MEGATREND MONITOR

The future won’t wait, and we’re here to help you make sense of it.

June 2026

Welcome to the world of Megatrend Monitor!

Our newly launched monthly newsletter serves as an exclusive guide from the portfolio managers and analysts of the VIG Megatrend Fund Family in the ever-changing global market. Our goal is to filter out the noise and analyze the past month's key innovations, corporate breakthroughs, and market movements within the megatrend universe. Each month, our experts scrutinize the most important events in the innovation ecosystem, from corporate fundamentals to global trend shifts. With this publication, our investors – particularly partners in the VIG Megatrend and InnovationTrend funds – gain direct insight into the logic behind our investment decisions, uncovering the technological and social drivers propelling tomorrow's winners.

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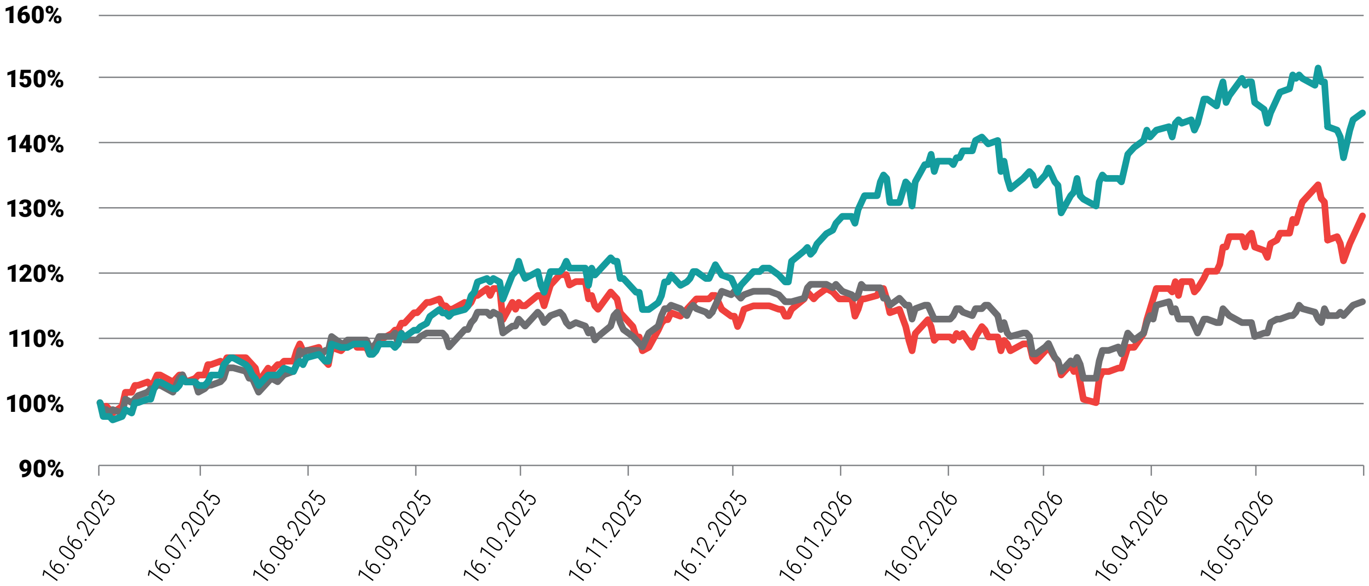
Performance of megatrends

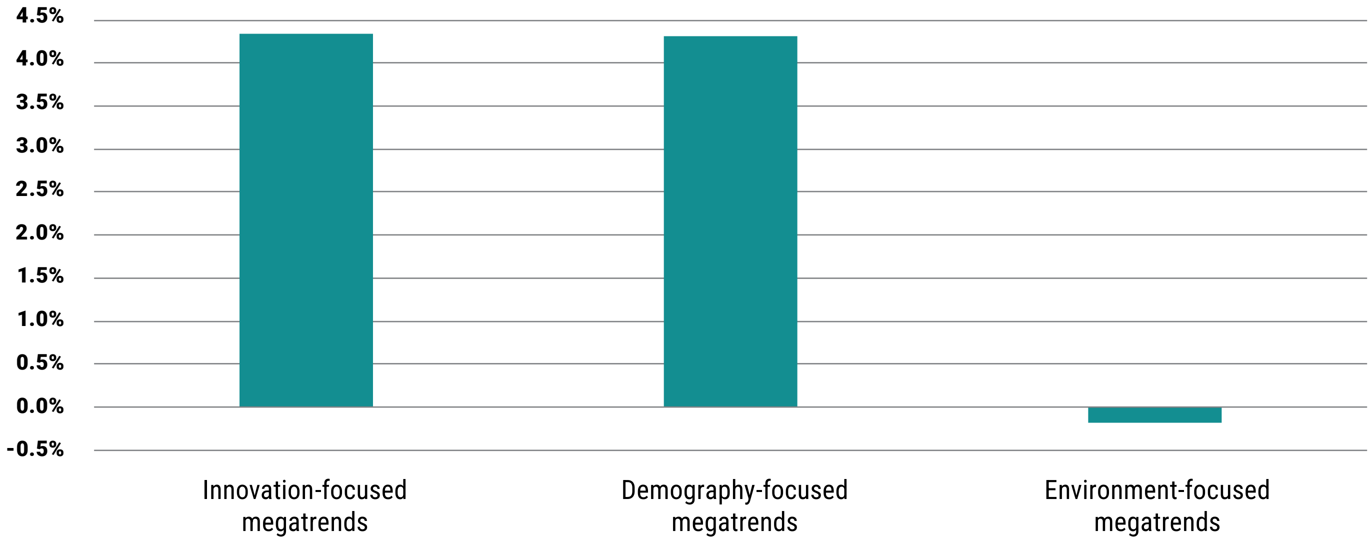
When examining the performance of the three main strategies (innovation-, demography-, and environment-focused megatrends) within the megatrend universe, we have witnessed an extremely exciting and dynamic realignment in recent times. Although, over the longer, one-year time horizon, environment-focused megatrends still confidently lead the pack with an annual return of approximately +45%, ahead of innovation-focused strategies at +29% and demographic strategies at +16%, over the past month, there has been a radical shift in market narrative and capital flows.

While earlier this spring we were discussing how the geopolitical uncertainty caused by the conflict in Iran and the unprecedented energy demands of artificial intelligence had elevated environmental megatrends and sustainable infrastructure to become the true, fundamental drivers of the innovation boom, the past thirty days have seen a sharp wave of profit-taking in green sectors. This slowdown pushed the environment-focused category into a slight decline of -0.2% over the past month. At the same time, growth and technology stories have regained momentum: both innovation-focused and demography-focused megatrends posted a spectacular 4.3% gain in just a single month.



