

# VIG BondMaxx Total Return Bond Investment Fund

P series PLN MONTHLY report - 2023 NOVEMBER (made on: 11/30/2023)

## INVESTMENT POLICY OF THE FUND

The Fund is a total return investment fund that aims to create a portfolio consisting of bond-type assets through active portfolio management that achieves annualised capital growth for investors higher than the benchmark over a 3-year time horizon. It intends to achieve this objective primarily through asset allocation in global bond markets.

The Fund invests exclusively in bond-type instruments. The Fund's investment universe focuses on developed market government bonds, developed market corporate bonds, local currency emerging market government bonds and hard currency emerging market government and corporate bonds. The primary source of return for the Fund is asset allocation across bond-type asset classes. The asset allocation is based on an "investment clock" approach that uses economic data analysis to determine the position of major regions within a growth cycle. This is complemented by the forecasting of expected movements in real interest rates and inflation expectations, which are also crucial for the allocation across bond markets. Portfolio managers use all these as the basis for making allocation decisions, overweighting the best performing bond asset class in any current economic cycle based on experience and expectations. In the investment process, portfolio managers optimise the interest rate and credit risk of the overall fund and of the exposures to individual bond markets in order to achieve the investment objective.

## MARKET SUMMARY

In November, Eurozone headline and core inflation eased further, to 2.4% and 3.6%, respectively. The President of the European Central Bank, Christine Lagarde said that the central bank might rethink its pandemic purchase programme (PEPP) strategy, which currently foresees full reinvestment until the end of the next year. In the US, core Personal Consumption Expenditure (PCE) inflation slipped to 3.5% YoY in October (below the level of the Fed expectations for the end of the year), while the Beige Book (summary of information on current economic conditions through reports and interviews summarized by the Fed) indicated economic activity had slowed and is expected to slow thereafter. US Congress passed a stopgap spending bill until mid-January. German industrial production contracted in September for a fifth consecutive month. The UK economy stagnated in Q3. In China, inflation fell slightly below zero, reflecting weak domestic demand amid weak exports. Brent oil prices briefly fell below \$80/bbl on global demand fears, reversed some of the losses later in the month on OPEC rumours of further production cuts while the outlook looks gloomy yet. Equity markets moved sideways, while EGB and UST curves bull steepened, following lower-than-expected inflation. Corporate credit spreads tightened slightly. EUR-USD fell back below 1.09 after hitting 1.10, also reversing the initial rally in CEE FX. The fund still keeps its Ukrainian exposure, and waits for improvement in the Ukrainian-Russia war; no significant changes to the fund's composition were made, further intention to raise exposure to the core rates markets while decreasing Hungarian risk stays in place.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Hurdle rate, annual 3.9%
ISIN code:	HU0000712401
Start:	08/12/2013
Currency:	PLN
Net Asset Value of the whole Fund:	17,432,675,202 HUF
Net Asset Value of P series:	17,703,361 PLN
Net Asset Value per unit:	1.103243 PLN

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka, ERSTE Group Bank AG Austria

## 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	31.02 %
T-bills	25.02 %
Collective securities	18.28 %
Corporate bonds	17.70 %
Mortgage debentures	1.19 %
Current account	15.34 %
Liabilities	-11.68 %
Market value of open derivative positions	2.49 %
Receivables	0.66 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	120.29 %
Net corrected leverage	115.40 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

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

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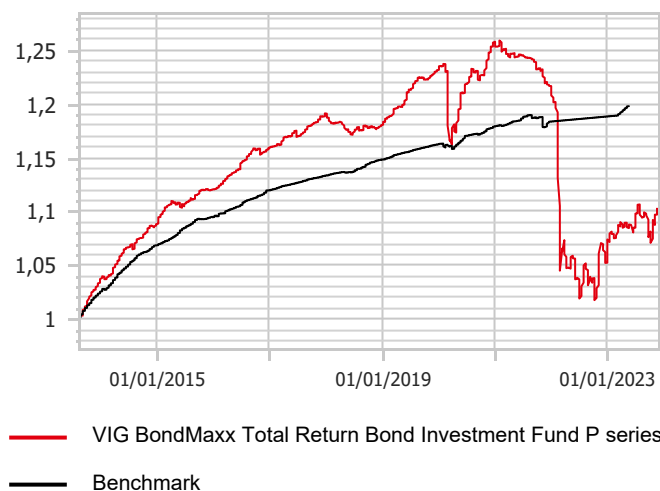
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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	4.87 %	2.91 %
From launch	0.96 %	1.97 %
1 month	2.53 %	0.32 %
3 months	0.23 %	0.98 %
2022	-13.53 %	0.40 %
2021	-3.20 %	0.40 %
2020	2.16 %	1.42 %
2019	4.31 %	1.25 %
2018	-0.71 %	1.31 %
2017	2.62 %	1.20 %
2016	3.37 %	2.23 %
2015	3.07 %	2.52 %
2014	5.13 %	4.34 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 08/12/2013 - 11/30/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	3.77 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.24 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	6.51 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	5.71 %
WAM (Weighted Average Maturity)	3.12 years
WAL (Weighted Average Life)	3.80 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/28/2024	12.99 %
US T-Bill 10/31/24	zero coupon	USA	10/31/2024	9.37 %
iShares USD TIPS UCITS ETF	investment note	iShares USD TIPS UCITS ETF		8.93 %
LONG GILT FUTURE Mar24 Buy	derivative	Raiffeisen Hun	03/26/2024	6.09 %
BTF 0 04/17/24	zero coupon	French state	04/17/2024	6.01 %
US 10YR NOTE (CBT)Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.25 %
US LONG BOND(CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	4.64 %
iShares USD Corp Bond UCITS ETF	investment note	iShares USD Corp Bond UCITS ETF		4.53 %
RATB 0 01/25/24	zero coupon	Austrian State	01/25/2024	4.33 %
iShares USD Short Duration Corp Bond UCITS ETF	investment note	iShares USD Short Duration Corp Bond UCITS ETF		3.86 %

### 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 | alapkezel@am.vig | www.vigam.hu