

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2023 JUNE (made on: 06/30/2023)

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

Last month, the FOMC paused its rate hikes while sent a hawkish message to the market. The median FOMC rate projection for this year increased by 50bp. The ECB hiked by 25bp and signalled more tightening later on amid upward revisions to the inflation forecasts. In the UK, employment and wage data surprised to the upside. In China, the PBoC cut rates in response to the weakening pace of recovery. The BoE and the Norges Bank hiked by 50bp each, while the SNB raised its key rate by 25bp. Curves continued to flatten in the US and in Europe, where the 2Y vs. 10Y Bund spread fell below -70bp. In the Eurozone, headline CPI inflation dropped to 5.5% YoY in June from 6.1% YoY, while the core figure was up to 5.4% YoY from 5.3% YoY. In the US, Q1 2023 GDP growth was revised up to 2% from 1.3% in annualized terms. Equity markets have largely trended sideways later in the month, torn between hawkish central banks and hopes for a solid earnings season. The latter should also bring new impetus to credit spreads, which have lacked direction. Meanwhile, better than-expected US economic data weighed on government bonds and prompted more curve flattening.

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:	HU0000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	2,197,730,676 HUF
Net Asset Value of I series:	448,096,087 HUF
Net Asset Value per unit:	0.957741 HUF

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	70.47 %
T-bills	19.64 %
Corporate bonds	6.04 %
Liabilities	-7.31 %
Receivables	6.18 %
Current account	4.99 %
Total	100,00 %
Derivative products	0.00 %
Net corrected leverage	99.96 %
Assets with over 10% weight	
USGB 2044/11/15 3% (Amerikai Egyesült Államok)	

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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RISK PROFILE

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

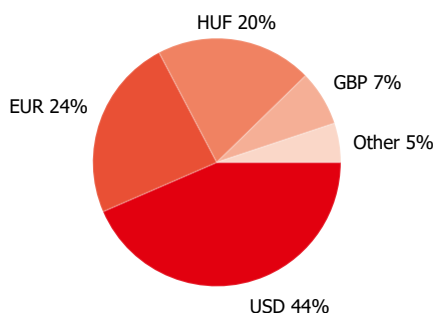
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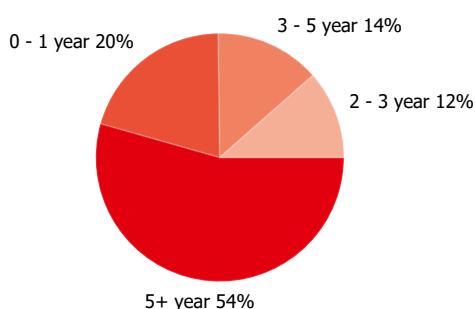
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-1.87 %	-1.34 %
1 month	-1.38 %	-0.47 %
3 months	-3.13 %	-1.59 %
2022	-2.88 %	-2.82 %

Currency exposure:

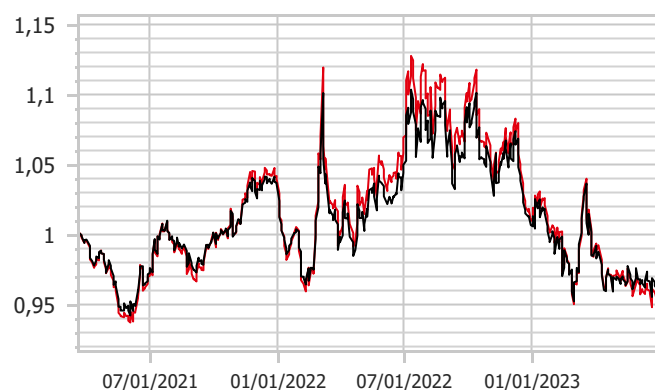


Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2021 - 06/30/2023



— 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	13.78 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	12.84 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	21.16 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	21.16 %
WAM (Weighted Average Maturity)	7.00 years
WAL (Weighted Average Life)	8.34 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
USGB 2044/11/15 3%	interest-bearing	Amerikai Egyesült Államok	11/15/2044	13.22 %
US Államkötvény 2031/02 5,375%	interest-bearing	Amerikai Egyesült Államok	02/15/2031	8.68 %
D240430	zero coupon	Államadósság Kezelő Központ Zrt.	04/30/2024	6.69 %
USGB 2026/04 0,75%	interest-bearing	Amerikai Egyesült Államok	04/30/2026	6.32 %
DB 1,625% 01/20/27	interest-bearing	Deutsche Bank	01/20/2027	6.06 %
US Treasury 08/15/29 1,625%	interest-bearing	Amerikai Egyesült Államok	08/15/2029	5.60 %
REPHUN 1 1/4 10/22/25	interest-bearing	Államadósság Kezelő Központ Zrt.	10/22/2025	4.78 %
T 4 3/4 02/15/37	interest-bearing	Amerikai Egyesült Államok	02/15/2037	4.20 %
D230726	zero coupon	Államadósság Kezelő Központ Zrt.	07/26/2023	4.07 %
UKT 0 7/8 10/22/29	interest-bearing	Egyesült Királyság	10/22/2029	4.03 %

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