Innovation-focused megatrends　Demography-focused megatrends　Environment-focused megatrends

Source: based on data of Bloomberg terminal



Source: Bloomberg

If we look beneath the surface, the monthly performance of the sub-megatrends perfectly illustrates this rotation. The clear winners over the past month were technological and healthcare breakthroughs. The Genomic Revolution rose by 13.0%, Semiconductors by 12.9%, and Cybersecurity by 12.5%, while Quantum Computing and Sports Betting also approached 10% monthly returns. In sharp contrast, the favorites of the previous period, themes related to clean energy, underwent a significant correction: hydrogen (Clean Energy / Hydrogen) fell by 18.5%, uranium (Clean Energy / Uranium) by 14.6%, and clean technologies in the broader sense (CleanTech) by 8.5% over the course of thirty days.

However, looking at year-to-date (YTD) performance, it becomes clear that this monthly dip in the green sectors is, for now, merely a healthy correction within the long-term upward trend. Despite this monthly setback, the clean energy and hydrogen sectors are still up an astonishing 72.4% since the start of the year. In this longer-term race, semiconductors are the clear frontrunners with their 98.0% year-to-date surge, but electric vehicles (+51.8%) and digital infrastructure (+48.1%) are also massive pillars of this year's growth. At the other end of the spectrum are Chinese internet companies (China Internet), which are grappling with structural problems; with a monthly decline of 13.4%, they are now down 22.2% since the start of the year, but emerging market internet companies (-21.5%) and the fintech sector (-17.7%) are also showing persistent underperformance.

Best and worst performing subsectors:

		1 month		YTD
Top 1	Genomic Revolution	**13.0%**	Semiconductors	**98.0%**
Top 2	Semiconductors	**12.9%**	Clean Energy/ Hydrogen	**72.4%**
Top 3	Cybersecurity	**12.5%**	Electric Vehicles	**51.8%**
Top 4	Quantum Computing	**9.9%**	Digital Infrastructure	**48.1%**
Top 5	Sport betting	**9.8%**	Quantum Computing	**47.1%**
Bottom 5	CleanTech	**-8.5%**	Social Media	**-16.9%**
Bottom 4	Resource Scarcity/ Rare Earth	**-10.1%**	FinTech	**-17.7%**
Bottom 3	China Internet	**-13.4%**	Medical Devices	**-20.1%**
Bottom 2	Clean Energy/ Uranium	**-14.6%**	EM Internet	**-21.5%**
Bottom 1	Clean Energy/ Hydrogen	**-18.5%**	China Internet	**-22.2%**

Source: VIG Asset Management

Overall, the market for megatrends has entered a mature phase, where a temporary lull in environment-focused strategies has provided an opportunity for innovation and demographic themes, whether they had fallen behind or were just gaining new momentum, to catch up. Global structural trends, however, remain unchanged: the hardware requirements of artificial intelligence (semiconductors) and the transition to sustainable energy reinforce one another and, hand in hand, determine the direction of the markets.

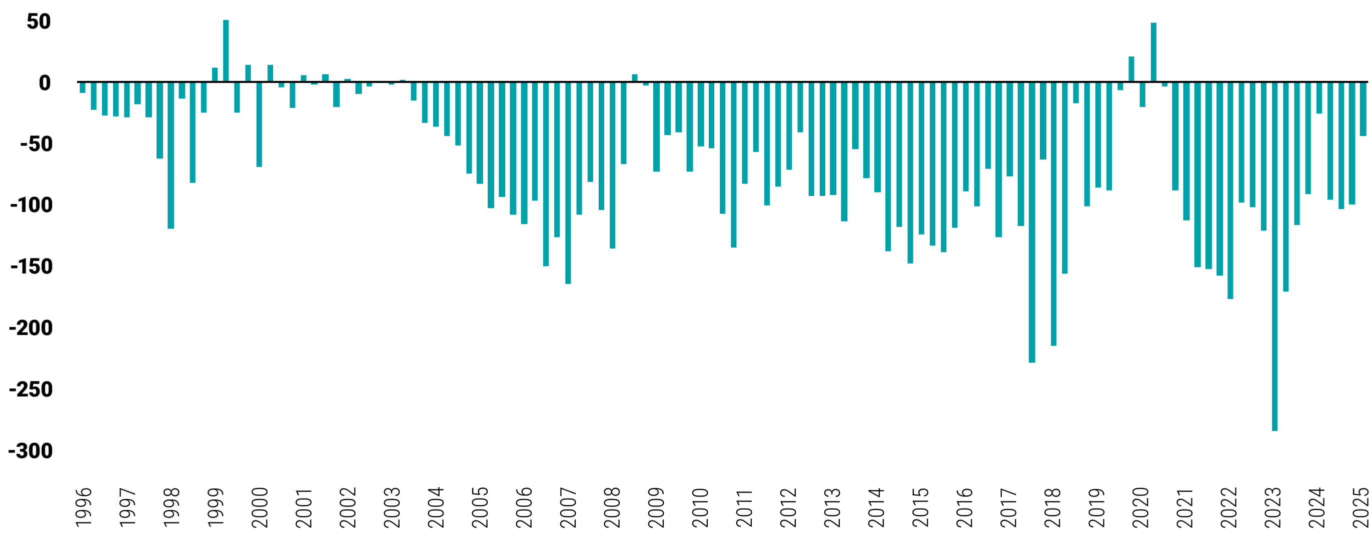
Hundreds of billions are coming to market this year – SpaceX leads the way

According to forecasts, we may see a record-breaking IPO volume of approximately $225 billion in 2026. Combined with capital raises by tech giants already listed on the stock market, this figure could reach as high as $675 billion.

SpaceX's market debut broke a trend of shrinking IPO activity that had persisted since roughly 2003. Over the past two decades, the development of private capital markets has allowed young companies to remain private for longer, leading to a decline in the number of companies going public. On the other hand, net share issuance by publicly traded companies had been negative for more than twenty years; in other words, companies withdrew more shares from circulation through buyback programs than they issued. Finally, private equity funds also contributed to this trend by acquiring publicly traded companies and taking them back to the private market.

Now, however, a significant shift appears to be underway. Instead of buying back shares, the world's largest technology companies are investing their money in AI infrastructure and are even preparing for capital raises on an unprecedented scale to finance it. Meanwhile, AI companies valued at trillions of dollars on the private market, including Anthropic and OpenAI, are lining up to go public.

Net Equity Issuance (USD BN)



Source: https://www.federalreserve.gov/releases/efa/efa-project-equity-issuance-retirement.htm

SpaceX was the first to enter the market

Elon Musk's space and AI company, SpaceX, was the first to enter the market. As a first step, Musk consolidated X, xAI, Starlink, and SpaceX, all of which were private companies associated with him. The resulting giant, which retained the SpaceX name, debuted on the Nasdaq on June 12 under the ticker symbol SPCX with a valuation of $1.75 trillion.

The record $75 billion raised represents only about a 5% stake in the company. Unusually, the IPO price was not determined by the underwriting investment banks through bookbuilding, but was set at $135 at Musk's discretion. An unusually large 30% allocation was set aside for retail investors, many of whom are Musk's most enthusiastic supporters. Retail investor interest resulted in a sevenfold oversubscription for the approximately $25 billion worth of shares available to them.

