

# VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2024 NOVEMBER (made on: 11/30/2024)

## 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

Last month's forecast update to the upside in the US core inflation probably reminded to the Fed of the policy edge and limited room for policy error as it tries to balance monetary policy in a higher neutral rate and expansionary fiscal policy environment. The rise of 0.27% over month, the strongest since March, raises the question as to the Fed should pause in December or not. Treasuries and the greenback surprisingly didn't react much to the PCE print. Instead, month-end demand and short covering in Treasuries pushed down yields across the curve and profit taking lashed the dollar back. The 10y TIIPs moved below 2%, a recent month low. According to the recent Fed minutes, many members support a step-by-step rate cuts. Treasuries performed strongly, with 10y yields stopping almost at 4.20% (200DMA) – down c.30bp from the post-election high. NFP, CPI and the Fed meeting pose upside risk for bond yields later in the year. Kiwi and Canadian bonds performed strongly last month. JGBs underperformed but the yen fought back in the last week of November, tracking the lower Nikkei and firmer expectations of a BoJ rate hike next month after the acceleration in Tokyo inflation. BRL sky-rocketed to a new all-time low below 6.0. On November 14th, the fund's benchmark was changed to the 100% global DM bonds, as a result, we relocated Hungarian exposure to the global bonds without significant changes into fund's recent strategy, we still do not intend to run a currency risk, therefore, FX exposure is hedged.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% Bloomberg Global Treasury Majors ex Japan Total Return Index Unhedged USD
ISIN code:	HU0000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	26,188,231,429 HUF
Net Asset Value of I series:	21,711,766,492 HUF
Net Asset Value per unit:	1.134557 HUF

## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	85.33 %
Corporate bonds	13.17 %
T-bills	0.81 %
Current account	0.80 %
Liabilities	-0.30 %
Receivables	0.20 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	5.19 %
Net corrected leverage	102.10 %

### 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

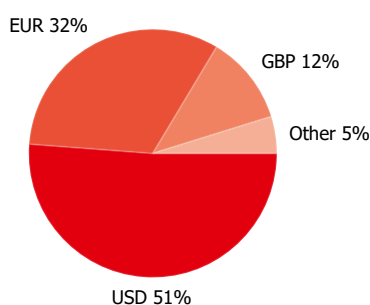
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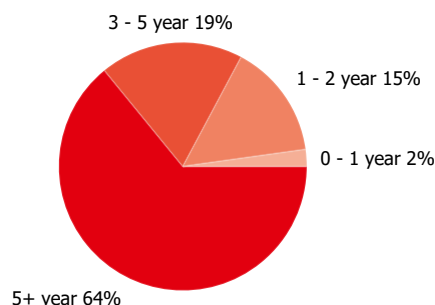
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	12.82 %	12.49 %
From launch	3.47 %	3.86 %
1 month	4.18 %	4.09 %
3 months	8.03 %	7.73 %
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 - 11/30/2024



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	7.04 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	6.97 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	12.74 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.99 %
WAM (Weighted Average Maturity)	7.46 years
WAL (Weighted Average Life)	8.97 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
T 4 3/4 02/15/37	interest-bearing	USA	02/15/2037	9.64 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	8.13 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	7.42 %
US Treasury 08/15/29 1,625%	interest-bearing	USA	08/15/2029	6.21 %
ISPIM 5.71 01/15/26	interest-bearing	Intesa Sanpaolo Bank	01/15/2026	5.51 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	5.33 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.04 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	4.63 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.59 %
SERBIA 03/03/33 1,65% EUR	interest-bearing	Serbian State	03/03/2033	4.14 %

### 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