

# VIG Developed Markets Government Bond Investment Fund

A series HUF MONTHLY report - 2025 FEBRUARY (made on: 02/28/2025)

## 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

Global financial and capital market movements in February were largely driven by Donald Trump's tariff hike policy. The US President imposed significant import tariffs on Mexico, Canada and China, which initially triggered a sharp sell-off in markets. Eventually, the last-minute announcement of a delay in the tariffs eased the mood, but the phenomenon illustrates the volatility of the markets. Despite the trade tensions, the US economy continued to show solid growth, with annual household consumption growth above 4% and subdued inflation creating a favorable environment for the equity markets. In Europe, investor sentiment was also driven by Trump's tariff announcements and the expected EU response. German and French inflation data came in slightly below expectations, reinforcing expectations of a rate cut by the European Central Bank (ECB) this year. As a result, the yield on two-year German government bonds fell by an unprecedented 19 basis points in February. This was partly due to the German elections, in which the AfD performed weaker than expected. In equity markets, the industrial and automotive sectors were particularly sensitive to US tariffs, while defense and energy stocks performed well. EU policymakers are expected to prepare targeted trade responses, which could lead to further volatility in the coming months. Last month, we remained optimistic on global rates as the new US administration remained dedicated to bring lower oil prices, which could lead to lower CPI and bond yield environment. To keep overweight duration, we have bought some Belgian government bonds. We have also bought some US t-bills to increase USD exposure of the fund.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary 100% Bloomberg Global Treasury
Benchmark composition:	Majors ex Japan Total Return Index Unhedged USD
ISIN code:	HU0000702477
Start:	04/21/1999
Currency:	HUF
Net Asset Value of the whole Fund:	27,358,844,453 HUF
Net Asset Value of A series:	4,224,849,116 HUF
Net Asset Value per unit:	2.395545 HUF

## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	79.97 %
Corporate bonds	12.37 %
T-bills	5.94 %
Current account	1.76 %
Liabilities	-0.08 %
Receivables	0.04 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	17.00 %
Net corrected leverage	104.23 %
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			

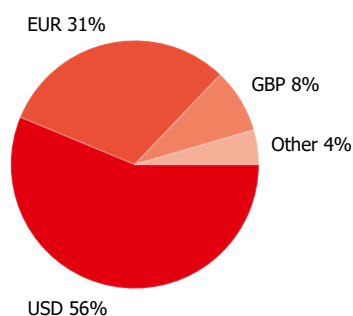
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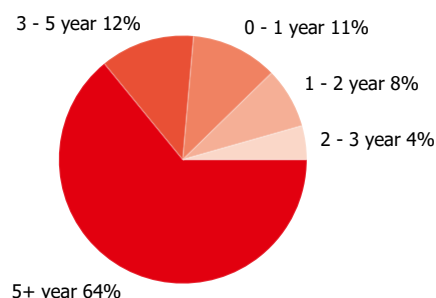
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-0.30 %	-0.10 %
From launch	3.44 %	3.23 %
1 month	-0.29 %	-0.29 %
3 months	-2.22 %	-1.94 %
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 - 02/28/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	7.46 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	7.88 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	12.69 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.59 %
WAM (Weighted Average Maturity)	7.16 years
WAL (Weighted Average Life)	8.60 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
T 4 3/4 02/15/37	interest-bearing	USA	02/15/2037	9.40 %
USGB 2026/04 0,75%	interest-bearing	USA	04/30/2026	7.76 %
EURO-BOBL FUTURE Mar25 Sell	derivative	Raiffeisen Hun	03/06/2025	7.25 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	6.89 %
US T-BILL 08/07/25	zero coupon	USA	08/07/2025	5.94 %
US Treasury 08/15/29 1,625%	interest-bearing	USA	08/15/2029	5.88 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	5.49 %
ISPIM 5.71 01/15/26	interest-bearing	Intesa Sanpaolo Bank	01/15/2026	5.12 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	5.04 %
EURO-BUND FUTURE Mar25 Buy	derivative	Raiffeisen Hun	03/06/2025	4.87 %

**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