Goldman Sachs and Morgan Stanley were the lead underwriters, and there was fierce competition for the lead position. Morgan Stanley reportedly took offense at being placed second behind Goldman Sachs in the top-left "lead-left" position of the S-1 filing due to alphabetical order.

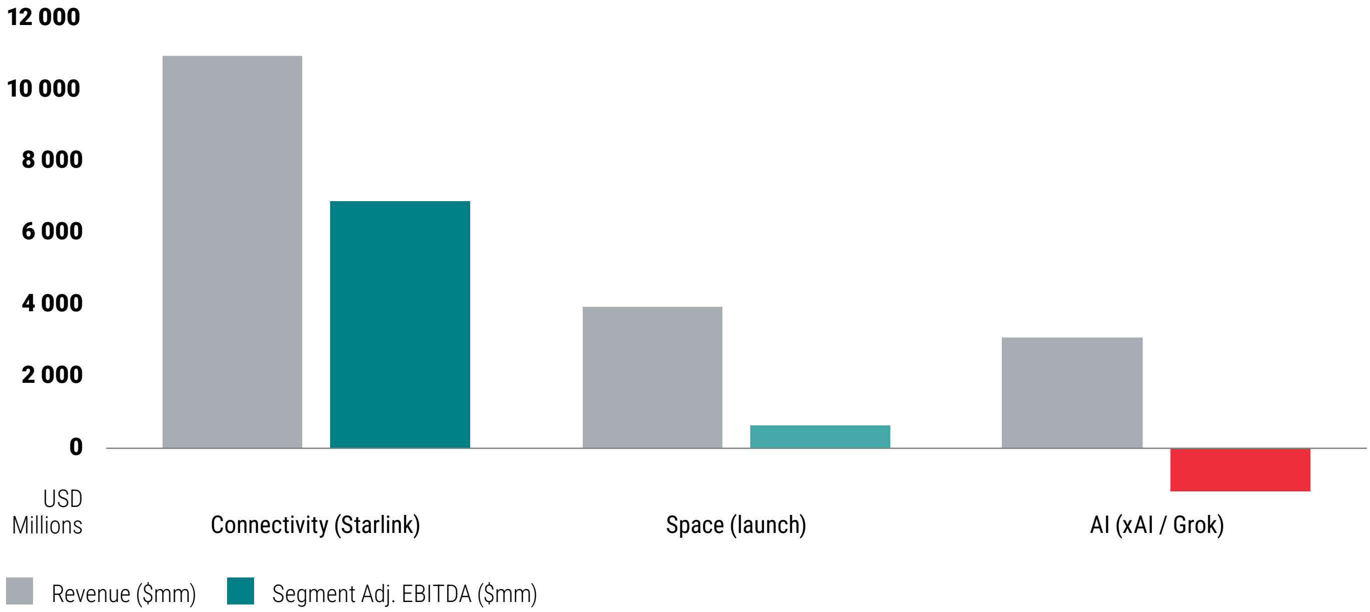
The first day of trading proved to be a success. Secondary market trading opened at $150 and reached as high as $176 during the day, raising SpaceX's valuation to roughly $2.2 trillion. This market capitalization ranks it seventh on the list of the world's largest companies.

1	NVIDIA	NVDA	$4.969 T	$205.19	▲ 0.16%	USA
2	Alphabet (Google)	GOOG	$4.367 T	$358.16	▲ 0.45%	USA
3	Apple	AAPL	$4.275 T	$291.13	▼ 1.52%	USA
4	Microsoft	MSFT	$2.902 T	$390.74	▲ 0.10%	USA
5	Amazon	AMZN	$2.566 T	$238.55	▼ 1.23%	USA
6	TSMC	TSM	$2.198 T	$423.93	▲ 0.68%	Taiwan
7	SpaceX	SPCX	$2.106 T	$160.95	▲ 19.22%	USA
8	Broadcom	AVGO	$1.817 T	$382.07	▼ 0.91%	USA
9	Saudi Aramco	2222.SR	$1.712 T	$7.08	▼ 1.19%	S. Arabia
10	Tesla	TSLA	$1.526 T	$406.43	▲ 1.82%	USA

