

# VIG Developed Markets Government Bond Investment Fund

A series HUF MONTHLY report - 2023 NOVEMBER (made on: 11/30/2023)

## 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

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. We opened positions in Greek government bonds along with increased exposure to the Australian ones as well as slightly adjusted positions in Canada, Italy, UK and the US.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary 80% Bloomberg Global Treasury Majors ex Japan Total Return Index Unhedged USD + 20% ZMAX Index
Benchmark composition:	
ISIN code:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Net Asset Value of the whole Fund:	14,788,653,479 HUF
Net Asset Value of A series:	1,744,857,366 HUF
Net Asset Value per unit:	2.114837 HUF

## DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, Erste Investment Plc., MBH Bank Nyrt., MKB Bank Nyrt. 0789, OTP Bank Nyrt., Raiffeisen Bank cPlc., UniCredit Bank Hungary cPlc., VIG Asset Management Hungary Plc.

## 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	73.68 %
T-bills	20.11 %
Corporate bonds	4.53 %
Current account	13.84 %
Liabilities	-12.49 %
Market value of open derivative positions	0.32 %
Receivables	0.01 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	4.69 %
Net corrected leverage	100.01 %
Assets with over 10% weight	
There is no such instrument in the portfolio	

## RISK PROFILE

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

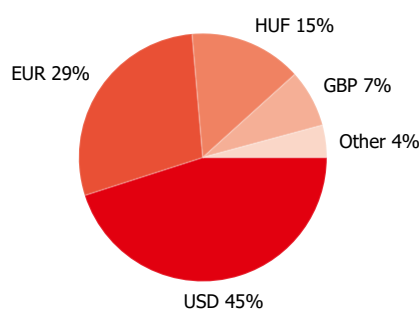
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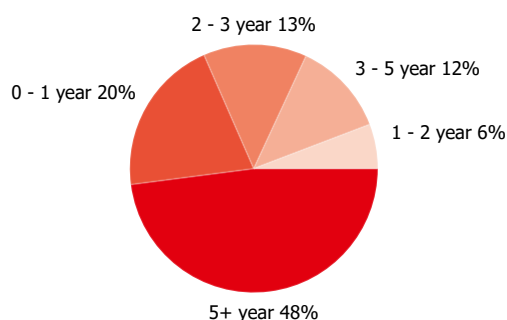
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-4.20 %	-1.76 %
From launch	3.09 %	2.84 %
1 month	1.99 %	1.53 %
3 months	0.13 %	0.52 %
2022	-3.20 %	-2.82 %
2021	2.26 %	2.81 %
2020	8.04 %	9.76 %
2019	5.82 %	9.57 %
2018	3.34 %	5.25 %
2017	-5.90 %	-4.07 %
2016	1.07 %	2.24 %
2015	3.72 %	4.09 %
2014	21.94 %	22.76 %
2013	-3.51 %	-4.21 %

### Currency exposure:



### Bonds by tenor:

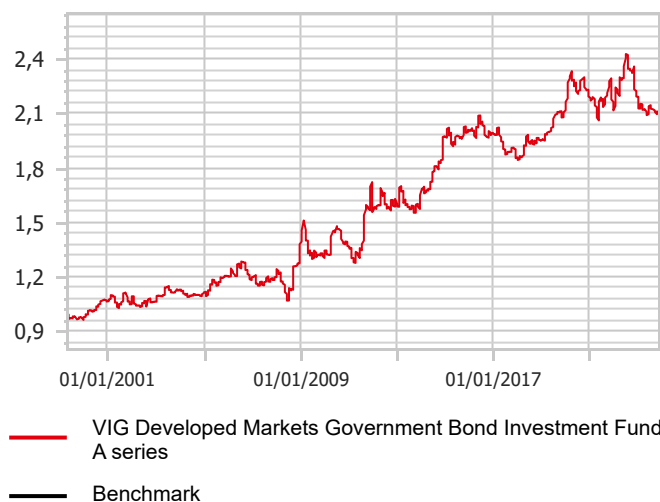


## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	7.76 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	7.62 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	7.12 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	7.00 %
US T-Bill 02/08/24	zero coupon	USA	02/08/2024	5.69 %
EU 04/04/32 3,375%	interest-bearing	European Union	04/04/2032	5.12 %
D240221	zero coupon	Government Debt Management Agency Pte. Ltd.	02/21/2024	4.55 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.18 %
GGB 4,25% 06/15/33	interest-bearing	Greek State	06/15/2033	3.96 %
USGB 2025/01 2,5%	interest-bearing	USA	01/31/2025	3.91 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 04/21/1999 - 11/30/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	10.65 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	10.22 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	12.85 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	11.20 %
WAM (Weighted Average Maturity)	6.22 years
WAL (Weighted Average Life)	7.43 years

**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](mailto:alapkezeslo@am.vig) | [www.vigam.hu](http://www.vigam.hu)