

VIG Developed Markets Government Bond Investment Fund

EI series EUR MONTHLY report - 2025 JULY (made on: 07/31/2025)

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

The Federal Open Market Committee (FOMC) held the federal funds target range at 4.25– 4.50% in July, marking the fifth consecutive meeting with no change. Fed Chair J. Powell reinforced that the key data point to watch is now the unemployment rate, as both labour supply and demand show signs of cooling. The committee also flagged a slowdown in growth, noting in its statement that "growth of economic activity moderated" in the first half of the year. The U.S. dollar strengthened following the July FOMC meeting, with markets now viewing a September rate cut as a 50:50 probability – down from a 66% likelihood before the meeting. While near-term momentum supports the USD, downside risks persist. Structural and political factors, along with the eventual resumption of Fed easing, point to renewed pressure on the dollar. The base case remains for a gradual USD decline.

Yields and Credit: Diverging Paths Ahead

- Short-dated yields are expected to fall as the Fed resumes easing.
- Long-end yields may remain elevated due to limited room for risk premium compression and lingering tail risks.
- Market consensus still sees short-dated credit as offering a more attractive risk-reward profile in the current environment.

As growth slows and labour market data takes centre stage, monetary policy expectations will remain fluid. The market continues monitor Fed communication, inflation trends, and global developments for further insight into the evolving macro landscape.

The fund continues to take on higher interest rate risk than the benchmark index, primarily with regard to U.S. bonds, expecting that the U.S. growth outlook will deteriorate in the second half of the year, which could support the bond market. In June, we didn't make changes in the fund's allocation.

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:	HU0000732219
Start:	11/14/2024
Currency:	EUR
Net Asset Value of the whole Fund:	26,229,185,189 HUF
Net Asset Value of EI series:	1,522,471 EUR
Net Asset Value per unit:	0.970642 EUR

DISTRIBUTORS

SPB Befektetési Zrt.

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	80.38 %
Corporate bonds	12.18 %
T-bills	4.12 %
Mortgage debentures	2.29 %
Current account	1.12 %
Liabilities	-0.17 %
Receivables	0.09 %
Total	100,00 %
Derivative products	17.02 %
Net corrected leverage	103.61 %
Assets with over 10% weight	
US Treasury 02/15/37 (USA)	

RISK PROFILE

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

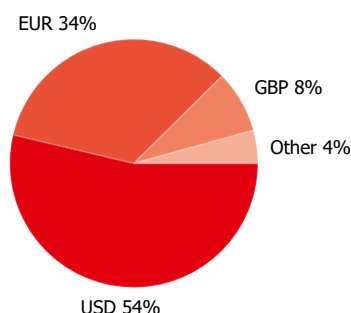
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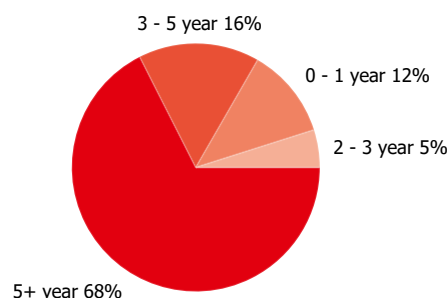
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-3.20 %	-3.33 %
From launch	-2.94 %	-3.22 %
1 month	1.09 %	0.85 %
3 months	-0.04 %	-0.78 %
6 months	-3.81 %	-4.01 %

Currency exposure:



Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 11/14/2024 - 07/31/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	5.90 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	6.15 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	5.90 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	5.90 %
WAM (Weighted Average Maturity)	7.60 years
WAL (Weighted Average Life)	9.12 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
T 4 3/4 02/15/37	interest-bearing	USA	02/15/2037	11.67 %
EURO-BOBL FUTURE Sep25 Sell	derivative	Raiffeisen Hun	09/08/2025	7.51 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	6.64 %
US Treasury 08/15/29 1,625%	interest-bearing	USA	08/15/2029	5.67 %
USGB 2042/02 3,125%	interest-bearing	USA	02/15/2042	5.44 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	5.13 %
USGB 2044/11/15 3%	interest-bearing	USA	11/15/2044	4.95 %
EURO-BUND FUTURE Sep25 Buy	derivative	Raiffeisen Hun	09/08/2025	4.94 %
ISPIM 5.71 01/15/26	interest-bearing	Intesa Sanpaolo SpA	01/15/2026	4.82 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.44 %

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