

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2024 AUGUST (made on: 08/31/2024)



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

The US economy is slowing down, amid manufacturing and services sectors struggling, as indicated by the ISM surveys and reflected in labour market data. Consumers spending is shifting from services to more essentials. In the Eurozone, leading indicators suggest a marginal economic slowdown at the end of the second quarter, despite the positive trend continued. Germany's PMI indicates congestion, while France continues to shrink, although at a slower pace; Italy and Spain still expand, with Spain notably strong. Inflation decreased slightly to 2.5%, with core inflation steady at 2.9%, driven by service prices. Disinflation is expected to continue slowly. GDP growth in China slowed to 4.7% in Q2, below expectations. Retail sales decelerated, though industrial production exceeded expectations, supported by robust foreign demand. The Fed left its monetary policy unchanged 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%. Demand for govies remained strong, with Bund and UST yields declining further. The BTP-Bund and OAT-Bund spreads 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. 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:	HU0000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	22,477,578,134 HUF
Net Asset Value of I series:	19,084,568,933 HUF
Net Asset Value per unit:	1.050221 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	68.44 %
Corporate bonds	15.41 %
T-bills	15.37 %
Current account	0.87 %
Liabilities	-0.07 %
Receivables	0.02 %
Market value of open derivative positions	-0.05 %
Total	100,00 %
Derivative products	19.85 %
Net corrected leverage	104.59 %
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 →

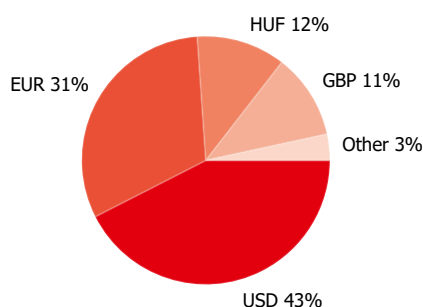
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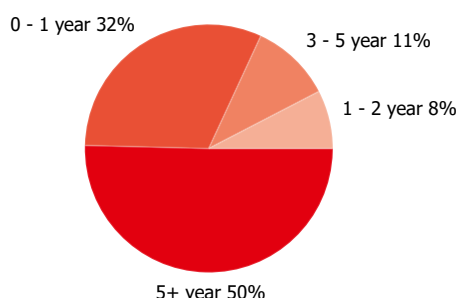
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	4.43 %	4.42 %
From launch	1.43 %	1.92 %
1 month	-0.81 %	-0.77 %
3 months	3.30 %	3.16 %
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 - 08/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	7.22 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	7.14 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	12.79 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	12.31 %
WAM (Weighted Average Maturity)	5.44 years
WAL (Weighted Average Life)	6.81 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US T-Bill 10/31/24	zero coupon	USA	10/31/2024	9.72 %
MNB240905	zero coupon	Hungarian National Bank Plc.	09/05/2024	8.89 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	7.90 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.50 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	5.41 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.96 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	4.89 %
UKT 0,25% 01/31/25	interest-bearing	United Kingdom	01/31/2025	4.35 %
US 10YR NOTE (CBT)Dec24 Buy	derivative	Raiffeisen Hun	12/19/2024	4.30 %
SPGB 2052/10/31 1,9%	interest-bearing	Spanish State	10/31/2052	4.11 %

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