VIG BondMaxx Total Return Bond Investment Fund

R series HUF MONTHLY report - 2024 NOVEMBER (made on: 11/30/2024)

INVESTMENT POLICY OF THE FUND

The Fund is a total return investment fund that aims to create a portfolio consisting of bond-type assets through active portfolio management that achieves annualised capital growth for investors higher than the benchmark over a 3-year time horizon. It intends to achieve this objective primarily through asset allocation in global bond markets.
The Fund invests exclusively in bond-type instruments. The Fund's investment universe focuses on developed market government bonds, developed market corporate bonds, local currency emerging market government bonds and hard currency emerging market government and corporate bonds. The primary source of return for the Fund is asset allocation across bond-type asset classes. The asset allocation is based on an “investment clock” approach that uses economic data analysis to determine the position of major regions within a growth cycle. This is complemented by the forecasting of expected movements in real interest rates and inflation expectations, which are also crucial for the allocation across bond markets. Portfolio managers use all these as the basis for making allocation decisions, overweighting the best performing bond asset class in any current economic cycle based on experience and expectations. In the investment process, portfolio managers optimise the interest rate and credit risk of the overall fund and of the exposures to individual bond markets in order to achieve the investment objective.

MARKET SUMMARY

Last month’s forecast update to the upside in the US core inflation probably reminded to the Fed of the policy edge and limited room for policy error as it tries to balance monetary policy in a higher neutral rate and expansionary fiscal policy environment. The rise of 0.27% over month, the strongest since March, raises the question as to the Fed should pause in December or not. Treasuries and the greenback surprisingly didn’t react much to the PCE print. Instead, month-end demand and short covering in Treasuries pushed down yields across the curve and profit taking lashed the dollar back. The 10y TIIPs moved below 2%, a recent month low. According to the recent Fed minutes, many members support a step-by-step rate cuts. Treasuries performed strongly, with 10y yields stopping almost at 4.20% (200DMA) – down c.30bp from the post-election high. NFP, CPI and the Fed meeting pose upside risk for bond yields later in the year. Kiwi and Canadian bonds performed strongly last month. JGBs underperformed but the yen fought back in the last week of November, tracking the lower Nikkei and firmer expectations of a BoJ rate hike next month after the acceleration in Tokyo inflation. BRL sky-rocketed to a new all-time low below 6.0. The fund still keeps its Ukrainian exposure (despite being decreased by another third on very strong YtD performance), and waits for improvement in the Ukrainian-Russia war; a relocation out of the CEE corporate credit (MFB) took place to the U.K. Gilts, further intention to keep or to add to the current exposure to the core rates and/or EM credit markets stays in place.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Hurdle rate, annual 6.5%
ISIN code:	HU0000712260
Start:	07/16/2013
Currency:	HUF
Net Asset Value of the whole Fund:	16,320,611,010 HUF
Net Asset Value of R series:	1,216,727,746 HUF
Net Asset Value per unit:	1.482702 HUF

DISTRIBUTORS

Raiffeisen Bank cPlc., VIG Asset Management Hungary Plc.

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	60.42 %
Collective securities	21.43 %
Corporate bonds	15.35 %
Mortgage debentures	1.41 %
T-bills	0.97 %
Current account	5.92 %
Liabilities	-0.12 %
Receivables	0.06 %
Market value of open derivative positions	-5.42 %
Total	**100,00 %**
Derivative products	111.98 %
Net corrected leverage	107.74 %

Assets with over 10% weight

There is no such instrument in the portfolio

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	**2 yr**	3 yr	4 yr	5 yr

RISK PROFILE

1	**2**	3	4	5	6	7

Lower risk — Higer risk

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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	6.60 %	6.15 %
From launch	3.52 %	2.92 %
1 month	1.52 %	0.52 %
3 months	1.57 %	1.63 %
2023	15.16 %	7.85 %
2022	-0.89 %	2.01 %
2021	0.00 %	0.40 %
2020	0.00 %	1.42 %
2019	3.88 %	1.25 %
2018	-1.36 %	1.31 %
2017	1.92 %	1.20 %
2016	3.11 %	2.23 %
2015	2.96 %	2.52 %
2014	5.74 %	4.34 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 12/15/2022 - 11/30/2024

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	4.11 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.19 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	3.69 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	3.65 %
WAM (Weighted Average Maturity)	5.16 years
WAL (Weighted Average Life)	6.42 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Mar25 Buy	derivative	Raiffeisen Hun	03/31/2025	10.32 %
iShares Core EUR Corp Bond UCITS ETF	investment note	iShares Core EUR Corp Bond UCITS ETF		7.79 %
iShares USD Corp Bond UCITS ETF	investment note	iShares USD Corp Bond UCITS ETF		7.48 %
USGB 2033/11 4,5%	interest-bearing	USA	11/15/2033	5.91 %
iShares USD Short Duration Corp Bond UCITS ETF	investment note	iShares USD Short Duration Corp Bond UCITS ETF		4.95 %
LONG GILT FUTURE Mar25 Buy	derivative	Raiffeisen Hun	03/27/2025	4.38 %
MOL 2027/10/08 1,5%	interest-bearing	MOL Plc.	10/08/2027	4.32 %
UAE 4,05% 07/07/32	interest-bearing	United Arab Emirates	07/07/2032	3.51 %
CROATI 2035/06/14 4% EUR	interest-bearing	Republic of Croatia	06/14/2035	3.33 %
UKT 0,125% 01/30/26	interest-bearing	United Kingdom	01/30/2026	3.21 %

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbftv. 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 | alapkezelo@am.vig | www.vigam.hu