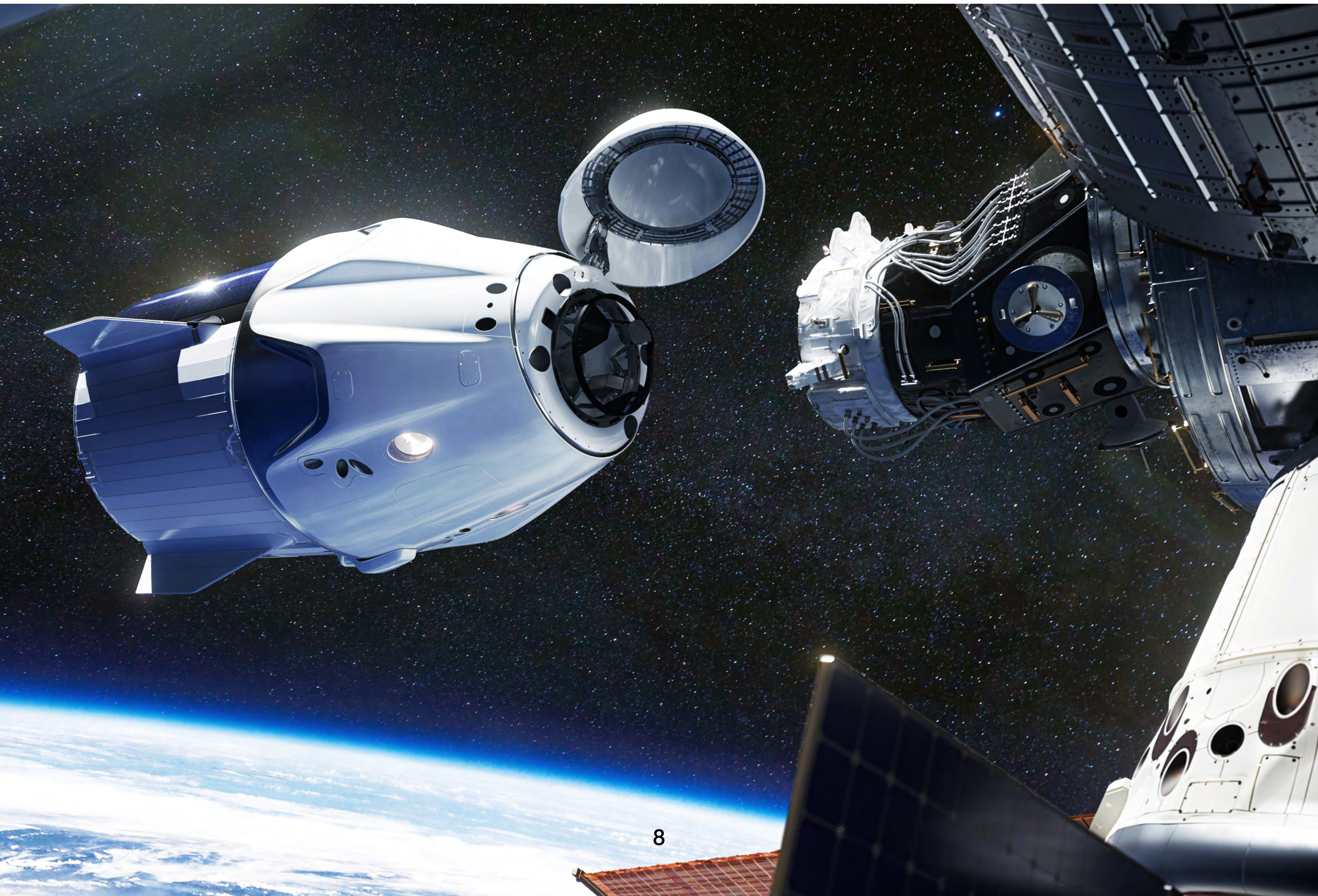
Source: CompaniesMarketcap.com

However, it is questionable whether its position on the list of the largest companies is supported by its fundamentals. Alongside its sky-high valuation of $1.75 trillion, the company's revenue for 2025 is a mere $18.7 billion. This means the stock is trading at a price-to-revenue ratio of 94, which is an unrealistically high figure even by traditional price-to-earnings ratio standards. The company is expected to remain unprofitable in 2026, and even the most optimistic estimates place profitability several years down the road.

FY2025 Segment Revenue vs. Segment Adjusted EBITDA



Source: SpaceX Form S-1 (filed 20 May 2026), FY2025 segment results. AI segment figures are full-year pro-forma despite the Feb-2026 xAI merger. Consolidated FY2025 revenue $18,674mm; Adj. EBITDA $6,584mm.



The reality of space data centers

Elon Musk's SpaceX, now publicly traded, has made the following ultimate promise: we will take AI into space. SpaceX is the only company that has everything it takes to do this. The xAI division, which recently merged with the company, provides the AI component; the previously established Starlink division handles the satellites; and the division that originally operated under the name SpaceX is a leader in space rockets and spacecraft.

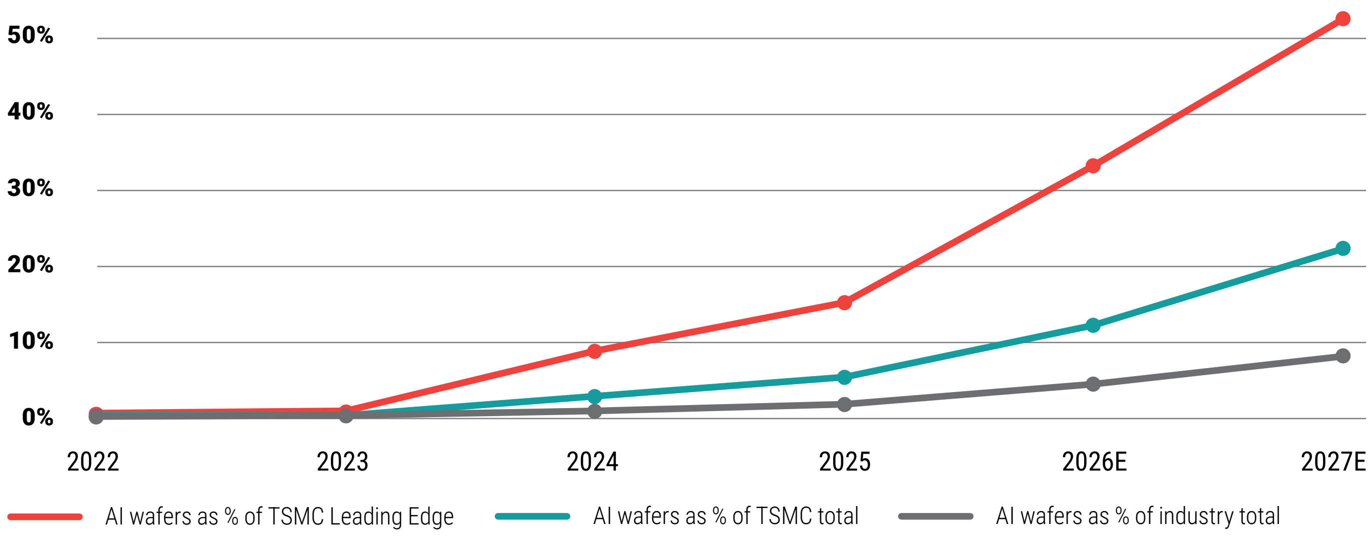
However, it's worth examining whether, while building orbital data centers is possible, it is actually a rational decision. Below, we've compiled a few misconceptions that are often cited as arguments in favor of orbital data centers but do not hold up in reality. Our aim is to shed light on the challenges of deploying chips in space.

1. **"24 hours of solar power a day"**
   A satellite orbiting in low Earth orbit receives sunlight for only about 60% of the time, so expensive battery-based energy storage would be required for the remainder of the time. The so-called sun-synchronous orbit, which remains in sunlight almost continuously, is indeed viable, but it offers too little capacity for the large-scale deployment of data centers in space.

2. **"Cooling is free, since space is cold"**
   One of the most significant limiting factors for terrestrial data centers is cooling. AI chips generate a tremendous amount of heat, and dissipating that heat is extremely difficult and resource-intensive. Of all the factors limiting the size of current data centers, this is perhaps the most serious. However, solving the problem of cooling in space is an even greater challenge: in a vacuum, there is no convection, only radiative heat transfer. The International Space Station is the most expensive object ever built by humankind, and its radiators dissipate only 70 kW of heat over 325 m², at a cost of $340–500 million. This is a fraction of the cooling capacity that even a single small data center would require.

3. **"The limit to Earth's computing capacity lies with data centers, which is why we need orbital capacity"**
   According to industry experts, the bottleneck in the coming years will not be Earth-based data center capacity, but rather the production of chips sufficient to power these centers. The manufacturing of both AI chips and more advanced memory chips is more lithography-intensive than previous generations. This means that fierce competition will arise for the capacity of major chip manufacturers (TSMC, Intel, and, in the future, Terafab). In the absence of significant capacity expansions, the production of AI chips could crowd out demand for the manufacturing of products such as phones, personal computers, and other consumer electronics. This phenomenon can already be observed today in the market for RAM for personal computers, where prices have more than doubled across the board in recent months.

