

VIG Hungarian Bond Investment Fund

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



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 June, the year-over-year price increase in Hungary surprised on the downside again, inflation arrived at 3,7%. Food prices remained low, and the recent decline in fuel prices also slightly restrained inflation. In its June inflation report, the Hungarian National Bank lowered the average inflation forecast for this year. Instead of the previously forecasted 3.5 - 5% range, the average inflation for this year is now expected to be between 3 - 4.5%. At the rate-setting meeting at the end of June, the central bank reduced the base rate by 25 basis points as expected, bringing it to 7%. Thus, they reached the previously communicated 6.75-7% level by June, and although they did not explicitly state that the rate-cutting cycle for this year had ended, they emphasized that they would continue to operate in a data-driven mode and could suspend rate cuts if necessary. Therefore, the forward guidance has changed: previously, the focus was on the pace of rate cuts, but now the appropriate interest rate level is the main question. Meanwhile, due to the slowdown in the US economic cycle (declining purchasing manager indices) and lower-than-expected inflation data, US yields decreased in June. Simultaneously, domestic yields also ended the month lower. The decline was more significant for shorter maturities, with yields decreasing by 20-40 basis points, which caused the domestic yield curve to shift from inversion towards normalization. In the medium term, further decreases from the current yield levels could occur if signs of economic slowdown intensify. Additionally, measures aimed at reducing the domestic budget deficit could also contribute to a reduction in domestic yield levels.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% MAX Index
ISIN code:	HU0000718127
Start:	12/01/2016
Currency:	HUF
Net Asset Value of the whole Fund:	47,463,186,381 HUF
Net Asset Value of I series:	33,261,206,712 HUF
Net Asset Value per unit:	1.086397 HUF

DISTRIBUTORS

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	92.83 %
Corporate bonds	6.37 %
Mortgage debentures	0.44 %
T-bills	0.22 %
Current account	0.24 %
Liabilities	-0.05 %
Market value of open derivative positions	-0.05 %
Total	100,00 %
Derivative products	4.17 %
Net corrected leverage	100.00 %

Assets with over 10% weight

2032A (Államadósság Kezelő Központ)

RISK PROFILE



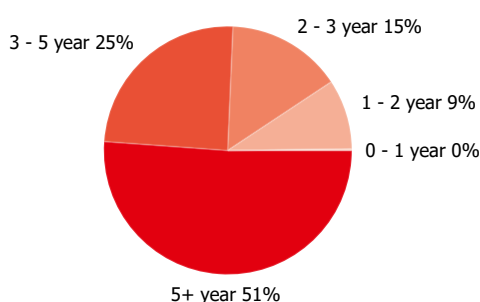
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-1.00 %	-0.75 %
From launch	1.10 %	1.23 %
1 month	1.34 %	1.33 %
3 months	1.54 %	1.60 %
2023	27.87 %	26.82 %
2022	-16.66 %	-16.05 %
2021	-11.24 %	-11.36 %
2020	1.55 %	1.41 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 12/01/2016 - 06/30/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	8.05 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	7.54 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	13.19 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	10.94 %
WAM (Weighted Average Maturity)	5.81 years
WAL (Weighted Average Life)	6.66 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
Magyar Államkötvény 2032/A	interest-bearing	Államadósság Kezelő Központ	11/24/2032	11.52 %
Magyar Államkötvény 2026/D	interest-bearing	Államadósság Kezelő Központ	12/22/2026	9.96 %
Magyar Államkötvény 2028/A	interest-bearing	Államadósság Kezelő Központ	10/22/2028	9.13 %
Magyar Államkötvény 2030/A	interest-bearing	Államadósság Kezelő Központ	08/21/2030	7.48 %
Magyar Államkötvény 2029/A	interest-bearing	Államadósság Kezelő Központ	05/23/2029	7.39 %
Magyar Államkötvény 2027/A	interest-bearing	Államadósság Kezelő Központ	10/27/2027	6.90 %
2035A	interest-bearing	Államadósság Kezelő Központ	10/24/2035	5.85 %
Magyar Államkötvény 2026/E	interest-bearing	Államadósság Kezelő Központ	04/22/2026	5.76 %
Magyar Államkötvény 2038/A	interest-bearing	Államadósság Kezelő Központ	10/27/2038	5.06 %
Magyar Államkötvény 2041/A	interest-bearing	Államadósság Kezelő Központ	04/25/2041	4.63 %

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