

VIG Developed Markets Government Bond Investment Fund

A series HUF MONTHLY report - 2025 JANUARY (made on: 01/31/2025)

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

After delivering a 1% of rate cuts last year, the FOMC voted unanimously on its January meeting to hold the federal funds target range steady at 4.25-4.50%. During his press conference, Jerome Powell said on at least five separate occasions that the Committee did not need to be "in a hurry" to make further adjustments to policy rates. US equities moved lower after hitting record highs the last month, driven by an AI-led correction. Eventually, US equities ended the month with a gain of slightly less than 3% amid generally solid earnings and the Fed decision to hold interest rates. European equities recorded their strongest monthly gains since November 2023. The ECB delivered a widely expected 25bp interest-rate cut at its latest meeting and guided for a further reduction in March due to concerns about economic growth. Amid falling bond yields, majority of all the key fixed income assets posted gains. Oil prices fell as US inventory data showed a surprisingly strong increase. In contrast, gold reached an all-time high, touching \$2,800/oz on safe-haven grounds. Most of the major currencies declined against the USD except JPY on tariff speculation. Comments from the BoJ's deputy governor Himino helped push the JPY higher as the BOJ keeps the door open to a sequence of future rate hikes. All key EM currencies declined as well. MXN was the worst performing currency against the USD after the US President announced 25% tariffs on Mexico and Canada.

Last month, we increased USD positions via buying T-Bills, TIPS and T-Bonds as well. We have also bought some Canadian bonds. Thus, we have increased the fund's duration in January and we have turned tactically constructive on rates as the new US administration has strong commitment to decrease oil prices, which could lead to lower CPI and bond yield environment.

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:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Net Asset Value of the whole Fund:	26,818,940,348 HUF
Net Asset Value of A series:	4,190,950,713 HUF
Net Asset Value per unit:	2.402507 HUF

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	81.64 %
Corporate bonds	12.74 %
T-bills	4.90 %
Current account	0.87 %
Liabilities	-0.14 %
Total	100.00 %
Derivative products	4.96 %
Net corrected leverage	101.89 %
Assets with over 10% weight	
There is no such instrument in the portfolio	

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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RISK PROFILE

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

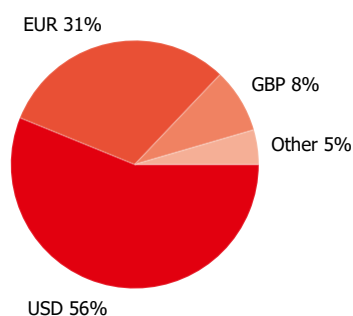
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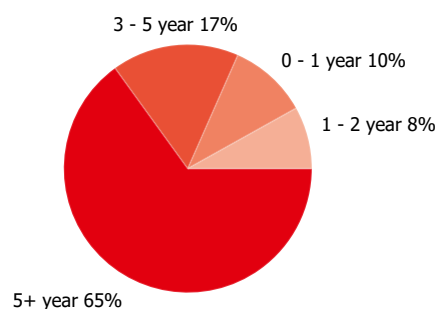
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-0.01 %	0.18 %
From launch	3.46 %	3.25 %
1 month	-0.01 %	0.18 %
3 months	2.10 %	2.36 %
2024	9.89 %	10.42 %
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 %

Currency exposure:



Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 04/21/1999 - 01/31/2025



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	7.22 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	12.80 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.56 %
WAM (Weighted Average Maturity)	7.33 years
WAL (Weighted Average Life)	8.83 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
T 4 3/4 02/15/37	interest-bearing	USA	02/15/2037	9.68 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	8.03 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	7.21 %
US Treasury 08/15/29 1,625%	interest-bearing	USA	08/15/2029	6.07 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.47 %
ISPIM 5.71 01/15/26	interest-bearing	Intesa Sanpaolo Bank	01/15/2026	5.29 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	5.18 %
US T-Bill 02/20/25	zero coupon	USA	02/20/2025	4.90 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	4.55 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.42 %

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