

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2023 SEPTEMBER (made on: 09/30/2023)

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 rates hiking and published a hawkish set of interest-rate projections, indicating that monetary policy will likely remain tighter for longer. Both the BoE and the SNB surprisingly refrained from raising rates, while the Riksbank and the Norges Bank delivered the expected 25bp hikes. Eurozone PMIs continue to point to stagnation or slight contraction in activity. Eurozone both headline and core CPI have eased substantially last month, to 4.3% and to 4.5%, respectively. The Italian government increased its budget-deficit/GDP target for 2024 to 4.3% (from 3.7% in April), while the public debt/GDP ratio is projected to stabilize overall. In the US, Congress has reached a deal to avoid a government shutdown "at the last minute". US personal consumption growth for Q2 '23 was revised significantly downwards to 0.8% from 1.7%, the slowest pace in more than a year. Declining inflation across the Eurozone triggered some relief during a volatile last week of September. The 10Y Bund yield returned to the 2.85% area after approaching 3%. The 10Y BTP-Bund spread tightened 10bp, after reaching 200bp. The swings on rates shaped performance for equity and credit markets, which are offsetting their earlier losses. In FX, EURUSD regained 1.06 after falling below 1.05, while a rally up to 150 for USDJPY was averted. We closed Belgian positions, decreased exposure to Spain along with adding to the Italian and French long-term government bonds, switched to the long-term UK and the US government papers from medium-term ones, increased positions in the US along with closing those in the 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:	10,089,389,217 HUF
Net Asset Value of I series:	8,301,116,465 HUF
Net Asset Value per unit:	0.982493 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	72.05 %
T-bills	19.35 %
Corporate bonds	6.73 %
Current account	1.42 %
Receivables	0.49 %
Liabilities	-0.04 %
Total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %
Assets with over 10% weight	
USGB 2044/11/15 3% (Amerikai Egyesült Államok)	
USGB 2028/02 2,75% (Amerikai Egyesült Államok)	

RISK PROFILE

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

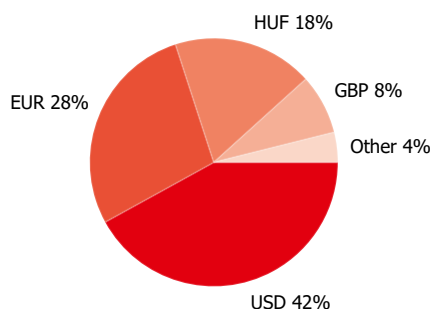
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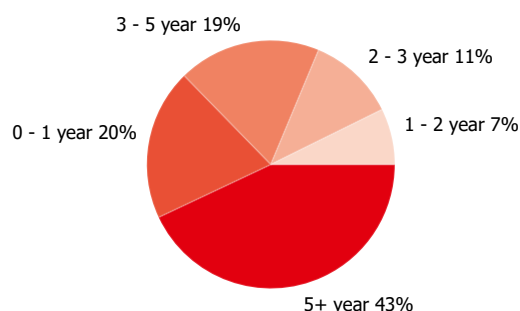
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-0.69 %	0.05 %
1 month	1.39 %	1.77 %
3 months	2.58 %	3.26 %
2022	-2.88 %	-2.82 %

Currency exposure:

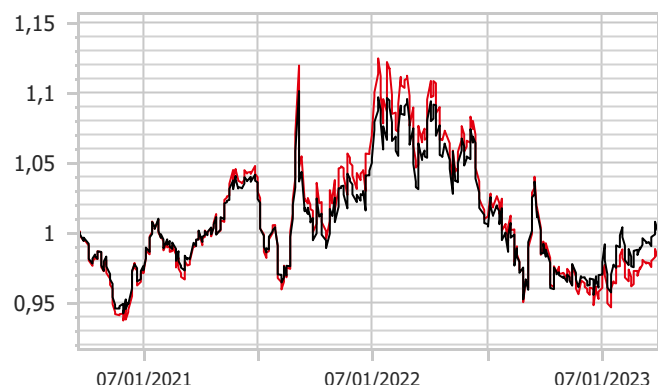


Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2021 - 09/30/2023



— 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	12.01 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	11.68 %
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)	7.12 years
WAL (Weighted Average Life)	8.64 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
USGB 2044/11/15 3%	interest-bearing	Amerikai Egyesült Államok	11/15/2044	11.64 %
USGB 2028/02 2,75%	interest-bearing	Amerikai Egyesült Államok	02/15/2028	10.86 %
EU 04/04/32 3,375%	interest-bearing	Európai Unió	04/04/2032	7.47 %
D240221	zero coupon	Államadósság Kezelő Központ Zrt.	02/21/2024	6.58 %
D231227	zero coupon	Államadósság Kezelő Központ Zrt.	12/27/2023	6.28 %
USGB 2025/01 2,5%	interest-bearing	Amerikai Egyesült Államok	01/31/2025	6.01 %
USGB 2042/02 3,125%	interest-bearing	Amerikai Egyesült Államok	02/15/2042	5.71 %
SPGB 2052/10/31 1,9%	interest-bearing	Spanyol Állam	10/31/2052	5.35 %
RABKAS 7,125% 01/19/26 visszahívható 2025	interest-bearing	RAIFFEISENBANK A.S.	01/19/2026	5.32 %
ROMANI EUR 2028/03/07 2,125%	interest-bearing	Román Állam	03/07/2028	5.13 %

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