

# VIG Developed Markets Government Bond Investment Fund

A series HUF MONTHLY report - 2024 JUNE (made on: 06/30/2024)

## 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

French President called a snap parliamentary election after very weak results of the EU elections (the first round was held on 30 June and the final in a week after). The EU is about to impose additional tariffs on electric vehicles from China of 17-38% on top of an existing 10% tariff. The European Commission announced it intends to open excessive deficit procedures for seven countries, including France, Italy and Hungary. Eurozone PMIs for June came in below expectations and US retail sales for May surprised to the downside. The German Ifo disappointed as business expectations recorded their first decline in five months. The incumbent, US President Joe Biden, performed poorly in the first presidential debate. The SNB decided to cut its policy rate by 25bp to 1.25% at its June meeting, while the BoE and Norges Bank kept their monetary policy on hold. The Fed remained on hold, while Fed Chair Powell downplayed the importance of the change in the median dot, which indicates just one rate cut in 2024, from three previously. US CPI inflation surprised to the downside, with monthly core inflation the lowest since August 2021. US inflation data pushed the 10Y UST yield 20bp lower, and this also affected core EGBs. Political developments sent OAT-Bund spreads wider and contributed to the underperformance of European equities relative to their US peers, which marked new highs. EGBs and USTs mostly trod water amid a light data agenda and ahead of key releases and political events over the coming weeks. European corporate credit risk premiums moved within a very narrow range, and European stock markets traded sideways. The euro and sterling remained sluggish. USD-JPY hit new multi-year highs above 161. We didn't make meaningful changes in the fund's composition 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:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Net Asset Value of the whole Fund:	20,688,098,739 HUF
Net Asset Value of A series:	3,067,284,931 HUF
Net Asset Value per unit:	2.257263 HUF

## DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, Erste Investment Plc., MBH Bank Nyrt., MBH Befektetési Bank Zrt, 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	68.70 %
T-bills	18.71 %
Corporate bonds	9.83 %
Current account	3.03 %
Liabilities	-0.07 %
Receivables	0.01 %
Market value of open derivative positions	-0.21 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	22.19 %
Net corrected leverage	105.01 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE



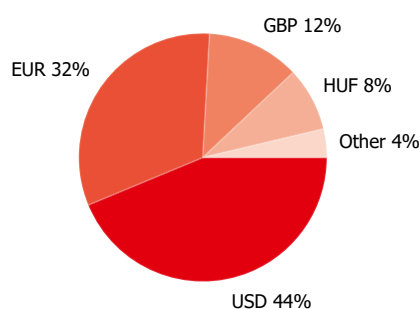
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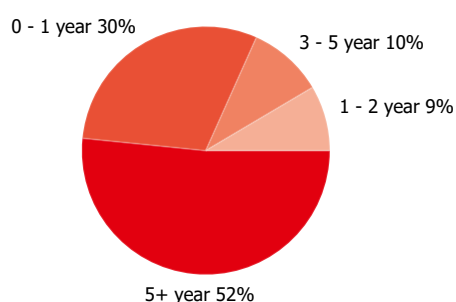
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	3.23 %	3.83 %
From launch	3.28 %	3.07 %
1 month	2.43 %	2.58 %
3 months	-0.20 %	0.26 %
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 %

### Currency exposure:



### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 04/21/1999 - 06/30/2024



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	7.53 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	7.51 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	13.02 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.49 %
WAM (Weighted Average Maturity)	5.57 years
WAL (Weighted Average Life)	6.99 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	Yield
US T-Bill 10/31/24	zero coupon	USA	10/31/2024	6.47 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	6.00 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.87 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	5.44 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	5.31 %
US 10YR NOTE (CBT)Sep24 Buy	derivative	Raiffeisen Hun	09/19/2024	4.71 %
UKT 0,25% 01/31/25	interest-bearing	United Kingdom	01/31/2025	4.69 %
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	4.08 %
SERBIA 03/03/33 1,65% EUR	interest-bearing	Serbian State	03/03/2033	3.90 %

**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 | www.vigam.hu