

VIG Ozon Annual Capital Protected Investment Fund

A series HUF MONTHLY report - 2024 OCTOBER (made on: 10/31/2024)

INVESTMENT POLICY OF THE FUND

The Fund aims to achieve a higher return than that of short-term bonds by investing in bonds of low volatility and limited-risk profile issued or guaranteed by certain specified states, quasi-sovereign corporations, national banks or supranational institutions. The Fund invests most of its available assets in low-risk instruments, i.e. bonds issued or guaranteed by the Hungarian state or states with a credit rating at least equal to or better than the latter's latest rating (or by their debt management agencies), quasi-sovereign companies, national banks or supranational institutions. The Fund may hold bank deposits, or cash, and enter into repo and reverse repo transactions. The maximum interest rate risk with respect to the Fund as a whole (i.e. its duration) is 3 years, while the weighted average maturity of the individual securities is a maximum of 10 years. For bonds denominated in currencies other than Hungarian forint, the asset manager seeks to fully hedge the foreign exchange risk, and may only deviate from this at the expense of risky assets (i.e. in the case of foreign exchange under/over-hedging). The Fund uses a small portion of its available assets to purchase risky instruments – domestic and foreign equities, equity indexes, higher risk bonds, foreign exchange, commodity market products and collective investment securities on the spot and futures markets. The Fund may enter into both long and short trades. Based on the approach followed when purchasing risky assets, the Fund is an absolute return fund: it selects investment options with the best possible expected return/risk ratio from the options available to it on the domestic and international money and capital markets. There is no possibility for making individual investor decisions in respect of the Fund.

MARKET SUMMARY

It has been a challenging month for our Fund. At the beginning of the month, we continued and thus completed our reduction of Hungarian short government bond exposure/Hungarian interest rate risk, as market sentiment continued to be driven by improving US macro data and in particular the upcoming US presidential election. As Trump and the chances of a Republican sweep (winning the presidency and both houses of Congress) increased, the market started to price in, so we witnessed a very significant rise in yields during September and October, which did not help the fund. During the month, as investment policy already allowed for this from October on, we went HUF short, which proved to be a good decision.

The Fund was also active in risk assets. At the beginning of the month we closed the oil positions taken on Chinese stimulus measures and the Iran/Israel geopolitical conflict, however, due to the huge volatility we still did not consider the position to be a good risk/return ratio, so we sold it roughly where we bought it. Among the regional stocks, we saw a good entry opportunity in the Polish WIG20, as the index has erased its entire rise this year, without being justified by fundamentals: this is also presumably due to Trump's possible return and his statements on NATO/Ukraine. We bought at the bottom of the trading range, a small position with high potential, good risk/reward ratio, however we will sell it in case of a Republican sweep. During the month, we stopped out our soybean position. And we cautiously started to buy small amounts of copper: on the one hand, it has good return/risk potential based on China stimulus, global supply/demand forecasts, and on the other hand, it was one of the best performing assets during Trump's first presidency after the election, which is expected to be repeated now. Finally, we bought 5-year Polish government bonds at the end of the month (partly unhedged) as 1) Polish bond yields have also risen 50-80 bps in the last month and a half, so this could be a good entry point, 2) especially if US labor market data starts to deteriorate 3) or there is no Republican sweep in the US presidential election, this could be a pronounced good entry point. However, in the latter case ("red sweep"), we would sell the position.

