

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2023 AUGUST (made on: 08/31/2023)



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

In the Eurozone, headline inflation was unchanged at 5.3% YoY last month, while core inflation slowed down by 0.2 percentage points to 5.3% YoY. This makes the ECB's upcoming decision difficult to forecast. In the United States, JOLTS job openings surprised to the downside in July, the core PCE inflation stabilized at 0.2% month-over-month and personal spending further increased. In China, the PMIs for August indicated broad-based weakness in economic activity, with early signs of stabilization in the manufacturing sector. Weaker-than-expected US labour market data boosted USTs, taking the 10Y yield back to the 4% area, and weighed on the USD, which lost some recent strength. Recovery in global equity prices continued, although with slow momentum. European corporate credit was mixed, non-financial investment-grade seniors drifted gradually wider while bank spreads were almost flat. We switched to Romanian government bonds from Hungarian ones, opened positions in the Czech unit of the Raiffeisen Bank and invested a small amount of cash in the US and French treasury bills.

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:	9,916,358,580 HUF
Net Asset Value of I series:	8,200,705,631 HUF
Net Asset Value per unit:	0.969007 HUF

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	72.81 %
T-bills	19.54 %
Corporate bonds	6.67 %
Current account	8.63 %
Liabilities	-7.65 %
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
←					→	
Lower risk					Higher risk	

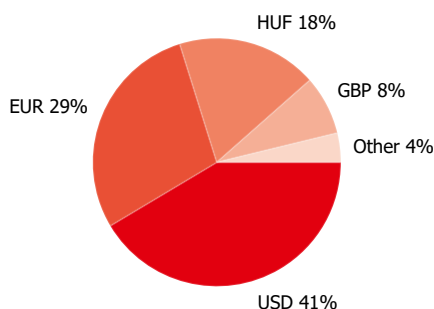
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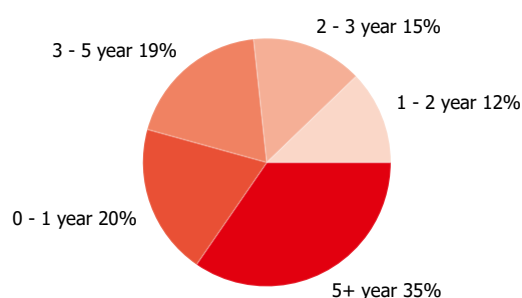
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-1.28 %	-0.66 %
1 month	-0.70 %	-0.56 %
3 months	-0.22 %	0.99 %
2022	-2.88 %	-2.82 %

Currency exposure:

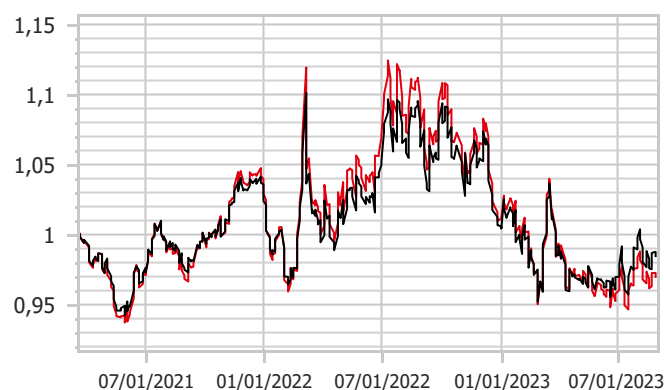


Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2021 - 08/31/2023



— VIG Developed Markets Government Bond Investment Fund series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	12.85 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	12.54 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	21.54 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	21.54 %
WAM (Weighted Average Maturity)	6.13 years
WAL (Weighted Average Life)	7.30 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
USGB 2044/11/15 3%	interest-bearing	Amerikai Egyesült Államok	11/15/2044	12.02 %
USGB 2025/01 2,5%	interest-bearing	Amerikai Egyesült Államok	01/31/2025	10.89 %
USGB 2028/02 2,75%	interest-bearing	Amerikai Egyesült Államok	02/15/2028	10.57 %
EU 04/04/32 3,375%	interest-bearing	Európai Unió	04/04/2032	7.57 %
D240221	zero coupon	Államadósság Kezelő Központ Zrt.	02/21/2024	6.61 %
D231227	zero coupon	Államadósság Kezelő Központ Zrt.	12/27/2023	6.32 %
UKT 0,125% 01/30/26	interest-bearing	Egyesült Királyság	01/30/2026	6.03 %
SPGB 2052/10/31 1,9%	interest-bearing	Spanyol Állam	10/31/2052	5.79 %
RABKAS 7,125% 01/19/26 visszahívható 2025	interest-bearing	RAIFFEISENBANK A.S.	01/19/2026	5.24 %
ROMANI EUR 2028/03/07 2,125%	interest-bearing	Román Állam	03/07/2028	5.12 %

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