

VIG Hungarian Bond Investment Fund



ASSET MANAGEMENT
HUNGARY

I series HUF MONTHLY report - 2023 OCTOBER (made on: 10/31/2023)

INVESTMENT POLICY OF THE FUND

The Fund's aim is to function as a stable, averagely low-risk form of investment, while providing investors with higher returns over the medium term than they could expect from bank deposits. In order to ensure liquidity, the Fund intends primarily to hold in its portfolio government bonds and discount treasury bills issued by the Government Debt Management Agency (ÁKK) on behalf of the Hungarian State, and bonds issued by the National Bank of Hungary (MNB). The Fund may hold in its portfolio low-risk debt securities issued by banks and companies, which are expected to provide higher returns than government securities and are denominated in HUF. The Fund may also keep its liquid assets in bank deposits. The fund may hold a limited amount of foreign currency assets in its portfolio, but only subject to the full hedging of currency risk.

MARKET SUMMARY

In October, disinflation continued in Hungary, inflation fell below 10% again for the first time in a while, the year-over-year increase was 9,9%. During the month, fuel prices continued to decrease, which had a positive impact on disinflation. During the October rate setting meeting, the Monetary Council surprised the market by reducing the base interest rate by 75 basis points, bringing the benchmark rate to 12.25%. The Monetary Council considered several scenarios when making the decision. Strong disinflation allowed for further cuts in the base rate, but due to increasing external risks, it was justified to slow down the pace of rate cuts. The easing cycle can remain data-driven, and a more cautious approach is justified, because the disinflation has to continue in 2024 as well. Issuance is mostly progressing as planned, but the fiscal situation doesn't look too good. During the month, 10 year bond yields moved somewhat higher, but 3 and 5 year yields closed the month 13 and 5 basis points lower, respectively. Due to the deterioration of sentiment in the core markets, we became slightly cautious, but the collapsing economic activity makes us still more positive about the asset class.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% MAX Index
ISIN code:	HU0000718127
Start:	12/01/2016
Currency:	HUF
Net Asset Value of the whole Fund:	31,704,766,440 HUF
Net Asset Value of I series:	18,359,904,113 HUF
Net Asset Value per unit:	1.004147 HUF

DISTRIBUTORS

UNION Vienna Insurance Group Biztosító Zrt., VIG Befektetési Alapkezelő Magyarország Zrt.

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	87.96 %
Corporate bonds	7.16 %
T-bills	1.46 %
Current account	5.95 %
Liabilities	-2.70 %
Market value of open derivative positions	0.15 %
Receivables	0.03 %
Total	100,00 %
Derivative products	2.59 %
Net corrected leverage	100.00 %

Assets with over 10% weight

2028A (Államadósság Kezelő Központ Zrt.)
2032A (Államadósság Kezelő Központ Zrt.)

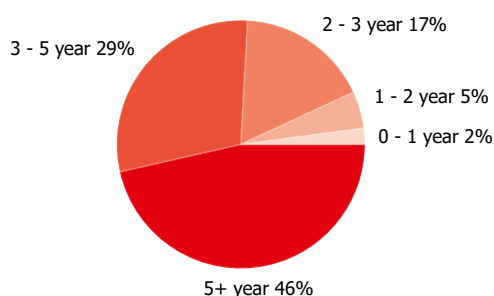
RISK PROFILE



NET YIELD PERFORMANCE OF THE SERIES

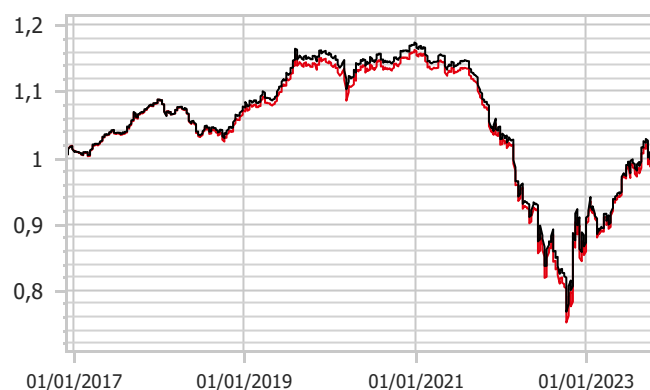
Interval	Yield of note	Benchmark yield
From launch	0.06 %	0.23 %
1 month	0.62 %	0.76 %
3 months	2.10 %	2.50 %
2022	-16.66 %	-16.05 %
2021	-11.24 %	-11.36 %
2020	1.55 %	1.41 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 12/01/2016 - 10/31/2023



— VIG Hungarian Bond Investment Fund I series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	16.10 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	14.74 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	12.59 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	10.51 %
WAM (Weighted Average Maturity)	5.67 years
WAL (Weighted Average Life)	6.45 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
Magyar Államkötvény 2028/A	interest-bearing	Államadósság Kezelő Központ Zrt.	10/22/2028	12.71 %
Magyar Államkötvény 2032/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2032	11.57 %
Magyar Államkötvény 2030/A	interest-bearing	Államadósság Kezelő Központ Zrt.	08/21/2030	7.87 %
Magyar Államkötvény 2027/A	interest-bearing	Államadósság Kezelő Központ Zrt.	10/27/2027	7.83 %
Magyar Államkötvény 2041/A	interest-bearing	Államadósság Kezelő Központ Zrt.	04/25/2041	5.74 %
Magyar Államkötvény 2026/D	interest-bearing	Államadósság Kezelő Központ Zrt.	12/22/2026	5.72 %
Magyar Államkötvény 2026/E	interest-bearing	Államadósság Kezelő Központ Zrt.	04/22/2026	5.47 %
Magyar Államkötvény 2038/A	interest-bearing	Államadósság Kezelő Központ Zrt.	10/27/2038	5.44 %
Magyar Államkötvény 2029/A	interest-bearing	Államadósság Kezelő Központ Zrt.	05/23/2029	4.45 %
Magyar Államkötvény 2031/A	interest-bearing	Államadósság Kezelő Központ Zrt.	10/22/2031	4.18 %

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