

VIG Czech Short Term Bond Investment Fund

I series CZK MONTHLY report - 2024 JULY (made on: 07/31/2024)

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

This month brought rather supportive news for Czech short-term bonds. New GDP growth data came in lower than expected supporting further monetary easing by the CNB. More importantly, the latest headline CPI number surprised sharply to the downside, decreasing to 2.0% y/y, which prevented the CNB from adopting a more hawkish stance. After June, when the most significant event of the month was the central bank's decision on the base rate (cut by 50bps to 4.75%), in July international developments took center stage. Weak economic data, especially coming from the US led to reassessment of base case scenarios by market participants, no landing odds decreased sharply while hard landing fears stentghened. This led to heightened expectations for rate cuts already in 2024, commodity markets suffered, which provided good support for bond yields, which have fallen significantly. All-in-all, both local and global developments underpin further monetary easing by CNB, even probably another 50bps cut would be justified based on new data, however a 25bps new rate cut is more probable. In either case bond markets are supported and as a result we slightly increased our duration exposure in 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:	37,148,834 CZK
Net Asset Value of I series:	24,460,154 CZK
Net Asset Value per unit:	1.054317 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	65.86 %
T-bills	19.08 %
Current account	19.24 %
Liabilities	-4.21 %
Receivables	0.04 %
Total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %
Assets with over 10% weight	
CZGB 2025/09/17 2,4% (Czech state)	
CZGB 2026/06/26 1% (Czech state)	
CZGB 2024/12/12 0% (Czech state)	
CZGB 2026/02/26 6% (Czech state)	

RISK PROFILE

1	2	3	4	5	6	7
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← Lower risk → Higher risk

VIG Czech Short Term Bond Investment Fund

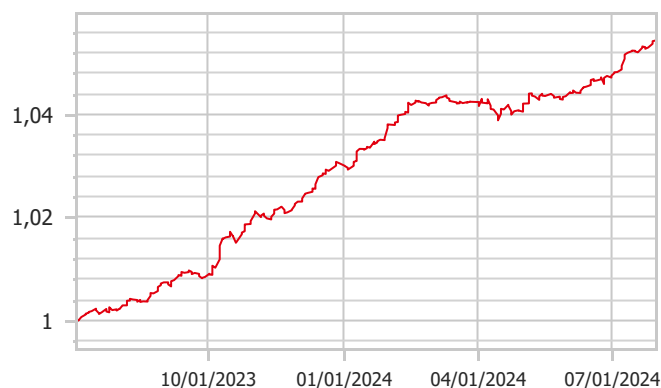
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	2.31 %	
From launch	5.04 %	
1 month	0.66 %	
3 months	1.31 %	

NET PERFORMANCE OF THE SERIES

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



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	0.98 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	0.96 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	0.96 %
WAM (Weighted Average Maturity)	1.12 years
WAL (Weighted Average Life)	1.14 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
CZGB 2025/09/17 2,4%	interest-bearing	Czech state	09/17/2025	24.39 %
CZGB 2026/06/26 1%	interest-bearing	Czech state	06/26/2026	24.06 %
CZGB 2024/12/12 0%	zero coupon	Czech state	12/12/2024	19.09 %
CZGB 2026/02/26 6%	interest-bearing	Czech state	02/26/2026	10.86 %
CZGB 2027/02/10 0,25%	interest-bearing	Czech state	02/10/2027	6.32 %
CZGB 2025/02/14 1,25%	interest-bearing	Czech state	02/14/2025	0.27 %

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfv. 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