

# VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2024 MARCH (made on: 03/31/2024)



## 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, the U.S. inflation data came in stronger-than-expected for a second consecutive month, indicating a slowdown in the pace of disinflation. The Bank of Japan made a historical move of ending an era of negative interest rates with a hike and removed yield-curve-control. Meanwhile, Bank of England sounded more convinced to lower rates, while the SNB surprisingly cut. ECB's Lagarde suggested that June remains the most likely timing for the first rate cut. Jerome Powell restated that the Fed has a room to assess the data before deciding to cut rates later this year. The ISM manufacturing index surprisingly moved back above the 50 threshold in March, while services one declined somewhat. OPEC members confirmed their output cuts for the second quarter of the year. EGB and UST yields increased, curves steepened, on strong US data. BTPs recovered their initial weakness, with the 10Y spread to Bund moving back to 140bp. Equity indices returned weak. In the European corporate credit market, senior investment grade spreads tightened slightly, while high yield spreads widened a tad. In FX, EUR-USD rallied back above 1.08, while the JPY and the CNY are still lagging. Brent prices jumped above \$90/bbl as geopolitical tensions in the Middle East escalated. We switched two thirds of the Raiffeisen CZ 28s bonds to 30s ones along with the similar switch in the Romanian government bonds denominated in Euro as well as closed positions in the long-term French government papers and opened in the Italian instead amid being positioned long core government bonds.

## 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:	HU0000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	20,648,870,210 HUF
Net Asset Value of I series:	17,771,199,847 HUF
Net Asset Value per unit:	1.042161 HUF

## DISTRIBUTORS

## 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	64.73 %
T-bills	28.12 %
Corporate bonds	6.77 %
Liabilities	-4.58 %
Receivables	4.51 %
Current account	0.60 %
Market value of open derivative positions	-0.15 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	21.75 %
Net corrected leverage	105.06 %
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 →

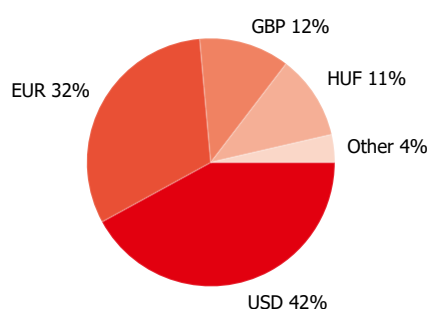
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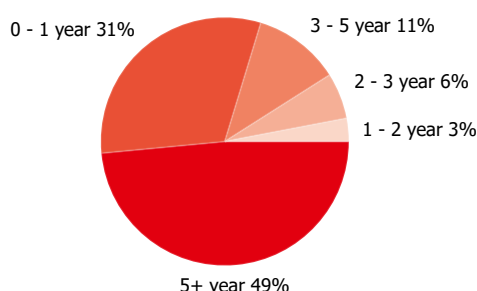
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	3.63 %	3.56 %
From launch	1.37 %	1.91 %
1 month	1.81 %	1.74 %
3 months	3.63 %	3.56 %
2023	-0.38 %	1.59 %
2022	-2.88 %	-2.82 %

### Currency exposure:

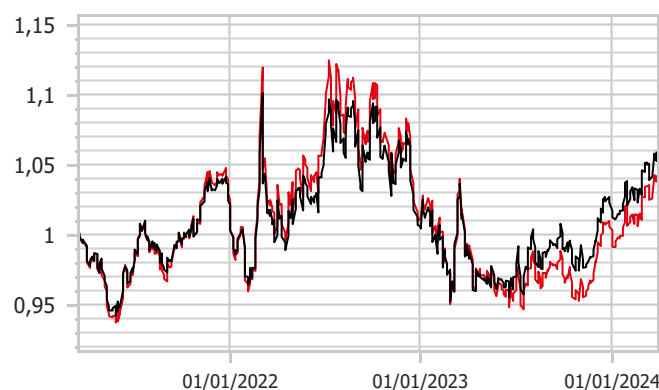


### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2021 - 03/31/2024



— VIG Developed Markets Government Bond Investment Fund I series  
— Benchmark

## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	7.74 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	7.60 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	12.87 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	12.83 %
WAM (Weighted Average Maturity)	5.77 years
WAL (Weighted Average Life)	7.21 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US T-Bill 10/31/24	zero coupon	USA	10/31/2024	6.37 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	6.07 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	5.95 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	5.39 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	5.29 %
US 10YR NOTE (CBT)Jun24 Buy	derivative	Raiffeisen Hun	06/18/2024	4.73 %
UKTB 0% 05/20/24	zero coupon	United Kingdom	05/20/2024	4.56 %
DB 1,75 11/19/30	interest-bearing	Deutsche Bank Frankfurt	11/19/2030	4.25 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.11 %
EU 04/04/32 3,375%	interest-bearing	European Union	04/04/2032	3.94 %

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