

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2025 APRIL (made on: 04/30/2025)

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 key event in April was the Trump administration's unexpected announcement on April 2nd of significantly higher "reciprocal" tariffs—some of which are temporarily paused for 90 days—while retaliatory tariffs on China have climbed to a steep 145%. Although this initially triggered a sell-off in financial markets and tighter financial conditions, those effects have somewhat eased. Both consumer and business confidence have dropped sharply, yet the limited hard data for April—such as low weekly initial jobless claims—suggests the economy hasn't experienced a dramatic downturn. Core PCE inflation for March likely remained modest at 0.1% month-over-month, though the ISM manufacturing price index has jumped and one-year consumer inflation expectations have surged. The Federal Reserve's dual mandate of maintaining 2% inflation and maximizing employment may soon come into conflict. In this context, the Fed has indicated it will assess how far the economy is from each target and the duration of that divergence when setting policy. Officials have expressed that monetary policy is currently well-positioned to remain on hold while awaiting more clarity. Assuming no recession, market expects the Fed to prioritize price stability and foresee just one rate cut this year, likely in Q4 2025. US Treasuries yield curve steepened further as 2Y yields decreased by c.30 bps along with increased 30Y yields by around 10 bps amid significant volatility during the month. German and British curves steepened as well but in a bull fashion as 2Y yields went down by more than 35 bps and 30Y ones by appr. 20 bps. In the current uncertain environment, gold added another 5% to its value ending the month at \$3,289/oz., posted all-time-high \$3,424/oz. in mid-Apr. EUR appreciated versus the U.S. Dollar by 4.7%, which is still unjustified by macroeconomic data. Risk assets have recovered a lot of the damage. The S&P 500 is now only down some 7.5% since its January peak, HY spreads have tightened some 100bp and IG credit is only about 25bp wider from the YTD tight.

In the past month, we have continued to overweight interest rate risk in the portfolio. A slowdown in the U.S. economy—which is already showing clear signs in the first-quarter economic data—could be favorable for U.S. bonds. For eurozone bonds, easing inflation expectations could provide support, which is also aided by the significant strengthening of the euro, while further interest rate cuts are expected from the European Central Bank.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% Bloomberg Global Treasury Majors ex Japan Total Return Index Unhedged USD
ISIN code:	HU0000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	26,401,584,794 HUF
Net Asset Value of I series:	21,526,326,739 HUF
Net Asset Value per unit:	1.063307 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	80.08 %
Corporate bonds	12.48 %
T-bills	5.73 %
Current account	1.83 %
Liabilities	-0.12 %
Receivables	0.02 %
Total	100,00 %
Derivative products	17.45 %
Net corrected leverage	104.26 %
Assets with over 10% weight	
There is no such instrument in the portfolio	

RISK PROFILE

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

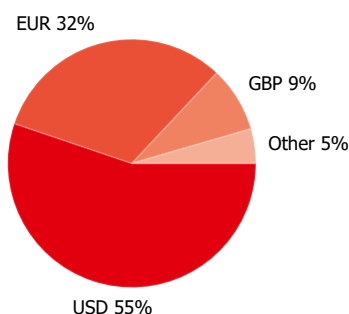
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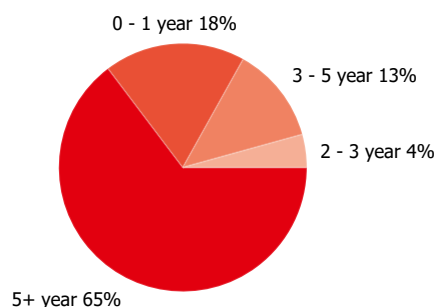
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-4.50 %	-3.87 %
From launch	1.50 %	2.01 %
1 month	-1.46 %	-0.99 %
3 months	-4.55 %	-4.04 %
2024	10.72 %	10.42 %
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 - 04/30/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	8.31 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	8.78 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	10.36 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.71 %
WAM (Weighted Average Maturity)	7.10 years
WAL (Weighted Average Life)	8.54 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
T 4 3/4 02/15/37	interest-bearing	USA	02/15/2037	9.04 %
EURO-BOBL FUTURE Jun25 Sell	derivative	Raiffeisen Hun	06/06/2025	7.70 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	7.46 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	6.72 %
US Treasury 08/15/29 1,625%	interest-bearing	USA	08/15/2029	5.74 %
US T-BILL 08/07/25	zero coupon	USA	08/07/2025	5.73 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	5.22 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.17 %
EURO-BUND FUTURE Jun25 Buy	derivative	Raiffeisen Hun	06/06/2025	5.05 %
ISPIM 5.71 01/15/26	interest-bearing	Intesa Sanpaolo Bank	01/15/2026	4.94 %

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