

VIG Developed Market Short Term Bond Investment Fund

U series USD MONTHLY report - 2025 JANUARY (made on: 01/31/2025)

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

After delivering a 1% of rate cuts last year, the FOMC voted unanimously on its January meeting to hold the federal funds target range steady at 4.25-4.50%. During his press conference, Jerome Powell said on at least five separate occasions that the Committee did not need to be "in a hurry" to make further adjustments to policy rates. US equities moved lower after hitting record highs the last month, driven by an AI-led correction. Eventually, US equities ended the month with a gain of slightly less than 3% amid generally solid earnings and the Fed decision to hold interest rates. European equities recorded their strongest monthly gains since November 2023. The ECB delivered a widely expected 25bp interest-rate cut at its latest meeting and guided for a further reduction in March due to concerns about economic growth. Amid falling bond yields, majority of all the key fixed income assets posted gains. Oil prices fell as US inventory data showed a surprisingly strong increase. In contrast, gold reached an all-time high, touching \$2,800/oz on safe-haven grounds. Most of the major currencies declined against the USD except JPY on tariff speculation. Comments from the BoJ's deputy governor Himino helped push the JPY higher as the BOJ keeps the door open to a sequence of future rate hikes. All key EM currencies declined as well. MXN was the worst performing currency against the USD after the US President announced 25% tariffs on Mexico and Canada. Last month, we remained optimistic on Eurozone rates and initiated only some fine-tuning in the fund composition by adding some German bonds after the pickup in yields. We have turned tactically constructive on rates in January as the new US administration has strong commitment to decrease oil prices, which could lead to lower CPI and bond yield environment. Eurozone bonds should be supported by further European Central Bank rate cuts going forward.

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:	HU0000732045
Start:	10/03/2023
Currency:	USD
Net Asset Value of the whole Fund:	33,891,429 EUR
Net Asset Value of U series:	667,712 USD
Net Asset Value per unit:	1.063935 USD

DISTRIBUTORS

Conseq Investment Management, a.s., OTP Bank Nyrt., 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	96.98 %
T-bills	1.40 %
Corporate bonds	1.15 %
Current account	0.24 %
Receivables	0.20 %
Market value of open derivative positions	0.04 %
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	0.21 %	
From launch	4.77 %	
1 month	0.21 %	
3 months	1.02 %	
2024	3.14 %	

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 01/31/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	1.60 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	1.62 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	1.62 %
WAM (Weighted Average Maturity)	2.33 years
WAL (Weighted Average Life)	2.48 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	8.28 %
EU 2 7/8 12/06/27	interest-bearing	European Union	12/06/2027	7.15 %
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	5.55 %
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