

# VIG Developed Markets Government Bond Investment Fund

A series HUF MONTHLY report - 2023 DECEMBER (made on: 12/31/2023)

## 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

Last month, in the US, November JOLTS job openings was reported weaker of the market consensus, while the ISM services index moved to a slight increase in activity in November. In Germany, both factory orders and industrial production contracted more than forecasted in October and Italy's services PMI for November pointed to further weakness. The last month of 2023 was mostly about important central bank meetings. The message from the Fed's dot plot and Mr. Powell was unequivocal dovish, while the ECB and the Bank of England did not support the aggressive rate cut expectations priced in by markets. The Eurozone composite PMI disappointed, moving back further into contractionary territory. The bull run in the government bond market continued, while the stock-market rally started to fade, limiting this month's gains, despite stayed at elevated levels. In FX, the USD weakened further across the board, with EUR-USD reaching the 1.10 area. We further increased exposure to the Australian government papers, slightly adjusted positions in Deutsche Bank, UK and the US as well as closed positions in the Netherlands.

## 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
Benchmark composition:	Majors ex Japan Total Return Index Unhedged USD + 20% ZMAX Index
ISIN code:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Net Asset Value of the whole Fund:	16,902,611,828 HUF
Net Asset Value of A series:	1,936,083,843 HUF
Net Asset Value per unit:	2.186624 HUF

## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	70.17 %
T-bills	22.07 %
Corporate bonds	7.16 %
Liabilities	-2.01 %
Current account	1.58 %
Receivables	0.99 %
Market value of open derivative positions	0.04 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	8.59 %
Net corrected leverage	101.38 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## 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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## RISK PROFILE

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

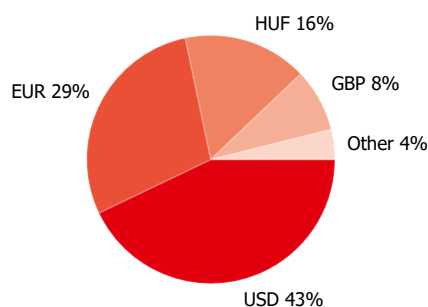
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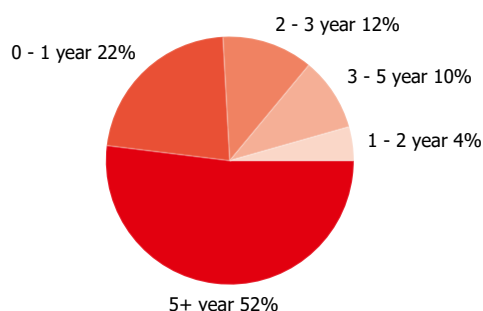
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-0.95 %	1.59 %
From launch	3.22 %	2.97 %
1 month	3.39 %	3.41 %
3 months	2.16 %	2.14 %
2023	-0.95 %	1.59 %
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 2044/11/15 3%	interest-bearing	USA	11/15/2044	7.17 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	6.86 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	6.34 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	6.29 %
US 10YR NOTE (CBT)Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.55 %
US T-Bill 02/08/24	zero coupon	USA	02/08/2024	4.99 %
EU 04/04/32 3,375%	interest-bearing	European Union	04/04/2032	4.67 %
D240626	zero coupon	Government Debt Management Agency Pte. Ltd.	06/26/2024	4.15 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 04/21/1999 - 12/31/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	9.90 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	9.55 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	13.00 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.35 %
WAM (Weighted Average Maturity)	6.16 years
WAL (Weighted Average Life)	7.64 years

D240221	zero coupon	Government Debt Management Agency Pte. Ltd.	02/21/2024	4.02 %
DB 1,75 11/19/30	interest-bearing	Deutsche Bank	11/19/2030	3.95 %

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