

## Purpose

This document presents key information about this investment product. This document is not a marketing material. The provision of information is required by law, in order to help you understand the nature, risks and costs of this product, as well as the potential profit or loss that may be realised, and to compare the product with other products.

## Product

**You are about to buy a product that is complex and may be difficult to understand.**

**Name of product:** VIG DEVELOPED MARKET SHORT TERM BOND INVESTMENT FUND U series

**ISIN:** HU0000732045

**Manufacturer:** VIG Asset Management Hungary Closed Company Limited by Shares, VIG Group

**Date:** 30 June 2024

**Website:** <https://www.vigam.hu>

Call **+36 1 477 4814** for more information!

VIG Asset Management Hungary Closed Company Limited by Shares is supervised by the **National Bank of Hungary** with respect to this document containing key information.

## What is this product?

**Type:** public, open-ended, harmonised in accordance with the UCITS Directive. **Currency of the series:** USD **Custodian:** Raiffeisen Bank Zrt.

**Benchmark:** The Fund has no benchmark index. **Term:** A The fund has an indefinite term, and does not expire, so the investment fund shares can be redeemed at any time.

**Objective:** 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. 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). No individual investor's decisions can be made in the Fund. The Fund Manager minimizes the currency risk of the current series of the Fund against the Fund's target currency using currency forward contracts allocated exclusively to this series. The Fund Manager commits to maintaining the coverage level between 90% and 110% of the asset value of the respective series, which qualifies as effective hedging.

**The main factors influencing the Fund's returns:** The main factors influencing the Fund's returns are: changes in the prices of financial instruments in the Fund's portfolio, the risks assumed by the Fund, gains/losses arising from the currency exposure within the Fund, changes in the interest rate environment, and changes in the Fund's operating and other costs. The Fund can achieve returns through the appreciation of financial instruments in its portfolio. The calculation of the Fund's returns is based on Appendix 3 of Bszt. (Act CXXXVIII of 2007).

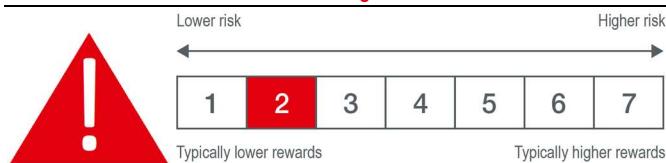
**Yield, yield payment:** The Fund does not pay yield against the capital growth, and the entire capital growth will be reinvested in accordance with the Fund's investment policy. Investors can realise the capital growth as the difference between the purchase and redemption prices of the Investment Fund Shares they own, as a price gain.

**Information about sustainability:** The Fund does not qualify as a financial product promoting environmental or social characteristics, or a combination of those characteristics, or a financial product intended to facilitate sustainable investment. (SFDR, Article 6)

**Intended retail investor:** in certain cases, this fund is not suitable for investors, who want to withdraw their money within the recommended retention period.

**Termination of the Fund:** The fund manager is obligated to terminate the public open-ended investment fund if the average equity of the fund is lower than twenty million forints over a period of three months. The rules concerning the termination of the Fund, the sale of the Fund's assets, and the disbursement of the estate are set out in Sections 75-79 of Act XVI of 2014 on Collective Investment Trusts and Their Managers and on the Amendment of Financial Regulations.

## What are the risks and what could I get in return?



**Risk indicator:** The summary risk indicator provides guidance regarding the risk level of this product compared to other products. It shows the likelihood that the product will cause financial loss due to the movements of the markets or because we are unable to pay you.

The summary risk indicator presents the risk/profit ratio of the product based on the summary of the market risk indicator calculated from past returns. Historic data are not necessarily

reliable indicators of the future risk profile, however, so this may change over time. Not even the lowest risk category can be understood as a fully risk-free investment. This product does not include protection against future market performance, so you may lose a part or all of your investment. If we are unable to pay the amount due to you, you may lose your entire investment.

The risk indicator assumes that you keep the product until the end of the recommended retention period (6 months) végéig megtartja a termékét. The actual risk may be significantly higher if you redeem the product earlier, and it is possible that you get back a lower amount. The product is classified into the second, low risk class of the 7-tier risk scale, because it is not at all likely that bad market conditions during the implementation of the Fund's investment policy will affect the Fund's ability to pay you. The yield that you may realise from this product depends on future market performance. Future market developments are uncertain and cannot be predicted accurately.

The unfavourable, moderate and favourable scenarios presented are illustrations presenting the worst, average and best performance of the product – or prior to the launch of the product, the relevant benchmark – in the past 10 years. Future market developments may vary.

Investment: once 10,000 USD		If you exit after the recommended holding period (6 months)
Stress scenario	What you might get back after costs	9,298 USD
	Average return for the recommended holding period	-7.02%
Unfavorable scenario	What you might get back after costs	9,750 USD
	Average return for the recommended holding period	-2.50%
Moderate scenario	What you might get back after costs	10,023 USD
	Average return for the recommended holding period	0.23%
Favourable scenario	What you might get back after costs	10,309 USD
	Average return for the recommended holding period	3.09%

This table shows the amount of money you can get back at the end of the recommended holding period in accordance with the different scenarios, assuming that you invest 10,000 USD. The “unfavourable” scenario type reflects the most unfavourable development of the value of the product with respect to investments made between September 2014 and March 2024. The “moderate” scenario type reflects the average development of the value of the product with respect to investments made between March 2014 and March 2024. The “favourable” scenario type reflects the most favourable development of the value of the product with respect to investments made between March 2014 and March 2024. The numbers presented include all costs of the product itself (though they may not include all the costs that you may be paying to your consultant or distributor). The numbers do not take into account your personal tax situation, which may also influence the amount you get back. The stress scenario shows the amount you can get back from the invested capital in case of extreme market circumstances.

