

VIG Developed Markets Government Bond Investment Fund

A series HUF MONTHLY report - 2024 SEPTEMBER (made on: 09/30/2024)



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

The Eurozone composite PMI slowed to 48.9 last month, flagging that business activity came to a standstill at the end of the last quarter. The Ifo Business Climate Index plunged for a fourth consecutive month in September, especially in manufacturing. In the United States, consumer confidence slowed further in September, despite weekly initial jobless claims remained low. China announced a package of supportive measures to revive the economy on the fiscal and monetary spheres. The OECD published its recent forecasts and now expects global GDP growth to stabilize at 3.2% in 2024 and the following 2025 year. EGBs remained well-supported, with curves continuing to bull-steepen. Credit spreads remained almost unchanged, with the auto sector performing poorly. EM external debt performed strongly on expectations of the U.S. economy soft-landing. Equities spurred by news of policy stimulus in China. EUR/USD traded mostly flat close to 1.11, and USD/JPY returned to around 143 after spiking at 146.50, USD/CNH fell below 7.00, EUR/HUF and EUR/CZK both moved higher, reflecting a worsening outlook for exports. We sold short-term UK government bonds and bought medium-term ones instead as well as switched to Societe Generale corporate bonds from Deutsche Bank, while halved long positions in the U.S. Treasuries amid stayed positioned long core government bonds overall.

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:	22,901,041,545 HUF
Net Asset Value of A series:	3,542,541,116 HUF
Net Asset Value per unit:	2.307840 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	67.58 %
Corporate bonds	15.90 %
T-bills	15.70 %
Current account	1.08 %
Liabilities	-0.11 %
Receivables	0.02 %
Market value of open derivative positions	-0.15 %
Total	100,00 %
Derivative products	13.76 %
Net corrected leverage	102.27 %

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 →

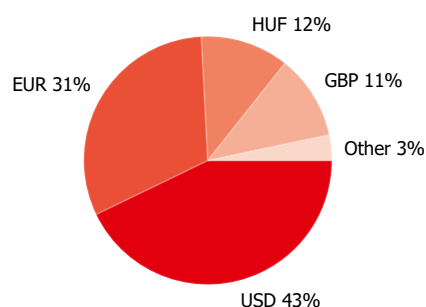
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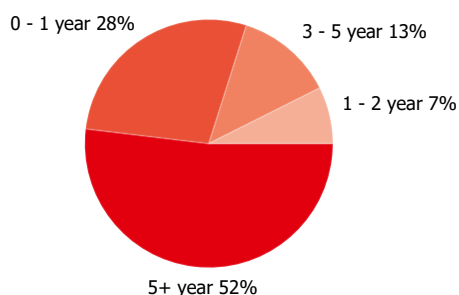
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	5.54 %	5.95 %
From launch	3.34 %	3.12 %
1 month	1.57 %	1.46 %
3 months	2.24 %	2.04 %
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:



TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
MNB241003	zero coupon	Hungarian National Bank Plc.	10/03/2024	9.60 %
US T-Bill 10/31/24	zero coupon	USA	10/31/2024	9.59 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	7.85 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.51 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	5.36 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	5.01 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	4.85 %
SPGB 2052/10/31 1,9%	interest-bearing	Spanish State	10/31/2052	4.20 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	4.00 %
SERBIA 03/03/33 1,65% EUR	interest-bearing	Serbian State	03/03/2033	3.74 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 04/21/1999 - 09/30/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	7.35 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	7.25 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	12.92 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	11.43 %
WAM (Weighted Average Maturity)	6.04 years
WAL (Weighted Average Life)	7.30 years

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