26.99 %	
2021	-5.59 %	

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 09/28/2022 - 05/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	9.17 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	18.30 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	17.18 %
WAM (Weighted Average Maturity)	7.11 years
WAL (Weighted Average Life)	9.94 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
QATAR 3.4 04/16/25	interest-bearing	State of Qatar	04/16/2025	7.98 %
REPHUN 2032/09/22 6,25% USD	interest-bearing	Államadósság Kezelő Központ	09/22/2032	6.70 %
Republic of HUNGARY 2041/03/29 7,625% USD	interest-bearing	Államadósság Kezelő Központ	03/29/2041	6.10 %
AZERBJ 3 1/2 09/01/32	interest-bearing	Republic of Azerbaijan	09/01/2032	5.52 %
TURKEY 6 03/25/27	interest-bearing	Turkish State	03/25/2027	4.84 %
POLAND USD2032/11/16 5,75%	interest-bearing	Polish State	11/16/2032	4.60 %
TURKEY 7 5/8 04/26/29	interest-bearing	Turkish State	04/26/2029	4.16 %
MHPSA 6 1/4 09/19/29	interest-bearing	MHP Lux S.A.	09/19/2029	4.07 %
UKRAIN 9 3/4 11/01/30	interest-bearing	Ukrainian State	11/01/2030	3.99 %
KAZAKS 6.5 07/21/45	interest-bearing	Kazakh State	07/21/2045	3.70 %

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