AI wafers as % of foundry capacity



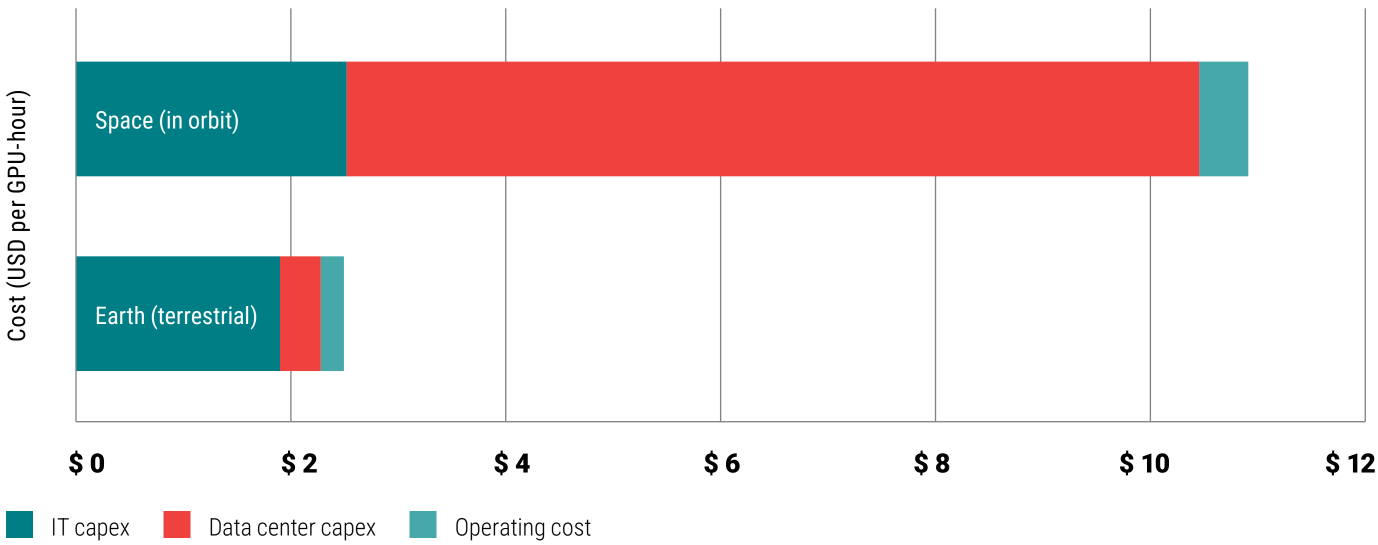
Source: https://newsletter.semianalysis.com/p/to-boldly-go-the-case-for-space-datacenters

According to analyses, deploying a 30-kW cluster (16 GPUs) in space, using current technology, costs roughly $4.1 million, compared to $1.4 million on Earth. The IT hardware itself is essentially the same, costing roughly $1 million in both cases. The entire difference lies in the data center layer, which costs $3.1 million in space compared to just $382,000 on Earth, an eightfold difference. Added to this is the cost of a single launch, approximately $1.6 million. This is based on the current cost level of the Falcon 9 rocket ($1,400–$1,800/kg), which SpaceX aims to reduce to $250/kg with its "Starship" spacecraft.

The difference grows even further on a per-unit basis, as the assumed lifespan of space hardware is only 5 years compared to 15 years on Earth, which increases the per-unit facility cost by a factor of 17–18. Even setting that aside, the total cost of ownership is $8.64 versus $2.37 per GPU-hour.

The bottom line: orbital data centers currently entail a cost burden many times greater than their terrestrial counterparts, primarily due to launch costs and the short hardware lifespan.

Estimated compute cost: space vs. Earth, 2026

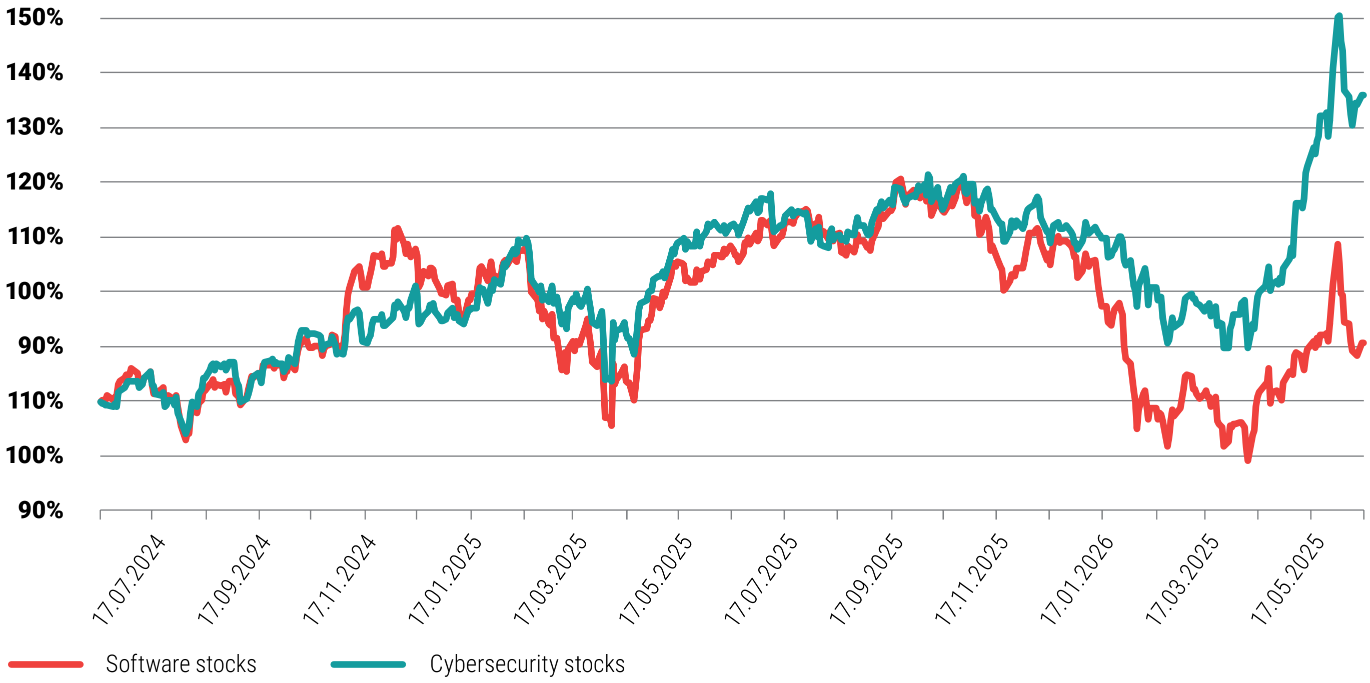


Source: SemiAnalysis / VIG Asset Management
AI Space Data Center TCO model (June 2026), 30.5 kW B333 cluster. Data center capex is 17x higher in orbit, mainly due to the $1.6m launch cost and the 5-year vs. 15-year useful life. Cost parity: around 2040 in the base case.

First signal or one-off outlier? Why cybersecurity stocks surged after late April?

While the broader software market (SaaS) continues to underperform the broader markets, with the exception of a short-covering rally (which we covered in detail in last month's Megatrend Monitor), the cybersecurity sector has staged a spectacular rally since the end of April. The leading companies in the cybersecurity sector (Palo Alto Networks, CrowdStrike, Cisco, Fortinet) have posted massive gains of over 70% since the end of April.

