VIG Developed Market Short Term Bond Investment Fund

UI series USD MONTHLY report - 2025 AUGUST (made on: 08/31/2025)

ASSET MANAGEMENT HUNGARY

INVESTMENT POLICY OF THE FUND

The aim of the Fund is to increase the euro savings held in the Fund, while assuming low interest-rate and credit risk. The Fund mainly buys short-term, euro-denominated bonds of investment-grade issuers, and aims to generate a return for investors through interest income and price gains on them.
The Fund Manager invests the savings held in the Fund in short-term bonds denominated in euros. The Fund Manager assumes a low interest-rate risk; the modified duration of the portfolio is more than 6 months, but may not be higher than 2.5 years. The Fund also follows a cautious strategy in terms of assuming credit risk, investing a maximum of just 10% of its assets in bonds of non-investment grade or non-credit rated issuers. The Fund primarily invests in developed-market government securities, but this can also be supplemented by credit-institution, corporate and/or municipal bonds, as well as by term deposits and repo transactions. The Fund can also invest a small part of its portfolio in emerging markets. In addition, the Fund may invest in collective investment forms, and can fine-tune the design of its portfolio through the use of derivatives (stock-exchange and OTC transactions). The Fund invests exclusively in securities denominated in euros, and may hold currency assets in bank deposits or bank accounts only for the purpose of liquidity management and currency hedging. It is not possible to make individual investor decisions in the Fund.
No individual investor's decisions can be made in the Fund.

MARKET SUMMARY

In August, movements in the US capital market were primarily determined by macroeconomic and political news. The increase in the Personal Consumption Expenditures index indicates higher inflation. The ISM purchasing managers' index indicates a slowdown in economic activity and a weakening labor market. The question is whether the Federal Reserve will prioritize curbing inflation or risk higher unemployment.
Currently, the market is pricing in two interest rate cuts this year, which aligns with the US administration's rhetoric. However, the dismissal of the head of the US Bureau of Labor Statistics and the departure of Fed Governor Lisa Cook may increase the likelihood of interest rate cuts and call into question the integrity of the US institutional system. Interest rate cut expectations continue to be the main support for the stock market, while the performance of the "Magnificent Seven" group of tech giants is diverging from the market as a whole once again.
Growth dynamics in Europe remain uncertain. While the AI sector is driving market performance in the U.S., Europe lacks a similar growth engine. The automotive industry is burdened by a deteriorating export environment due to tariffs and growing global competition in the electric car segment. This is partly offset by military and infrastructure investments. Although the outperformance of European equities has moderated since the beginning of the year, valuations remain favorable.
Eurozone inflation in August edged closer to the European Central Bank’s 2% target, thanks to base effects, while eurozone yields also showed a moderate increase. No significant changes were made to the portfolio in August; we continue to overweight interest rate risk relative to the benchmark index, anticipating that the European growth outlook will remain gloomy, with recently announced tariffs offering no relief.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Fund has no benchmark
ISIN code:	HU0000732052
Start:	10/03/2023
Currency:	USD
Net Asset Value of the whole Fund:	36,304,993 EUR
Net Asset Value of UI series:	10,965 USD
Net Asset Value per unit:	1.096458 USD

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	**6 mths**	1 yr	2 yr	3 yr	4 yr	5 yr

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	93.28 %
Mortgage debentures	2.08 %
Corporate bonds	1.09 %
Current account	3.53 %
Market value of open derivative positions	0.03 %
Liabilities	0.00 %
Total	**100,00 %**
Derivative products	0.00 %
Net corrected leverage	100.00 %

Assets with over 10% weight
FRTR 1 05/25/27 (French state)

RISK PROFILE

1	**2**	3	4	5	6	7

Lower risk Higer risk

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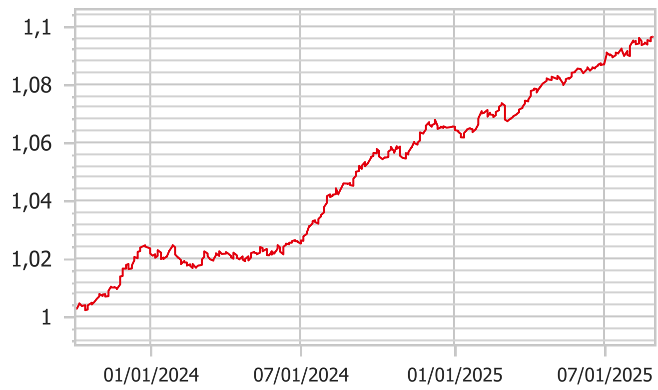
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	2.91 %	
From launch	4.94 %	
1 month	0.62 %	
3 months	1.02 %	
2024	4.04 %	

NET PERFORMANCE OF THE SERIES

net asset value per share, 10/03/2023 - 08/31/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	1.45 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	1.49 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	1.49 %
WAM (Weighted Average Maturity)	2.18 years
WAL (Weighted Average Life)	2.31 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
FRTR 1 05/25/27	interest-bearing	French state	05/25/2027	10.31 %
BTPS 3 10/01/29	interest-bearing	Italian State	10/01/2029	9.34 %
BTPS 6 1/2 11/01/27	interest-bearing	Italian State	11/01/2027	7.66 %
EU 2 7/8 12/06/27	interest-bearing	European Union	12/06/2027	6.80 %
FRTR 2 3/4 02/25/30	interest-bearing	French state	02/25/2030	6.17 %
SPGB 2027/10/31 1,45%	interest-bearing	Spanish State	10/31/2027	6.17 %
BGB 0.8 06/22/28	interest-bearing	Belgian State	06/22/2028	5.58 %
DBR 0 1/4 08/15/28	interest-bearing	German State	08/15/2028	5.24 %
FRTR 2,5% 09/24/26	interest-bearing	French state	09/24/2026	4.39 %
SPGB 2 1/2 05/31/27	interest-bearing	Spanish State	05/31/2027	3.77 %