

VIG Developed Markets Government Bond Investment Fund

I series HUF MONTHLY report - 2025 AUGUST (made on: 08/31/2025)

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

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.

The Fund continues to take on higher interest rate risk than the benchmark index, primarily in relation to U.S. bonds, anticipating that the U.S. growth outlook will deteriorate toward the end of the year, which could prove supportive for the bond market. The latest U.S. labor market data reported a significant weakening, to which the Fed is expected to respond with a rate cut as early as September. In terms of portfolio composition, in August we purchased long-term U.K. bonds following the recent rise in yields.

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:	HU0000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	24,932,181,030 HUF
Net Asset Value of I series:	20,185,687,914 HUF
Net Asset Value per unit:	1.032940 HUF

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	82.47 %
Corporate bonds	12.61 %
Mortgage debentures	2.41 %
T-bills	0.56 %
Current account	2.04 %
Liabilities	-0.07 %
Receivables	0.00 %
Total	100,00 %
Derivative products	17.74 %
Net corrected leverage	103.70 %
Assets with over 10% weight	
US Treasury 02/15/37 (USA)	

RISK PROFILE

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

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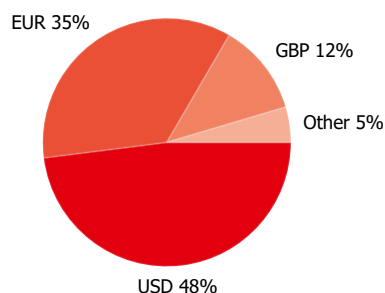
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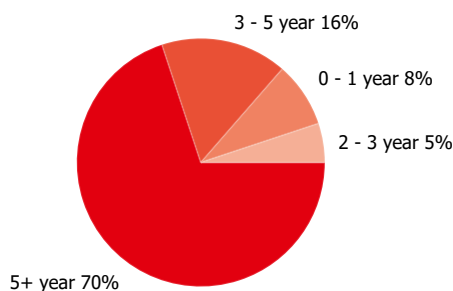
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-7.23 %	-7.03 %
From launch	0.73 %	1.10 %
1 month	-1.65 %	-1.36 %
3 months	-2.59 %	-3.01 %
2024	10.72 %	10.42 %
2023	-0.38 %	1.59 %
2022	-2.88 %	-2.82 %

Currency exposure:



Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2021 - 08/31/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	8.16 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	8.70 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	9.79 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.51 %
WAM (Weighted Average Maturity)	7.91 years
WAL (Weighted Average Life)	9.59 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
T 4 3/4 02/15/37	interest-bearing	USA	02/15/2037	11.85 %
EURO-BOBL FUTURE Sep25 Sell	derivative	Raiffeisen Hun	09/08/2025	7.85 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	6.74 %
US Treasury 08/15/29 1,625%	interest-bearing	USA	08/15/2029	5.84 %
USGB 2042/02 3,125%	interest-bearing	USA	02/15/2042	5.51 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	5.32 %
EURO-BUND FUTURE Sep25 Buy	derivative	Raiffeisen Hun	09/08/2025	5.16 %
ISPIM 5.71 01/15/26	interest-bearing	Intesa Sanpaolo SpA	01/15/2026	4.96 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.56 %
USGB 2028/02 2,75%	interest-bearing	USA	02/15/2028	4.28 %

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