# VIG Hungarian Bond Investment Fund

A series HUF

MONTHLY report - 2024 FEBRUARY (made on: 02/29/2024)



# 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 February, the pace of price increases continued to slow in Hungary, in spite of the 3,9% market expectations, year-on year inflation slowed to 3,7%. Although the excise tax increase in January only partially appeared in prices, February brought a noticeable increase in fuel prices, as we observed a 6,7% increase at gas stations within one month. At the second rate-setting meeting of the year, the Monetary Council continued its rate cut cycle. Market consensus was highly divided, as analysts were expecting a cut of either 75 or 100 basis points in almost equal proportions. However, the Monetary Council decided, that due to the faster-than-expected decline in inflation, they could temporarily accelerate the pace of rate cuts, thus reducing the base rate by 100 basis points to 9%. Following the decision, Barnabás Virág emphasized at the press conference that despite the decision, they still consider a base rate of 6-7% by mid-year to be realistic. The forint did not react well to the acceleration of the rate cut pace, rising above 390 against the euro after the meeting. Fundamentals are still supportive. The regional valuation has somewhat improved; both forward and backward-looking real interest rates are higher than the regional average. During the month, apart from short-term yields, there was an increase in yields on the yield curve. At the 3 year maturity yields closed the month 26 basis points higher, at the 5 year maturity 42 basis points higher, and at the 10 year maturity 47 basis points higher by the end of the month.

### **GENERAL INFORMATION**

VIG Investment Fund Fund Manager: Management Hungary

Custodian: Raiffeisen Bank Zrt.

VIG Investment Fund Main distributor: Management Hungary

Benchmark composition: 100% MAX Index HU0000702493 ISIN code:

Start: 03/16/1998

HUF Currency:

Net Asset Value of the whole

44.103.132.689 HUF

Net Asset Value of A series: 16,105,167,392 HUF

5.219591 HUF Net Asset Value per unit:

### **DISTRIBUTORS**

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, Erste Investment Plc., MBH Befektetési Bank Zrt, 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 |
|---------------|------|------|------|------|------|
|---------------|------|------|------|------|------|

| Asset                                     | Weight   |
|---|----------|
| Government bonds                          | 90.47 %  |
| Corporate bonds                           | 6.14 %   |
| T-bills                                   | 2.64 %   |
| Current account                           | 0.88 %   |
| Liabilities                               | -0.06 %  |
| Receivables                               | 0.05 %   |
| Market value of open derivative positions | -0.11 %  |
| Total                                     | 100,00 % |
| Derivative products                       | 5.09 %   |
| Net corrected leverage                    | 100.03 % |
| Assets with over 10% weight               |          |
| 2026D (Államadósság Kezelő Központ)       |          |
| 2032A (Államadósság Kezelő Központ)       |          |
| 2028A (Államadósság Kezelő Központ)       |          |



# ■ VIG Hungarian Bond Investment Fund





| NET YIELD PERFORMANCE OF THE SERIES |               |                 |  |  |
|-------------------------------------|---------------|-----------------|--|--|
| Interval                            | Yield of note | Benchmark yield |  |  |
| YTD                                 | -0.83 %       | -0.46 %         |  |  |
| From launch                         | 6.57 %        | 3.81 %          |  |  |
| 1 month                             | -0.66 %       | -0.48 %         |  |  |
| 3 months                            | 3.85 %        | 4.07 %          |  |  |
| 2023                                | 26.54 %       | 26.82 %         |  |  |
| 2022                                | -17.45 %      | -16.05 %        |  |  |
| 2021                                | -12.08 %      | -11.36 %        |  |  |
| 2020                                | 0.75 %        | 1.41 %          |  |  |
| 2019                                | 6.42 %        | 7.74 %          |  |  |
| 2018                                | -2.24 %       | -0.95 %         |  |  |
| 2017                                | 5.49 %        | 6.41 %          |  |  |
| 2016                                | 5.72 %        | 6.73 %          |  |  |
| 2015                                | 3.54 %        | 4.48 %          |  |  |
| 2014                                | 11.37 %       | 12.58 %         |  |  |

## **NET PERFORMANCE OF THE SERIES**

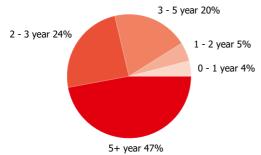
net asset value per share, 03/16/1998 - 02/29/2024



VIG Hungarian Bond Investment Fund A series

--- Benchmark

#### Bonds by tenor:



| RISK INDICATORS   |            |
|---|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year       | 9.27 %     |
| Annualized standard deviation of the benchmark's weekly yields- based on 1 year | 8.80 %     |
| 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       | 10.79 %    |
| WAM (Weighted Average Maturity)   | 5.49 years |
| WAL (Weighted Average Life)   | 6.22 years |

| TOP 10 POSITIONS           |                  |                             |            |         |  |  |  |
|----------------------------|------------------|-----------------------------|------------|---------|--|--|--|
| Asset                      | Туре             | Counterparty / issuer       | Maturity   |         |  |  |  |
| Magyar Államkötvény 2026/D | interest-bearing | Államadósság Kezelő Központ | 12/22/2026 | 11.52 % |  |  |  |
| Magyar Államkötvény 2032/A | interest-bearing | Államadósság Kezelő Központ | 11/24/2032 | 10.75 % |  |  |  |
| Magyar Államkötvény 2028/A | interest-bearing | Államadósság Kezelő Központ | 10/22/2028 | 10.38 % |  |  |  |
| Magyar Államkötvény 2030/A | interest-bearing | Államadósság Kezelő Központ | 08/21/2030 | 7.81 %  |  |  |  |
| Magyar Államkötvény 2027/A | interest-bearing | Államadósság Kezelő Központ | 10/27/2027 | 7.38 %  |  |  |  |
| Magyar Államkötvény 2026/E | interest-bearing | Államadósság Kezelő Központ | 04/22/2026 | 7.00 %  |  |  |  |
| Magyar Államkötvény 2038/A | interest-bearing | Államadósság Kezelő Központ | 10/27/2038 | 5.26 %  |  |  |  |
| Magyar Államkötvény 2041/A | interest-bearing | Államadósság Kezelő Központ | 04/25/2041 | 4.96 %  |  |  |  |
| Magyar Államkötvény 2029/A | interest-bearing | Államadósság Kezelő Központ | 05/23/2029 | 4.75 %  |  |  |  |
| Magyar Államkötvény 2031/A | interest-bearing | Államadósság Kezelő Központ | 10/22/2031 | 4.02 %  |  |  |  |

#### Legal declaration

The recent document qualifies as Portfolio Report according to the Kbftv. 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 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