

# VIG BondMaxx Total Return Bond Investment Fund

R series HUF MONTHLY report - 2024 JANUARY (made on: 01/31/2024)

## 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

The ECB didn't make changes into its monetary policy last month. ECB President Lagarde stressed that the first rate cut to be made in the summer but left the door open to an early start to the easing cycle if the data supports the decision. The Eurozone composite PMI for January rose a tad but remained in contractionary territory. In the US, the economy expanded at a strong 3.3% YoY pace in Q4 '23, driven by personal consumption. Later in the month, the Fed also left its monetary policy unchanged, dropping its tightening bias and shifting to a neutral stance. The BoE made a similar move. All three central banks signalled that rate cuts are coming, but probably later than markets expect. In the US, the Employment Cost Index, the Fed's preferred measure of wage growth, pointed to easing wage pressures, while JOLTS job openings rose in December. EU GDP stagnated in the last quarter of 2023, whereas inflation decelerated slightly less than expected. UST and Bund yields fell 10-20bp due to concerns about US regional banks. Huge supply in the euro area was absorbed with very limited pressure on spreads. The January equity rally came to a halt. EUR-USD rebounded towards 1.09. The HUF reversed its losses as the NBH only cut by 75bp, while easing political risks helped the PLN. 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, except for adding to the Qatari government bonds and Deutsche Bank positions amid closing positions in the Hungarian MVM, 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 6.5%
ISIN code:	HU0000712260
Start:	07/16/2013
Currency:	HUF
Net Asset Value of the whole Fund:	17,633,865,579 HUF
Net Asset Value of R series:	1,144,619,471 HUF
Net Asset Value per unit:	1.394831 HUF

## DISTRIBUTORS

Raiffeisen Bank 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	35.35 %
Collective securities	23.90 %
T-bills	19.98 %
Corporate bonds	16.77 %
Mortgage debentures	1.21 %
Current account	5.32 %
Liabilities	-5.20 %
Receivables	3.56 %
Market value of open derivative positions	-0.86 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	123.39 %
Net corrected leverage	116.89 %

### 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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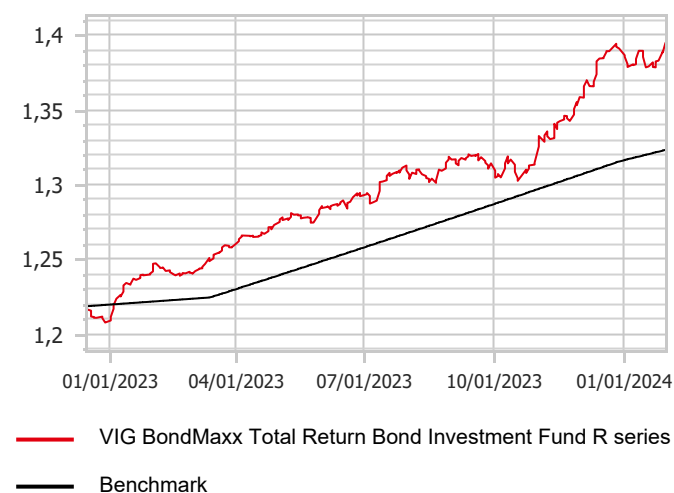
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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	0.29 %	0.59 %
From launch	3.21 %	2.63 %
1 month	0.29 %	0.59 %
3 months	6.10 %	2.06 %
2023	15.16 %	7.85 %
2022	-0.89 %	2.01 %
2021	0.00 %	0.40 %
2020	0.00 %	1.42 %
2019	3.88 %	1.25 %
2018	-1.36 %	1.31 %
2017	1.92 %	1.20 %
2016	3.11 %	2.23 %
2015	2.96 %	2.52 %
2014	5.74 %	4.34 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 12/15/2022 - 01/31/2024



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	3.35 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.39 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	3.46 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	2.68 %
WAM (Weighted Average Maturity)	3.25 years
WAL (Weighted Average Life)	4.16 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/28/2024	13.34 %
US T-Bill 10/31/24	zero coupon	USA	10/31/2024	9.59 %
iShares USD TIPS UCITS ETF	investment note	iShares USD TIPS UCITS ETF		9.28 %
LONG GILT FUTURE Mar24 Buy	derivative	Raiffeisen Hun	03/26/2024	6.39 %
US 10YR NOTE (CBT)Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.44 %
BTF 0 04/17/24	zero coupon	French state	04/17/2024	4.98 %
iShares Core EUR Corp Bond UCITS ETF	investment note	iShares Core EUR Corp Bond UCITS ETF		4.96 %
US LONG BOND(CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	4.94 %
iShares USD Corp Bond UCITS ETF	investment note	iShares USD Corp Bond UCITS ETF		4.72 %
iShares USD Short Duration Corp Bond UCITS ETF	investment note	iShares USD Short Duration Corp Bond UCITS ETF		3.99 %

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