

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2023 JULY (made on: 07/31/2023)



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 inflation report for June surprised to the downside. Both the headline and core indices increased 0.2% MoM, 0.1% below market expectations. Chinese GDP data for the second quarter of this year confirmed the widely anticipated slowdown, while US retail sales for June rose for a third consecutive month. ECB's Knot said that core inflation in the Eurozone has likely plateaued and that rate hikes beyond July are possible but not certain. Both the Fed and the ECB raised rates by 25bp and refrained from providing any guidance about future rate moves. The BoJ tweaked its yield-curve-control to allow for more flexibility in dealing with spikes in yields. The US economy grew at a stronger-than-expected 2.4% annualized rate in Q2 '23, while German GDP stagnated. China's top leaders pledged more policy support to stimulate the economy once again. Major central banks approaching the end of rate-hike cycles and hopes for a soft-landing supported stock markets, while credit spreads moved moderately tighter. The BoJ's decision fueled a pronounced bear-steepening across bond markets. In FX, EUR-USD fell back below 1.10.

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:	9,882,402,829 HUF
Net Asset Value of I series:	8,165,067,685 HUF
Net Asset Value per unit:	0.975805 HUF

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	76.11 %
T-bills	21.34 %
Corporate bonds	1.42 %
Current account	8.81 %
Liabilities	-7.69 %
Receivables	0.01 %
Total	100.00 %
Derivative products	0.00 %
Net corrected leverage	99.97 %
Assets with over 10% weight	
USGB 2044/11/15 3% (Amerikai Egyesült Államok)	
USGB 2025/01 2,5% (Amerikai Egyesült Államok)	
USGB 2028/02 2,75% (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
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Lower risk				Higher risk		

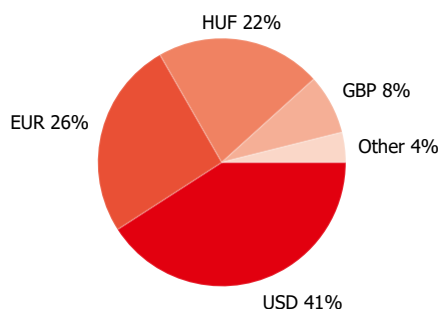
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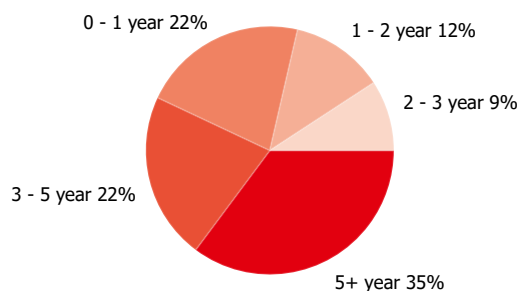
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-1.03 %	-0.45 %
1 month	1.89 %	2.04 %
3 months	0.56 %	2.05 %
2022	-2.88 %	-2.82 %

Currency exposure:



Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2021 - 07/31/2023



— 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	13.34 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	12.69 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	21.39 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	21.39 %
WAM (Weighted Average Maturity)	6.34 years
WAL (Weighted Average Life)	7.46 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
USGB 2044/11/15 3%	interest-bearing	Amerikai Egyesült Államok	11/15/2044	12.36 %
USGB 2025/01 2,5%	interest-bearing	Amerikai Egyesült Államok	01/31/2025	10.87 %
USGB 2028/02 2,75%	interest-bearing	Amerikai Egyesült Államok	02/15/2028	10.75 %
REPHUN 5% 02/22/27	interest-bearing	Államadósság Kezelő Központ Zrt.	02/22/2027	7.77 %
EU 04/04/32 3,375%	interest-bearing	Európai Unió	04/04/2032	7.66 %
D231227	zero coupon	Államadósság Kezelő Központ Zrt.	12/27/2023	7.25 %
D240221	zero coupon	Államadósság Kezelő Központ Zrt.	02/21/2024	6.56 %
UKT 0,125% 01/30/26	interest-bearing	Egyesült Királyság	01/30/2026	6.08 %
SPGB 2052/10/31 1,9%	interest-bearing	Spanyol Állam	10/31/2052	5.93 %
D240124	zero coupon	Államadósság Kezelő Központ Zrt.	01/24/2024	2.90 %

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