

INVESTMENT POLICY OF THE FUND

MARKET SUMMARY

June inflation rose by 0.1% MoM, pushing the annual headline rate up to 4.6% from 4.4% in May, in line with market consensus. Core inflation continued to moderate (4.4% in June vs. 4.8% in May), which is a positive development. However, headline inflation has been on an upward trend for three consecutive months, though it may have peaked locally in June.

In its latest Inflation Report, the MNB revised both its 2024 average inflation and GDP growth forecasts downwards. The inflation forecast for 2025 was adjusted only marginally from 4.8% to 4.7%, while the GDP growth forecast for this year was cut significantly from 2.4% to 0.8%. The downgrade primarily reflects the weak Q1 GDP figures and heightened external uncertainty stemming from the tariff war.

Despite these macro headwinds, the Monetary Council kept the base rate unchanged at 6.5% at its June policy meeting. Communication remained hawkish, with the Council stressing that it is not yet time to resume rate cuts.

On the fiscal side, the budget deficit reached HUF 2,770bn in the first half of the year, already around 58% of the revised annual cash-based deficit target. In June, the government officially raised its 2025 Maastricht deficit target from 3.7% to 4.1% of GDP and increased the cash-based deficit by nearly HUF 650bn. Nevertheless, most analysts still expect the 2025 deficit to end up around 4.6–4.8%.

We finished May near local yield highs for this year. In our view, this opened opportunities, so we adopted a constructive stance and started June with higher duration exposure, which we subsequently increased. Several previously perceived risks have already been absorbed by the market: the sharp drop in inflation-linked retail bond coupons did not trigger meaningful outflows, and the front-loaded budget financing needs (60% of the revised, nearly 70% of the original deficit target) were met without major issues. Following the FX bond issuance, the government's cash buffer remains relatively high, and neither the change in the central bank governor nor periodic credit rating reviews have caused significant volatility.

The forint exchange rate remained stable, and by mid-year we may have reached the local peak in inflation. Geopolitical tensions, including the Iran–Israel conflict and the spike in oil prices, did not create major disruptions in the Hungarian bond market.

Finally, the 5y–10y yield spread widened from 20–30bp at end-March to nearly 60bp by end-June. This partially offset the outperformance from our higher MAX allocation, as we underweighted the 5y segment, leading to slight underperformance in that part of the curve.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	90% MAX Index + 10% RMAX Index
ISIN code:	HU0000718127
Start:	12/01/2016
Currency:	HUF
Net Asset Value of the whole Fund:	46,226,267,608 HUF
Net Asset Value of I series:	36,747,835,184 HUF
Net Asset Value per unit:	1.153112 HUF

DISTRIBUTORS

VIG Investment Fund Management Hungary

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	84.28 %
Corporate bonds	11.26 %
T-bills	3.37 %
Mortgage debentures	0.46 %
Current account	1.30 %
Liabilities	-0.98 %
Receivables	0.19 %
Market value of open derivative positions	0.14 %
Total	100,00 %
Derivative products	8.66 %
Net corrected leverage	100.88 %

Assets with over 10% weight

2028A (Government Debt Management Agency Pte. Ltd.)
2035A (Government Debt Management Agency Pte. Ltd.)
2028B (Government Debt Management Agency Pte. Ltd.)
2032A (Government Debt Management Agency Pte. Ltd.)

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

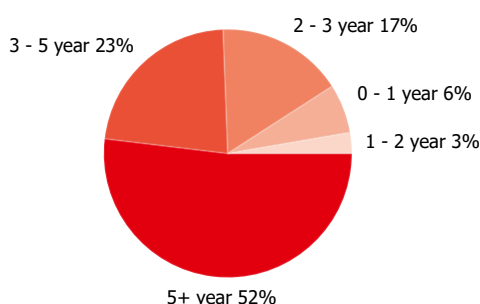
VIG Hungarian Bond Investment Fund

I series HUF MONTHLY report - 2025 JUNE (made on: 06/30/2025)

NET YIELD PERFORMANCE OF THE SERIES

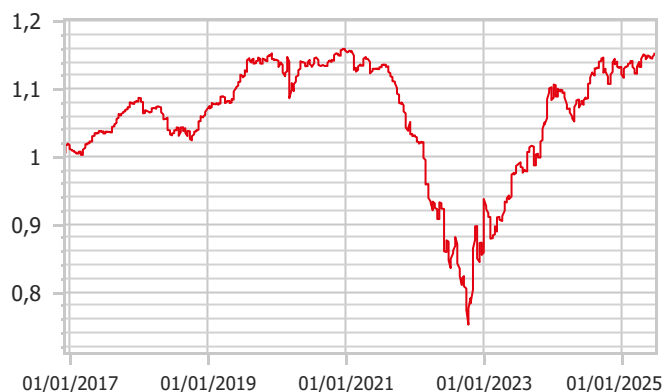
Interval	Yield of note	Benchmark yield
YTD	1.86 %	1.97 %
From launch	1.67 %	1.85 %
1 month	0.34 %	0.41 %
3 months	2.54 %	2.50 %
2024	3.16 %	3.77 %
2023	27.87 %	26.82 %
2022	-16.66 %	-16.05 %
2021	-11.24 %	-11.36 %
2020	1.55 %	1.41 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 12/01/2016 - 06/30/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	6.22 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	5.40 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	12.00 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	10.62 %
WAM (Weighted Average Maturity)	5.58 years
WAL (Weighted Average Life)	6.50 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
Magyar Államkőtvény 2028/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/22/2028	17.93 %
2035A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/24/2035	14.31 %
Magyar Államkőtvény 2028/B	interest-bearing	Government Debt Management Agency Pte. Ltd.	03/23/2028	10.87 %
Magyar Államkőtvény 2032/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	11/24/2032	10.77 %
Magyar Államkőtvény 2033/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	04/20/2033	8.50 %
2032G	interest-bearing	Government Debt Management Agency Pte. Ltd.	05/27/2032	6.03 %
Magyar Államkőtvény 2038/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/27/2038	5.65 %
MFB 2028/02/02 6,3% HUF	interest-bearing	MFB Magyar Fejlesztési Bank Zártkörűen Működő Részvénytársaság	02/02/2028	4.45 %
US 10YR NOTE (CBT)Sep25 Buy	derivative	Raiffeisen Hun	09/19/2025	3.30 %
Magyar Államkőtvény 2041/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	04/25/2041	2.93 %

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 | alapkezo@am.vig | www.vigam.hu