

## 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 US stock markets showed restraint in December. Although lower inflation data in November initially sparked widespread buying, the Fed's cautious communication quickly dampened enthusiasm. Weak economic data did not support the expectation of a January interest rate cut. If disinflation continues, easing may occur, but it is not expected to happen quickly. Corporate reports are mixed. Sports equipment manufacturers have suffered from weakness in China, while logistics companies have benefited from cost-cutting measures. However, home builders continue to face challenges. As Christmas approached, small-cap stocks once again outperformed large-caps, with the Russell 2000 index significantly outperforming the S&P 500 in December. Bond yields have remained stable, and core inflation data may confirm the disinflationary trend. Investors now view AI repricing as the greatest risk for next year, while fierce competition among major companies continues. The eurozone showed signs of stagnation in December, with weak growth and stable inflation. The EU's Ukrainian financing package, implemented through joint borrowing, could bring short-term stability to the neighboring conflict. Bond yields are stable, and the euro is holding its own against the dollar. Markets are cautious. Services are keeping the economy alive while manufacturing is in recession. Analysts see opportunities in the relatively cheap banking sector for next year.

In December, the Federal Reserve decided not only to cut the base interest rate, but also to purchase short-term bonds. As a result, yields on shorter-maturity bonds declined, while yields on longer-maturity bonds showed a slight increase, causing the yield curve to steepen. During December, we made no significant changes to the fund's composition, which continues to maintain an overweight position of roughly three-quarters of a year relative to the benchmark index.

## 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:	HU00000724224
Start:	03/19/2021
Currency:	HUF
Net Asset Value of the whole Fund:	23,997,850,910 HUF
Net Asset Value of I series:	20,075,977,316 HUF
Net Asset Value per unit:	1.019643 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	82.66 %
Corporate bonds	13.09 %
Mortgage debentures	2.44 %
T-bills	0.88 %
Current account	0.99 %
Liabilities	-0.08 %
Receivables	0.02 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	16.76 %
Net corrected leverage	102.68 %
<b>Assets with over 10% weight</b>	
US Treasury 08/15/29 1,625% (USA)	
US Treasury 02/15/37 (USA)	

## RISK PROFILE



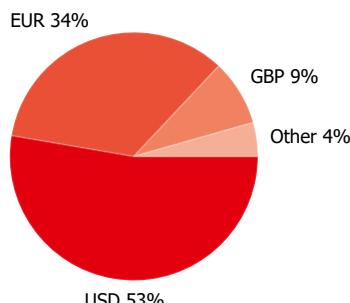
Lower risk

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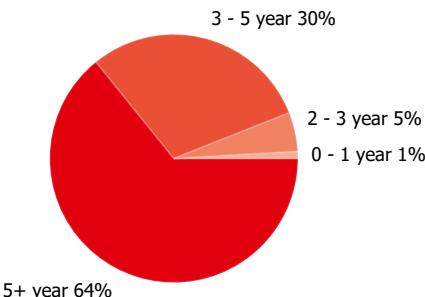
NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-8.43 %	-8.71 %
From launch	0.41 %	0.64 %
1 month	-0.04 %	-0.19 %
3 months	-0.25 %	-0.46 %
2025	-8.43 %	-8.71 %
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 - 12/31/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	7.73 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	8.29 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	8.38 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	11.10 %
WAM (Weighted Average Maturity)	7.11 years
WAL (Weighted Average Life)	8.46 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US Treasury 08/15/29 1,625%	interest-bearing	USA	08/15/2029	12.36 %
T 4 3/4 02/15/37	interest-bearing	USA	02/15/2037	12.17 %
EURO-BOBL FUTURE Mar26 Sell	derivative	Raiffeisen Hun	03/06/2026	7.84 %
US Államkötvény 2031/02 5,375%	interest-bearing	USA	02/15/2031	6.85 %
USGB 2042/02 3,125%	interest-bearing	USA	02/15/2042	5.70 %
SOCGEN 5 5/8 06/02/33	interest-bearing	Societe Generale Paris	06/02/2033	5.45 %
YKBNK 7 1/4 03/03/30	interest-bearing	Yapi ve Kredi Bankasi	03/03/2030	5.24 %
EURO-BUND FUTURE Mar26 Buy	derivative	Raiffeisen Hun	03/06/2026	5.12 %
BTPS 4.1 02/01/29	interest-bearing	Italian State	02/01/2029	4.63 %
UKT 4,5% 12/07/42	interest-bearing	United Kingdom	12/07/2042	4.40 %

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