But what is behind this sudden surge, and is cybersecurity the "first sign" of a broader recovery in the software sector that will pull other software stocks along with it?



Source: VIG Asset Management

1. From collective panic to a reality check

To understand the spring surge in cybersecurity stocks, it's worth looking back to the beginning of the year. In the first months of 2026, a significant sell-off swept through the entire cloud-based and subscription-based software market, resulting in a sharp decline of about 20% by March.

This nosedive was primarily fueled by fears that next-generation artificial intelligence (such as Anthropic's latest models) would fundamentally disrupt the market. Investors feared that super-intelligent systems would render traditional software obsolete, or that companies would prefer to spend money on their own AI developments at the expense of cybersecurity. At this stage, the stock market was not yet discriminating: cybersecurity stocks were punished just as severely as companies producing HR or marketing software.

By the end of April, however, a radical turnaround occurred. The market realized that generative AI is not only failing to destroy cybersecurity companies but is, in fact, a powerful engine driving their growth.

The sector's sudden surge was caused by a fortunate convergence of the following factors:

- **The AI arms race:**
  Companies realized that hackers are also using AI to carry out more complex attacks. As a result, state-of-the-art defense platforms, which are also built on artificial intelligence (such as XDR and SASE systems), suddenly became indispensable.

- **Revenue stability:**
  Spring quarterly financial reports showed that cybersecurity companies' order books and future growth prospects remained rock-solid, and management teams issued extremely optimistic forecasts.

- **Government and legal pressures:**
  State-sponsored cyberattacks have proliferated due to global geopolitical conflicts. At the same time, tightening international and U.S. regulatory requirements (such as the mandatory, rapid reporting of cyber incidents) have made strengthening their cybersecurity a legal obligation for companies.

2. Sentiment vs. fundamentals: can the rally last?

The improved perception of cybersecurity companies has triggered a spectacular inflow of capital. It is important to note, however, that this spring rally has so far been driven primarily by improving market sentiment and a shift in positioning, after the sector became unreasonably undervalued during the panic at the beginning of spring.

The biggest question for the coming quarters is now to what extent this surge in confidence and higher valuation levels will be reflected in concrete, tangible financial fundamentals (accelerating revenue growth, improving free cash flow). If the volume of corporate orders justifies the current optimism, the rally could prove to be sustainable.

3. First signal, or just a defensive outlier?

Is the success of cybersecurity a harbinger of a resurgence in the software sector in the broader sense, or is this field following a completely different path?

There is a fundamental structural difference between traditional software vendors (HR systems, customer relationship management software, office applications) and cybersecurity, the difference is about priority.

A company can postpone updating its marketing software or purchasing new licenses if it wants to cut costs. But it cannot disable its firewall or data protection, because a single successful ransomware attack could lead to the company's immediate bankruptcy. For this reason, cybersecurity is much more resilient to macroeconomic cycles and temporary freezes on corporate budgets compared to more traditional software vendors. It is one of the few areas of the software industry where the growth rate can accelerate even in a more challenging economic environment.

Although cybersecurity has its own specific drivers, its success nevertheless sends a positive signal to the entire tech market:

After stock market growth over the past year and a half was driven almost exclusively by hardware manufacturers (Nvidia, Broadcom) and cloud service giants, cybersecurity has shown investors that there is also enormous potential in pure-play software models. This could restore the market's overall confidence in software stocks. Cybersecurity companies are the first to have successfully integrated AI features, such as AI-powered assistants, and are selling them at a premium, generating real profits. As soon as the market sees that other major software companies are also capable of generating tangible additional revenue from intelligent features, capital may start flowing their way as well.

Summary

Since the end of April, the cybersecurity sector has demonstrated that the market is capable of quickly correcting excessive AI fears. The sector has decoupled itself from the broader software market's slump, and investors have recognized the growth potential inherent in artificial intelligence.

Although it cannot be considered a classic "first sign" that automatically pulls all other software companies along with it, cybersecurity is an excellent example of how both customers and investors are willing to pay for essential tech nology services even in a more challenging market environment. The broader software market's recovery will likely be slower and more selective, and will likely be closely tied to who is able to turn AI into real profits.

The AI trend’s weakest links: neoclouds

Perhaps the most interesting outcome of the data center construction boom is a new type of company: “neocloud” companies, or. The business model is remarkably simple. Using massive leverage, financed predominantly by debt, they purchase GPU computing capacity and lease it out for AI computing. The hardware fleet consisting of the purchased chips serves as the collateral for the loan, and the customer base is typically limited to just 2–3 large corporations. It is not uncommon for the source of the loan used to purchase the chips and the lessee of the computing capacity to be the same hyperscale company, which simply wants to move the less attractive hardware fleet off its balance sheet.

It is important to distinguish these neocloud companies from hyperscalers, which also have large cloud capacities. Amazon, Google, Microsoft, and Meta rely on stable, cash-generating businesses and can afford to finance their investments largely from their own cash flow. New-generation cloud providers do not have such reserves. 100% of their revenue comes from GPU rentals, while nearly 100% of their expenses stem from GPU purchases and data center construction.

The flagship of this category is CoreWeave, whose Q1 2026 figures clearly illustrate this dynamic. **$99 billion** in contract backlog, **$25 billion** in debt, **$740 million** in quarterly losses, and **$536 million** in quarterly interest expenses (more than double the amount from a year earlier). Quarterly capital expenditures ($7.7 billion) are **3.7 times** quarterly revenue.

Behind this simple business model lie several less obvious assumptions. For these companies to be profitable, AI computing capacity must remain scarce for years to come. This is an existential issue for them, as their pricing power is entirely based on the current capacity shortage; if this dynamic changes for the worse, debt service could quickly become unsustainable.

