

# VIG Developed Markets Government Bond Investment Fund

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



## 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

Last month's economic data suggests that the US and the EU economies are diverging further. The US economy stays robust, with upward revisions of economic growth and strong job creation reported in recent months. Contrary, the Eurozone has encountered unexpected economic activity slowdowns, with weaker growth signals emerging from different sectors. Overall inflation slows down across Atlantic, while core inflation has shown signs of stickiness, indicating underlying pressures that continue to bother both economies. In the recent weeks, global financial markets responded to the volatile economic environment and central bank actions. In the US, relatively strong labour market and optimistic corporate earnings expectations have supported positive investor sentiment, resulting in a strong performance for the stock market. Expectations of further interest rate cuts by the Fed is also contributing to a favourable environment for equities. On the other hand, the Eurozone has experienced mixed market moves, where the ECB's monetary easing has provided some support, but economic uncertainty has toned down market sentiment. In China, recent economic stimulus measures fuelled a rally in equities, even though apprehension about the sustainability of growth remain amid structural problems. In fixed income markets, expectations of further rate cuts have initially led to a decrease in US bond yields, but more recent strong labour market data caused a meaningful uptick of the entire curve. At the same time EGBs yields moved slightly lower, showing some decoupling from the US movements due to the region's distinct economic challenges. Overall, both equity and fixed income markets reflected a cautious optimism driven by central bank easing policies – but potential volatility looms, influenced by upcoming earnings reports, geopolitical tensions, and differing recovery trajectories. We didn't make meaningful changes in the fund's composition amid being positioned long core government bonds, switched to Intesa Sanpaolo corporate bonds from short-term US, we still do not intend to run a currency risk, therefore, FX exposure is hedged.

## 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:	23,264,717,070 HUF
Net Asset Value of I series:	19,752,091,947 HUF
Net Asset Value per unit:	1.089026 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	66.25 %
Corporate bonds	17.44 %
T-bills	14.09 %
Current account	15.07 %
Liabilities	-12.76 %
Receivables	0.16 %
Market value of open derivative positions	-0.26 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	15.77 %
Net corrected leverage	102.06 %
Assets with over 10% weight	
US T-Bill 12/26/24 (USA)	

## RISK PROFILE

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

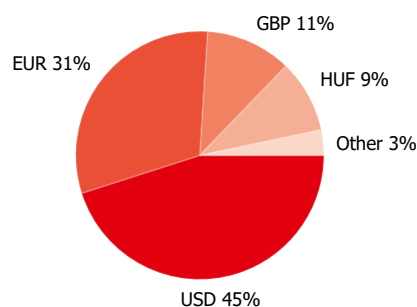
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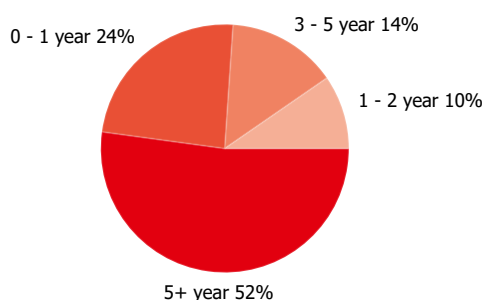
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	8.29 %	8.07 %
From launch	2.38 %	2.80 %
1 month	2.02 %	2.00 %
3 months	2.85 %	2.70 %
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 - 10/31/2024



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	7.00 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	7.00 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	12.67 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.97 %
WAM (Weighted Average Maturity)	5.97 years
WAL (Weighted Average Life)	7.20 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US T-Bill 12/26/24	zero coupon	USA	12/26/2024	10.09 %
MNB241107	zero coupon	Hungarian National Bank Plc.	11/07/2024	8.37 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	7.96 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	5.54 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.45 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	5.02 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	4.98 %
SPGB 2052/10/31 1,9%	interest-bearing	Spanish State	10/31/2052	4.11 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	4.03 %
SERBIA 03/03/33 1,65% EUR	interest-bearing	Serbian State	03/03/2033	3.84 %

### 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