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:	HU0000705157
Start:	03/19/2007
Currency:	HUF
Net Asset Value of the whole Fund:	8,662,058,573 HUF
Net Asset Value of A series:	2,632,556,045 HUF
Net Asset Value per unit:	2.088834 HUF

DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, Erste Investment Plc., MBH Befektetési Bank Zrt, OTP Bank Nyrt., Raiffeisen Bank cPlc., SPB Befektetési Zrt., UniCredit Bank Hungary cPlc., 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
T-bills	31.40 %
Government bonds	31.18 %
Corporate bonds	13.48 %
Liabilities	-24.77 %
Receivables	24.10 %
Deposit	23.06 %
Current account	1.54 %
Market value of open derivative positions	0.01 %
Total	100,00 %
Derivative products	10.78 %
Net corrected leverage	101.48 %

Assets with over 10% weight

2025B (Government Debt Management Agency Pte. Ltd.)
D250821 (Government Debt Management Agency Pte. Ltd.)
POLGB 2029/07/25 4,75% (Polish State)

RISK PROFILE

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

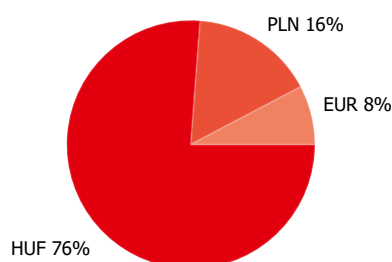
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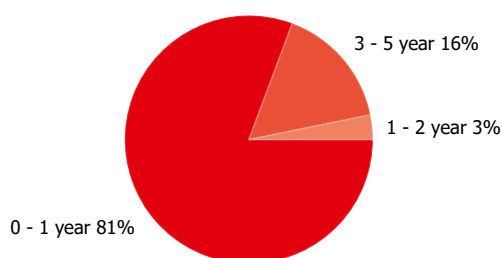
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	4.96 %	6.25 %
From launch	4.27 %	4.70 %
1 month	0.12 %	
3 months	0.80 %	1.32 %
2023	14.66 %	15.77 %
2022	5.54 %	3.53 %
2021	-1.17 %	-0.10 %
2020	0.89 %	0.92 %
2019	0.50 %	0.74 %
2018	0.08 %	0.81 %
2017	0.30 %	0.22 %
2016	1.14 %	1.22 %
2015	1.74 %	1.50 %
2014	3.75 %	3.31 %

Currency exposure:

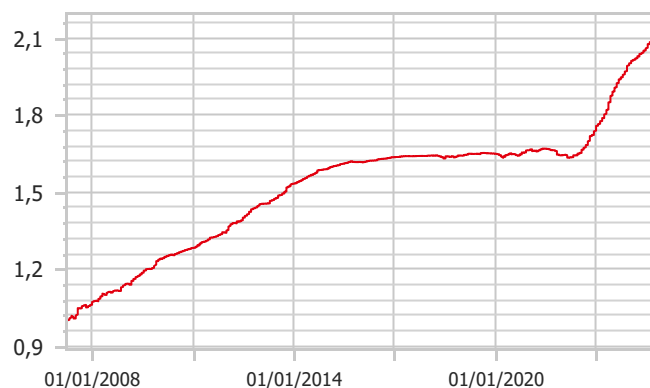


Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2007 - 10/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	0.84 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.88 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	1.36 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	1.65 %
WAM (Weighted Average Maturity)	0.89 years
WAL (Weighted Average Life)	0.94 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
HUF deposit	deposit	OTP Bank	11/07/2024	23.09 %
Magyar Államkötvény 2025/B	interest-bearing	Government Debt Management Agency Pte. Ltd.	06/24/2025	16.49 %
D250821	zero coupon	Government Debt Management Agency Pte. Ltd.	08/21/2025	15.49 %
POLGB 2029/07/25 4,75%	interest-bearing	Polish State	07/25/2029	12.29 %
MNB241107	zero coupon	Hungarian National Bank Plc.	11/07/2024	9.46 %
BTF 0 01/02/25	zero coupon	French state	01/02/2025	5.86 %
D250430	zero coupon	Government Debt Management Agency Pte. Ltd.	04/30/2025	5.62 %
D250625	zero coupon	Government Debt Management Agency Pte. Ltd.	06/25/2025	4.46 %

MAEXIM 10 11/27/24	interest-bearing	Hungarian Export-Import Bank cPlc.	11/27/2024	4.04 %
2026H	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/21/2026	2.44 %

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