

VIG Hungarian Bond Investment Fund

A series HUF MONTHLY report - 2024 OCTOBER (made on: 10/31/2024)

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 October, Hungarian inflation likely accelerated in line with market expectations, and rising inflation is expected through the end of the year. The year-on-year inflation for October may still fall within the central bank's tolerance range, but in November and December, an annual price increase above 4% is expected once again. The Monetary Council left the base rate unchanged at its end-of-October rate-setting meeting, so it remained at 6.5%. However, the press conference following the meeting had a hawkish tone, with emphasizing that the base rate may remain at 6.5% for an extended period if warranted by the risk assessment of the country. However they ruled out the possibility of a rate hike. According to forward rate agreements (FRAs), no rate cut is expected in Hungary, not only this year but also next year. Economic fundamentals remain weak, with the industrial sector struggling, particularly affected by the decline in demand for electric vehicles. The third-quarter GDP data came in much lower than expected, with the economy contracting by 0.7% both on a yearly and on a quarterly basis as well. Since a decline was already measured in the previous quarter, Hungary has once again entered a technical recession, which has put downward pressure on the forint. Hungarian government bond yields rose over the month, with yields on the 3-year maturity closing the month up by 95 basis points, the 5-year by 98 basis points, and the 10-year by 72 basis points. The valuation of domestic bonds improved somewhat, and the budget is progressing according to the revised deficit target.

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:	HU0000702493
Start:	03/16/1998
Currency:	HUF
Net Asset Value of the whole Fund:	57,660,173,865 HUF
Net Asset Value of A series:	11,638,063,984 HUF
Net Asset Value per unit:	5.253542 HUF

DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, Erste Investment Plc., MBH Befektetési Bank Zrt, 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	94.14 %
Corporate bonds	4.54 %
T-bills	2.41 %
Mortgage debentures	0.38 %
Liabilities	-10.77 %
Current account	4.84 %
Receivables	4.56 %
Market value of open derivative positions	-0.10 %
Total	100.00 %
Derivative products	2.89 %
Net corrected leverage	100.02 %

Assets with over 10% weight

2032A (Government Debt Management Agency Pte. Ltd.)

2030A (Government Debt Management Agency Pte. Ltd.)

RISK PROFILE

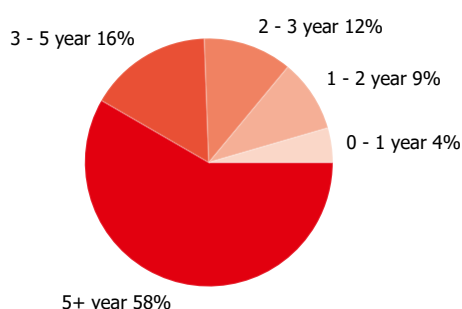
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

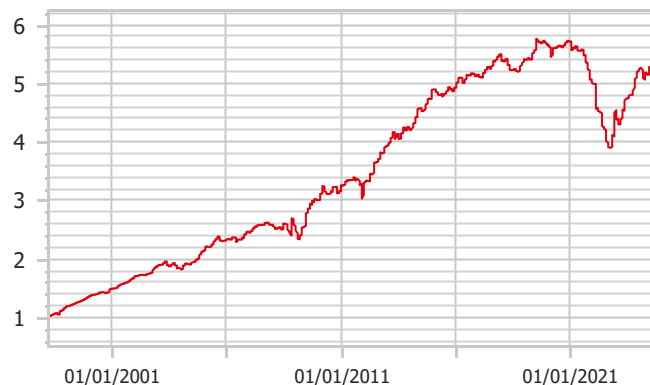
Interval	Yield of note	Benchmark yield
YTD	-0.18 %	1.54 %
From launch	6.43 %	3.79 %
1 month	-3.60 %	-2.85 %
3 months	-1.76 %	-0.86 %
2023	26.54 %	26.82 %
2022	-17.45 %	-16.05 %
2021	-12.08 %	-11.36 %
2020	0.75 %	1.41 %
2019	6.42 %	7.74 %
2018	-2.24 %	-0.95 %
2017	5.49 %	6.41 %
2016	5.72 %	6.73 %
2015	3.54 %	4.48 %
2014	11.37 %	12.58 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/16/1998 - 10/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	8.42 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	7.70 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	13.37 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.04 %
WAM (Weighted Average Maturity)	5.82 years
WAL (Weighted Average Life)	6.64 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
Magyar Államkötvény 2032/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	11/24/2032	10.21 %
Magyar Államkötvény 2030/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	08/21/2030	10.05 %
Magyar Államkötvény 2028/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/22/2028	8.16 %
Magyar Államkötvény 2031/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/22/2031	7.27 %
2035A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/24/2035	6.82 %
Magyar Államkötvény 2041/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	04/25/2041	6.14 %
Magyar Államkötvény 2029/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	05/23/2029	5.85 %
Magyar Államkötvény 2027/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/27/2027	5.26 %
Magyar Államkötvény 2026/D	interest-bearing	Government Debt Management Agency Pte. Ltd.	12/22/2026	4.97 %
Magyar Államkötvény 2038/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/27/2038	4.70 %

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfv. 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