### What happen if the Fund Manager is unable to pay?

The potential insolvency of the Fund Manager does not jeopardise the repayment of the investors' savings in the Fund. If, based on the contract between the investor and the VIG Asset Manager – as Head Distributor – or the investment service provider managing the securities account, the VIG Asset Manager or the contracted service provider is unable to release to the investor the security held for the investor, the **Investment Protection Fund (by its Hungarian abbreviation: “BEVA”)** undertakes to be liable for indemnification. BEVA's indemnity obligation will become effective if the Supervisory Authority initiates liquidation proceedings against the BEVA member based on the law, or a court orders the liquidation of the BEVA member. The insurance provided by BEVA will not cover losses arising from the change of value of the investment. BEVA will pay the claim of the investor entitled to indemnification for up to an amount of one hundred thousand euros (in aggregate per person and investment enterprise, i.e., per BEVA member). The rate of the indemnity to be paid by the Fund is one hundred percent up to an amount of one million forints, and is one million forints and ninety percent of the portion above one million forints in the case of claims exceeding one million forints.

### What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

**Costs over time** The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product [and how well the product does (where applicable)]. The amounts shown here are illustrations based on an example investment amount and different possible investment periods. We have assumed: In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario. 10,000 USD is invested.

	If you exit after the recommended holding period (6 months)
Total costs	44 USD
Annual cost impact (*)	0.44%

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 0,67% before costs and 0.23% after costs.

Composition of costs			
One-off costs upon entry or exit	Entry costs	maximum 5.0%	This includes distribution costs equivalent to 5% of the invested amount (500 USD) This is the maximum amount charged to you. The person selling the product to you will inform you about the actual fee.
	Exit costs	maximum 3.5%	3.5% of your investment before it is paid to you.
Ongoing costs (taken)	Management fees and other administrative or operative costs	0.88%	0.88% of the annual value of your investment. This is an estimate based on the actual costs of the past year.

each year)	Transaction costs	0.00%	0.00% of the annual value of your investment. This is an estimate based on the costs incurred during our purchase and sale of investments on behalf of the product. The actual amount will vary depending on how much we buy and sell.
Incidental costs	Performance fees	None.	There is no performance fee for this product.

## How long should I hold it and can I take money out early?

**Recommended holding period: 6 months**

The Product has no cooling-off or withdrawal period, as its term is indefinite being open-ended, i.e., it can be redeemed at any time. This Fund is not suitable for investors who intend to reclaim their money from the fund within the minimum recommended investment time. If any holder of the Investment Fund Share(s) places a redemption or conversion order for the investment fund shares of the same investment fund within 10 sales days of the time of the purchase or conversion order (T+10), the distributors will charge a penalty premium of 2% in excess of the regular premium, which will be paid to the Fund. The time interval required for the penalty premium to apply shall be determined based on the FIFO principle.

## How can I complain?

**Orally:** in VIG Asset Management Hungary Closed Company Limited by Shares premises, customer services and contractual partners' premises open for customers, during their business hours: <https://www.vigam.hu/ugyfelszolgalati-irodak>, at the central phone number: +36 1 477 4814 (on business days, from 8 am to 4 pm; extended complaints reporting: Monday, 8 am to 8 pm), at the central customer service office: H-1091 Budapest, Üllői út 1.; Fax: +36 1 476 2030, order of customer service: only subject to preliminary appointment. **In writing:** in person or via an instrument submitted by proxy (see the place for oral complaints), via post – at the address H-1091 Budapest, Üllői út 1, or via email, at the address [alapkezeslo@vigam.hu](mailto:alapkezeslo@vigam.hu), by completing our complaint form available at our website (<https://www.vigam.hu/kapcsolatfelvetel-panaszbejelentes/#urlap>), or through the Online Dispute Resolution Platform: <http://ec.europa.eu/odr>

## Additional important information

**Places for notices:** This document, Information and Operating Manual, the annual and semi-annual reports, can be viewed in Hungarian for free on the website [www.vigam.hu/jelentesek-kozlemlenyek/alapok-dokumentumai/](https://www.vigam.hu/jelentesek-kozlemlenyek/alapok-dokumentumai/). Monthly portfolio reports are available at <https://www.vigam.hu/jelentesek-kozlemlenyek/havi-jelentesek/>, and official announcements can be found at [www.vigam.hu/cat/hirek/](https://www.vigam.hu/cat/hirek/). Additionally, they are accessible at the registered office of the Fund Manager (1091 Budapest, Üllői út 1), at distribution points, and on the website <https://kozvetitelek.mnb.hu/>. The data concerning the net asset value per share are available at the Fund Manager's website. **Taxation:** The effective tax laws of Hungary may affect the Investor's personal tax situation. **Liability:** Please be advised that no claims may be asserted based solely on the document containing key information, except if the information is misleading, inaccurate, or is not in line with other parts of the notice. VIG Asset Management Hungary Closed Company Limited by Shares may only be held liable for any statement made in this document if it is misleading, inaccurate, or is not in accordance with the relevant parts of the Fund's Prospectus and Management Regulations. It is strongly recommended that you familiarise yourself with the Fund's Prospectus and Management Regulations before purchasing the investment fund shares of the Fund. The Fund presented in this document is authorised in Hungary, and is supervised by the National Bank of Hungary. VIG Asset Management Hungary Closed Company Limited by Shares is authorised to operate in Hungary, and is supervised by the National Bank of Hungary. **The time period considered for calculating past performance data** is 10 years. Past performance is not a reliable indicator of future performance. Markets may perform very differently in the future. There is no data available for a full calendar year yet for the Fund, so we are unable to provide useful information on past performance to our esteemed investors.