

VIG Developed Market Short Term Bond Investment Fund

UI series USD MONTHLY report - 2024 DECEMBER (made on: 12/31/2024)

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

Following a 50 basis points rate cut in September and a 25bp cut in November, the FOMC balloted to lower the federal funds target range by another quarter of percent to 4.25-4.50% range. Given the FOMC's new dots projections against a setting of still strong GDP growth and sticky core inflation, the market now forecasts slower and fewer rate cuts ahead. Therefore, the December Fed meeting proved to be more hawkish than expected by the majority of the market participants. This prompted another rise in the U.S. Treasury yields and the U.S. Dollar, pressuring the long end of the curve, bond proxies and EM assets along. The rise in UST yields triggered a market environment, where virtually all asset classes have started to leak. Equity market breadth is already at very low levels though. Meanwhile, US growth expectations are being revised higher more aggressively, as are inflation expectations. Near-term earnings expectations for the S&P 500 are still low though.

Equity-to-bond yield correlations have moved into the negative again with markets being particularly sensitive to rising short-end rates - continued rises in bond yields without better growth might start to weigh more on equities and risky assets overall. Japanese equities have outperformed more than expected boosted by a much lower JPYUSD rate while EM and China equities performed poorly due to headwinds from weak macro data and tariffs. Within commodities oil has rallied while cyclical commodities such as Copper and Iron Ore suffered along with China assets. Gold has not suffered much from rising real yields. The Dollar broadly strengthened despite not weakening in November, in particular against cyclical G10 FX - this extends the 'stronger for longer' Dollar trend, which started in October and has come alongside rising implied FX vol.

We switched from Spanish short government bonds to longer dated ones, as well as moved out of some EU exposure to the Italian government bonds, other positions remained unchanged, amid stayed positive 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:	HU0000732052
Start:	10/03/2023
Currency:	USD
Net Asset Value of the whole Fund:	33,822,149 EUR
Net Asset Value of UI series:	10,654 USD
Net Asset Value per unit:	1.065423 USD

DISTRIBUTORS

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	96.79 %
T-bills	1.40 %
Corporate bonds	1.15 %
Receivables	0.49 %
Current account	0.16 %
Market value of open derivative positions	0.03 %
Liabilities	-0.01 %
Total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

Assets with over 10% weight

FRTR 1 05/25/27 (French 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	4.04 %	
From launch	5.23 %	
1 month	-0.03 %	
3 months	0.87 %	
2024	4.04 %	

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 12/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	1.59 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	1.56 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	1.56 %
WAM (Weighted Average Maturity)	2.40 years
WAL (Weighted Average Life)	2.55 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
FRTR 1 05/25/27	interest-bearing	French state	05/25/2027	10.96 %
FRTR 2,5% 09/24/26	interest-bearing	French state	09/24/2026	9.86 %
BTPS 6 1/2 11/01/27	interest-bearing	Italian State	11/01/2027	8.27 %
EU 2 7/8 12/06/27	interest-bearing	European Union	12/06/2027	7.16 %
BTPS 3 10/01/29	interest-bearing	Italian State	10/01/2029	6.90 %
SPGB 2027/10/31 1,45%	interest-bearing	Spanish State	10/31/2027	6.48 %
DBR 0 1/4 08/15/28	interest-bearing	German State	08/15/2028	5.01 %
SPGB 2 1/2 05/31/27	interest-bearing	Spanish State	05/31/2027	4.07 %
SPGB 2026/04/30 1,95%	interest-bearing	Spanish State	04/30/2026	3.73 %
BGB 0.8 06/22/28	interest-bearing	Belgian State	06/22/2028	3.10 %

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