

# VIG Developed Markets Government Bond Investment Fund

A series HUF MONTHLY report - 2023 MAY (made on: 05/31/2023)

## 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 US suspended the government's debt ceiling through Jan 1st, 2025. Fed Governor Philip Jefferson (who has been nominated to Vice Chair) indicated the FOMC will likely pause at its 13-14 June meeting. In the Eurozone, headline inflation fell sharply, to 6.1% YoY last month, with core CPI down moderately, to 5.3% YoY, amid broad-based disinflation. China official PMIs softened in May as the reopening boost slowed down. EGBs and USTs saw a pronounced rally, while European investment grade corporate credit risk premia moved range bound, although high yield and subordinated debt spreads saw a slight increase in volatility. In FX, the USD was ultimately forced to give back some of its early gains, allowing EUR-USD to recover back to around 1.0750.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	80% Bloomberg Global Treasury Majors ex Japan Total Return Index Unhedged USD + 20% ZMAX Index
ISIN code:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Net Asset Value of the whole Fund:	2,253,033,077 HUF
Net Asset Value of A series:	1,826,843,213 HUF
Net Asset Value per unit:	2.119402 HUF

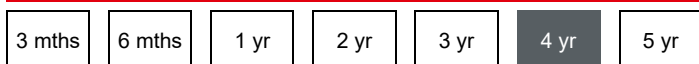
## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	69.99 %
T-bills	7.07 %
Corporate bonds	5.90 %
Mortgage debentures	4.91 %
Current account	11.04 %
Receivables	1.50 %
Liabilities	-0.40 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	22.91 %
Net corrected leverage	112.06 %
Assets with over 10% weight	
USGB 2044/11/15 3% (Amerikai Egyesült Államok)	

## DISTRIBUTORS

CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., MKB Bank Nyrt., MKB Bank Nyrt. 0789, OTP Bank Nyrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt., VIG Befektetési Alapkezelő Magyarország Zrt.

## SUGGESTED MINIMUM INVESTMENT PERIOD



## RISK PROFILE



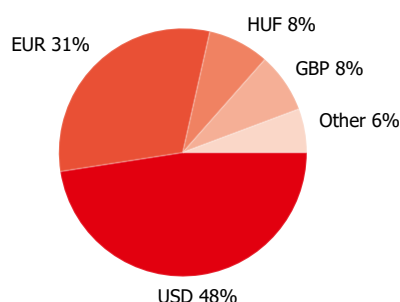
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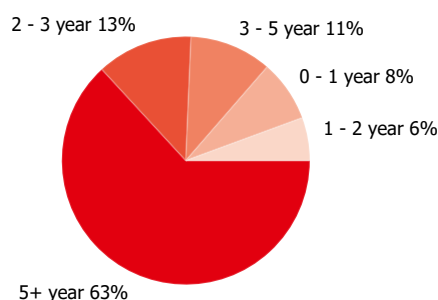
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	3.16 %	2.84 %
1 month	0.03 %	0.49 %
3 months	-0.06 %	0.24 %
2022	-3.20 %	-2.82 %
2021	2.26 %	2.81 %
2020	8.04 %	9.76 %
2019	5.82 %	9.57 %
2018	3.34 %	5.25 %
2017	-5.90 %	-4.07 %
2016	1.07 %	2.24 %
2015	3.72 %	4.09 %
2014	21.94 %	22.76 %
2013	-3.51 %	-4.21 %

### Currency exposure:

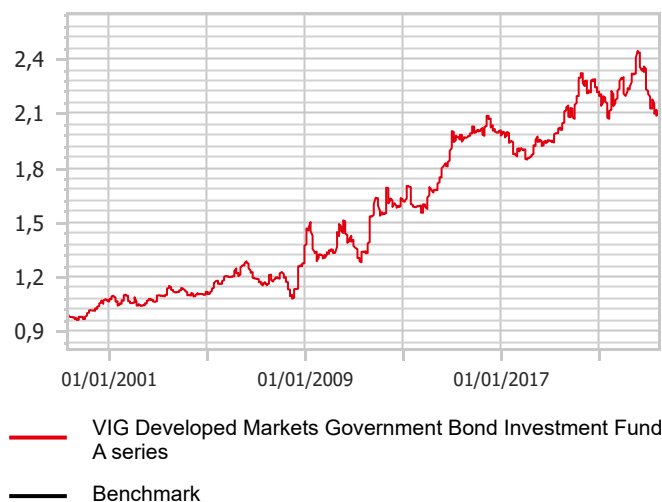


### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 04/21/1999 - 05/31/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	14.05 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	12.89 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	22.97 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	25.04 %
WAM (Weighted Average Maturity)	6.98 years
WAL (Weighted Average Life)	8.31 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
USGB 2044/11/15 3%	interest-bearing	Amerikai Egyesült Államok	11/15/2044	13.14 %
US Államkötvény 2031/02 5,375%	interest-bearing	Amerikai Egyesült Államok	02/15/2031	8.72 %
US 5YR NOTE (CBT) Sep23 Buy	derivatív	Raiffeisen Hun	09/29/2023	8.43 %
EURO-BUND FUTURE Jun23 Buy	derivatív	Raiffeisen Hun	06/08/2023	6.72 %
USGB 2026/04 0,75%	interest-bearing	Amerikai Egyesült Államok	04/30/2026	6.33 %
DB 1,625% 01/20/27	interest-bearing	Deutsche Bank	01/20/2027	5.91 %
US Treasury 08/15/29 1,625%	interest-bearing	Amerikai Egyesült Államok	08/15/2029	5.64 %
BPCECB 2,5% 12/10/24	interest-bearing	BPCE SFH	12/10/2024	4.92 %
REPHUN 1 1/4 10/22/25	interest-bearing	Államadósság Kezelő Központ Zrt.	10/22/2025	4.66 %
T 4 3/4 02/15/37	interest-bearing	Amerikai Egyesült Államok	02/15/2037	4.20 %

## Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfvt. 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