

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2024 JANUARY (made on: 01/31/2024)

INVESTMENT POLICY OF THE FUND

The objective of the Fund is to create a highly defensive investment portfolio for its Investors, which typically invests in developed-market government bonds and related exchange-traded derivatives. According to the intentions of the Fund Manager, the bulk of the Fund's portfolio is made up of bonds issued by foreign states and foreign companies through public offerings. With regard to foreign securities, the Fund only purchases publicly traded securities listed on a foreign stock exchange. It keeps the planned share of non-investment grade securities low. The proportion of bonds that can be held in the Fund at any given time may reach the prevailing legal maximum. In order to ensure liquidity, the Fund may purchase Hungarian government securities (primarily discount treasury bills) and MNB bonds. The Fund Manager has the option, at its own discretion, of hedging all or part of its foreign exchange risks using forward currency positions subject to observing the applicable legal requirements.

MARKET SUMMARY

The ECB didn't make changes into its monetary policy last month. ECB President Lagarde stressed that the first rate cut to be made in the summer but left the door open to an early start to the easing cycle if the data supports the decision. The Eurozone composite PMI for January rose a tad but remained in contractionary territory. In the US, the economy expanded at a strong 3.3% YoY pace in Q4 '23, driven by personal consumption. Later in the month, the Fed also left its monetary policy unchanged, dropping its tightening bias and shifting to a neutral stance. The BoE made a similar move. All three central banks signalled that rate cuts are coming, but probably later than markets expect. In the US, the Employment Cost Index, the Fed's preferred measure of wage growth, pointed to easing wage pressures, while JOLTS job openings rose in December. EU GDP stagnated in the last quarter of 2023, whereas inflation decelerated slightly less than expected. UST and Bund yields fell 10-20bp due to concerns about US regional banks. Huge supply in the euro area was absorbed with very limited pressure on spreads. The January equity rally came to a halt. EUR-USD rebounded towards 1.09. The HUF reversed its losses as the NBH only cut by 75bp, while easing political risks helped the PLN. We didn't make meaningful changes in the fund's composition amid being positioned long core government bonds.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary 80% Bloomberg Global Treasury Majors ex Japan Total Return Index Unhedged USD + 20% ZMAX Index
Benchmark composition:	
ISIN code:	HU0000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	21,028,738,033 HUF
Net Asset Value of I series:	19,025,096,255 HUF
Net Asset Value per unit:	1.017497 HUF

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	76.05 %
T-bills	32.45 %
Corporate bonds	7.86 %
Liabilities	-34.36 %
Receivables	17.25 %
Current account	0.74 %
Market value of open derivative positions	0.02 %
Total	100,00 %
Derivative products	19.24 %
Net corrected leverage	104.96 %

Assets with over 10% weight

There is no such instrument in the portfolio

RISK PROFILE

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

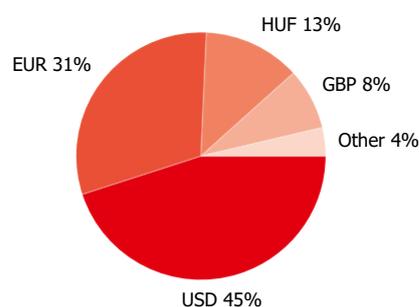
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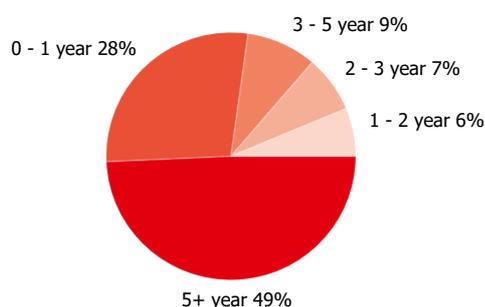
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	1.18 %	1.28 %
From launch	0.61 %	1.23 %
1 month	1.18 %	1.28 %
3 months	6.82 %	6.33 %
2023	-0.38 %	1.59 %
2022	-2.88 %	-2.82 %

Currency exposure:

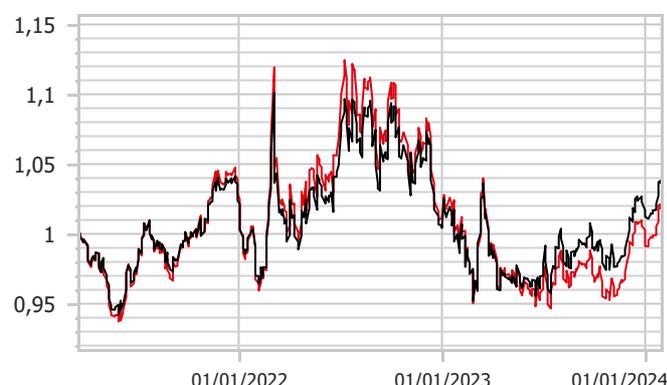


Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2021 - 01/31/2024



— VIG Developed Markets Government Bond Investment Fund I series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	10.08 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	9.63 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	13.01 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	13.01 %
WAM (Weighted Average Maturity)	5.63 years
WAL (Weighted Average Life)	6.98 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US T-Bill 05/02/24	zero coupon	USA	05/02/2024	7.85 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.88 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	5.68 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	5.25 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	5.22 %
US 10YR NOTE (CBT)Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	4.56 %
US T-Bill 10/31/24	zero coupon	USA	10/31/2024	4.16 %
DB 1,75 11/19/30	interest-bearing	Deutsche Bank Frankfurt	11/19/2030	4.03 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	3.98 %
EU 04/04/32 3,375%	interest-bearing	European Union	04/04/2032	3.76 %

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 | alapkezezo@am.vig | www.vigam.hu