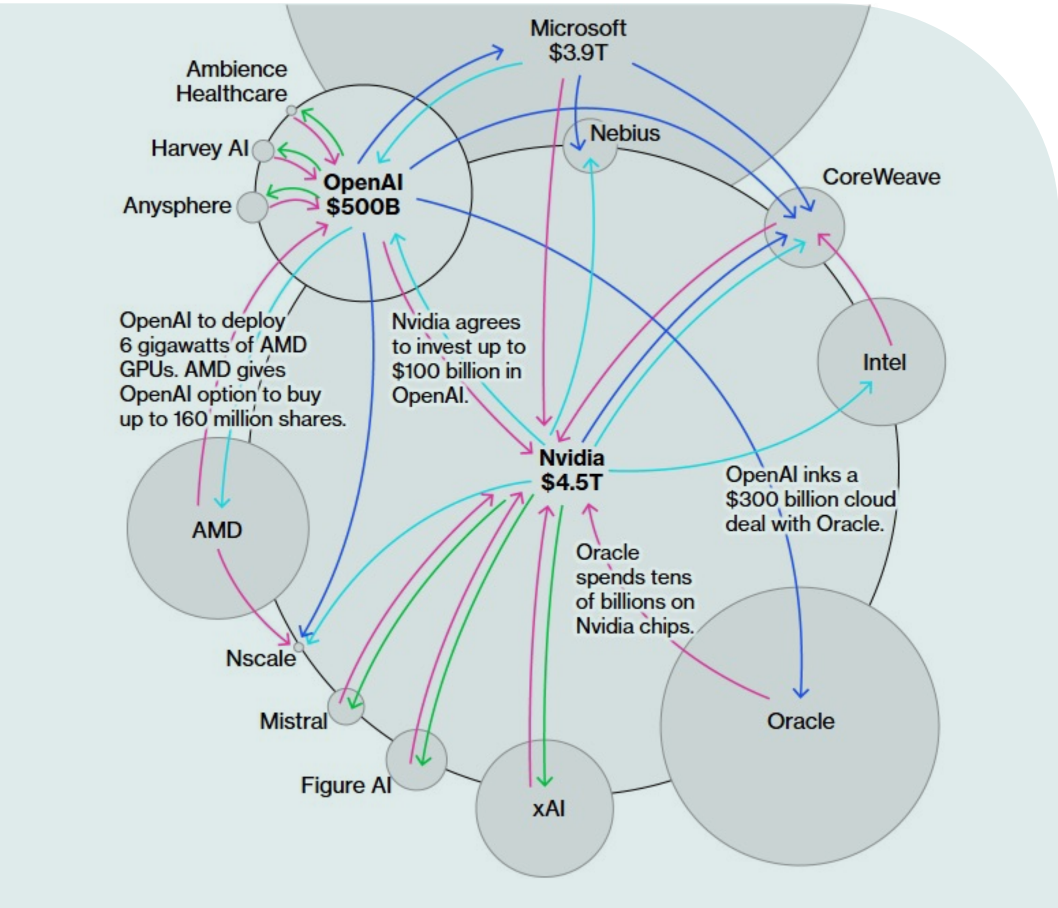
Rapid hardware innovation carries significant risk. As newer generations of chips bring about dramatic increases in efficiency and capacity, existing hardware fleets depreciate rapidly. Since this very hardware serves as collateral for the debt, the accelerating depreciation doubly undermines the new cloud providers’ balance sheets. The value of the collateral decreases, and the leaseability of the older fleet also deteriorates.

If the momentum of the AI trend ever slows, it will be worth keeping a close eye on this segment. Signs of stress may first appear here.

https://www.prnewswire.com/news-releases/coreweave-opens-new-texas-data-center-to-expand-access-to-high-performance-gpus-301884897.html

AI’s financial web

How Nvidia and OpenAI fuel the AI money machine



Source: Bloomberg • https://www.bloomberg.com/graphics/2026-ai-circular-deals/

Hardware or Software
Services
Venture Capital
Investment

Circles sized by market value

One of the most talked-about visuals of 2025 regarding AI trends was a chart published by Bloomberg that illustrated the circular nature of financing in the tech sector. It sought to highlight that, in the sector, the same dollars are often recycled over and over again, potentially inflating the true picture of demand for chips, AI, and computing capacity. This type of financial innovation has since become much more widespread in the ecosystem, and there is hardly an AI player that isn’t part of multiple transactions that create mutual dependencies.

For example:

1. Nvidia is known for its venture-capital-style investments, often within its own industry or even at a lower level in the supply chain. This in itself is a perfectly acceptable and rational activity. The problem arises because cloud service providers like CoreWeave serve as both an investor and a customer for Nvidia.

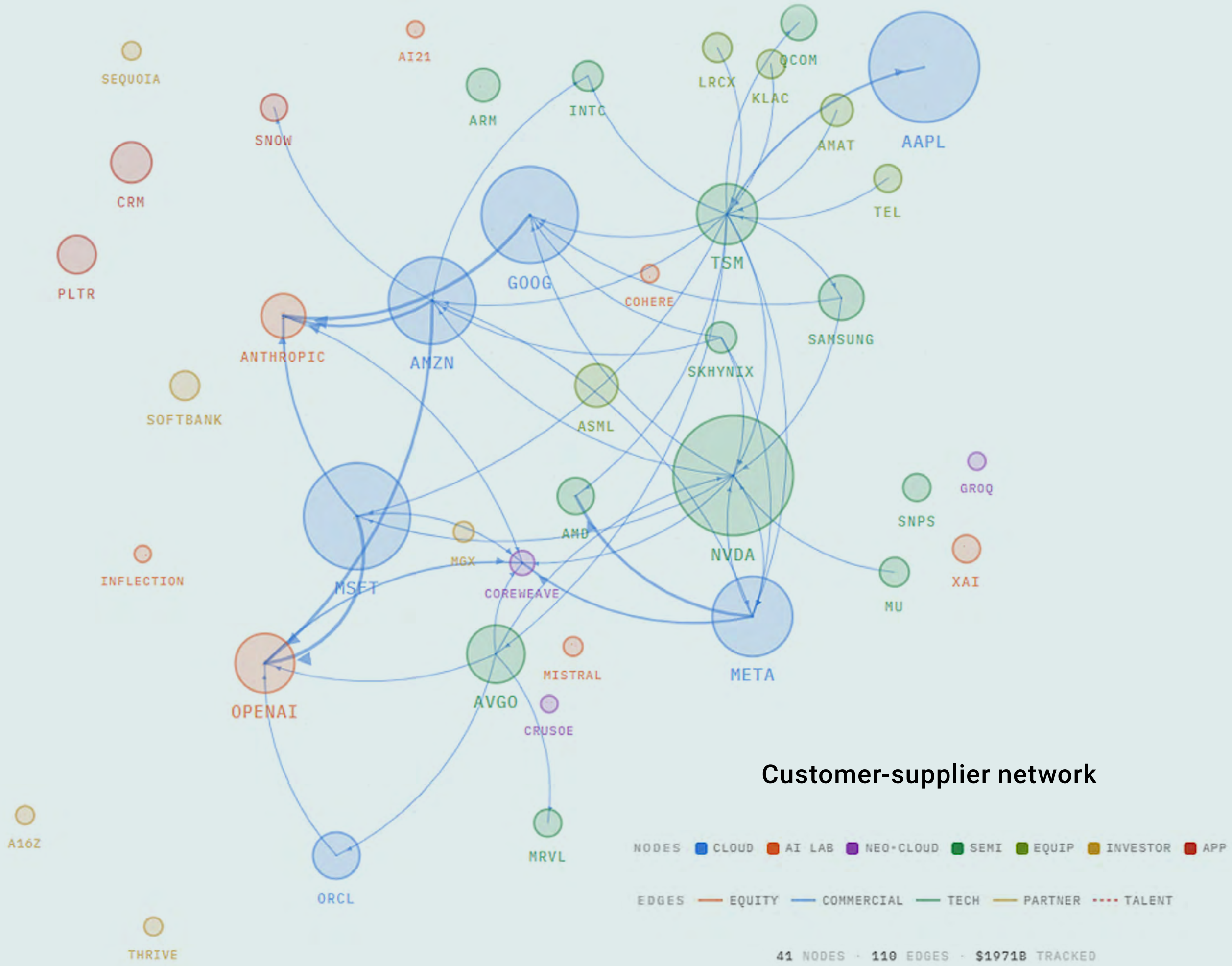
The chip giant first purchases a stake in the company worth several billion dollars, and then, due to the cloud service provider’s business model, spends nearly 100% of the invested amount on Nvidia chips to build out its hardware infrastructure. In this way, Nvidia effectively finances its own demand; in fact, it often enters into so-called “backstop” agreements with such companies, committing to repurchase the cloud service provider’s unused computing capacity, including chips that are idle. This reduces the cloud company’s credit risk in the eyes of investors, as one of the world’s most profitable companies provides a guarantee for the loan portfolio, which is backed by Nvidia chips and appears on the cloud company’s balance sheet. Under this structure, Nvidia effectively emerges with artificially inflated revenue and a growing stock portfolio, while the neocloud company benefits from a better-than-deserved credit rating and a secure source of capital.

