

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2024 JULY (made on: 07/31/2024)

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

Early in the month, the ECB kept rates unchanged but seems like stays on track for another cut in the first month of autumn. Ursula von der Leyen was confirmed as president of the European Commission. The Republican convention nominated Donald Trump as its presidential candidate after the assassination attempt last month. Vice President Kamala Harris informally secured more delegates than the 1,976 needed for her to obtain the Democratic Party's nomination in the US presidential election. The EZ flash composite PMI for the last month surprised to the downside, indicating stalling activity at the beginning of Q3 '24. The German Ifo Business Climate Index fell significantly, with the deterioration being broad-based and the largest setback occurring in manufacturing. In the last week of July, the Fed kept rates on hold but indicated that it might cut rates at its next meeting. The BoE delivered a hawkish 25bp cut, while the BoJ continued to buck the global trend by hiking its policy rate to 0.25%. In the Eurozone, headline inflation inched higher, with core inflation stuck at 2.9% YoY, while GDP growth steadied at 0.3% QoQ in Q2 '24. Demand for core rates remained healthy, with Bund and UST yields declining by 15-25bp. The BTP-Bund spread widened. Focused on partly disappointing corporate earnings, the European stock market came under pressure, while the US market trod water. Credit spreads increased at the end of the month despite continued strong bank earnings. EUR-USD fell just below 1.08, while USD-JPY dropped below 150 following the BoJ's rate hike. EUR-HUF broke above 396, whereas EUR-CZK retreated from YTD highs. 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
Benchmark composition:	Majors ex Japan Total Return Index Unhedged USD + 20% ZMAX Index
ISIN code:	HU0000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	22,529,388,021 HUF
Net Asset Value of I series:	19,225,237,536 HUF
Net Asset Value per unit:	1.058825 HUF

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	69.56 %
Corporate bonds	17.88 %
T-bills	17.23 %
Liabilities	-6.04 %
Current account	1.22 %
Receivables	0.25 %
Market value of open derivative positions	-0.11 %
Total	100.00 %
Derivative products	20.07 %
Net corrected leverage	105.02 %

Assets with over 10% weight

There is no such instrument in the portfolio

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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RISK PROFILE

1	2	3	4	5	6	7
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← Lower risk Higher risk →

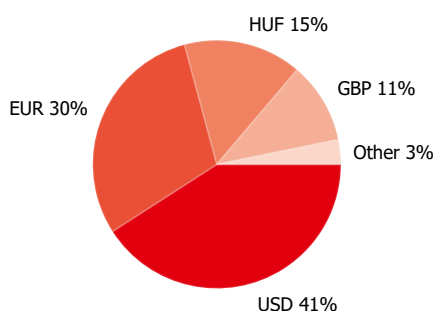
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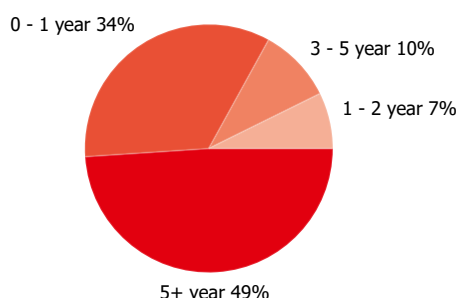
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	5.29 %	5.23 %
From launch	1.71 %	2.20 %
1 month	1.61 %	1.34 %
3 months	4.17 %	4.12 %
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 - 07/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	7.08 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	7.04 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	12.62 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	12.28 %
WAM (Weighted Average Maturity)	5.56 years
WAL (Weighted Average Life)	6.96 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	8.24 %
MNB240808	zero coupon	Hungarian National Bank Plc.	08/08/2024	5.98 %
US T-Bill 10/31/24	zero coupon	USA	10/31/2024	5.91 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.57 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	5.52 %
MNB240801	zero coupon	Hungarian National Bank Plc.	08/01/2024	5.33 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	5.07 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	5.04 %
US 10YR NOTE (CBT)Sep24 Buy	derivative	Raiffeisen Hun	09/19/2024	4.36 %
UKT 0,25% 01/31/25	interest-bearing	United Kingdom	01/31/2025	4.34 %

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