2. Another common structure involves exchanging computing capacity for equity. The most typical example of this is the complex relationship between Microsoft and OpenAI. A significant portion of the nominal amounts invested in AI labs often comes not in dollars but in cloud computing capacity credits, for example, from Microsoft to OpenAI. This means that OpenAI can use the Azure cloud platform to the tune of X billion dollars, in exchange for which it receives hyper-scalable OpenAI stock. Microsoft later reports this cloud demand as growth and revenue in its cloud division, which has become the main growth engine for giant tech companies. In its quarterly reports, Microsoft not only reports cloud revenue, which is essentially financed with its own money, but also reflects the impact of OpenAI shares in the appreciation of investments, which has accounted for an increasingly large portion of its profits in recent quarters.

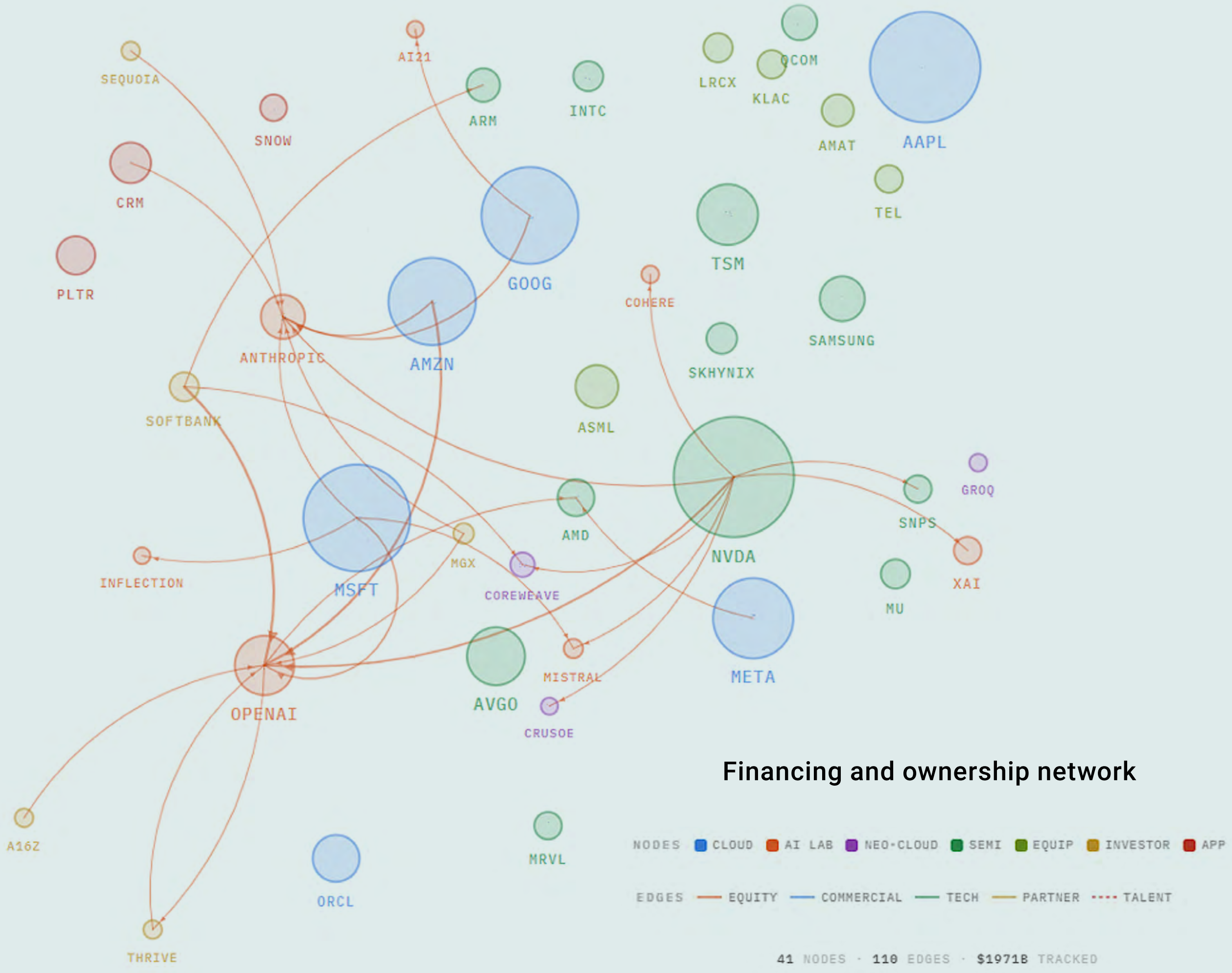
3. But this is still far from the strangest deals out there. AMD's demand-for-shares swap structure is already in the running for that title. The company swapped two 10% stakes in the form of warrants with OpenAI and Meta in exchange for the latter two using AMD chips to build out their AI computing capacity at a scale of several gigawatts. In doing so, the chip manufacturer is paying, by diluting existing shareholders, to create its own demand. The agreement grants customers nearly $100 billion worth of equity stakes and dramatically increases AMD's order backlog.

All of these can be problematic because they create opaque interdependencies within the ecosystem. These circular transactions help postpone economic reality in the short term and send both the market and apparent fundamentals soaring. However, should the trend begin to slow or unexpectedly break, the network of tightly intertwined companies could trigger a violent, reflexive swing in the opposite direction.

This list is by no means exhaustive, but the network diagram summarizing our research aims to illustrate the extent of interconnectivity among tech companies that invest in one another and, in some cases, finance their own demand.



Source: VIG Asset Management



Financing and ownership network

Source: VIG Asset Management

Nvidia quarterly results

Ticker	Period	Rev Est ($B)	Rev Actual ($B)	Rev Surprised %	EPS Est ($)	EPS Actual ($)	EPS Surprised %
Nvidia	FQ1'27	79.20	81.60	3.03 %	1.77	1.87	5.65%

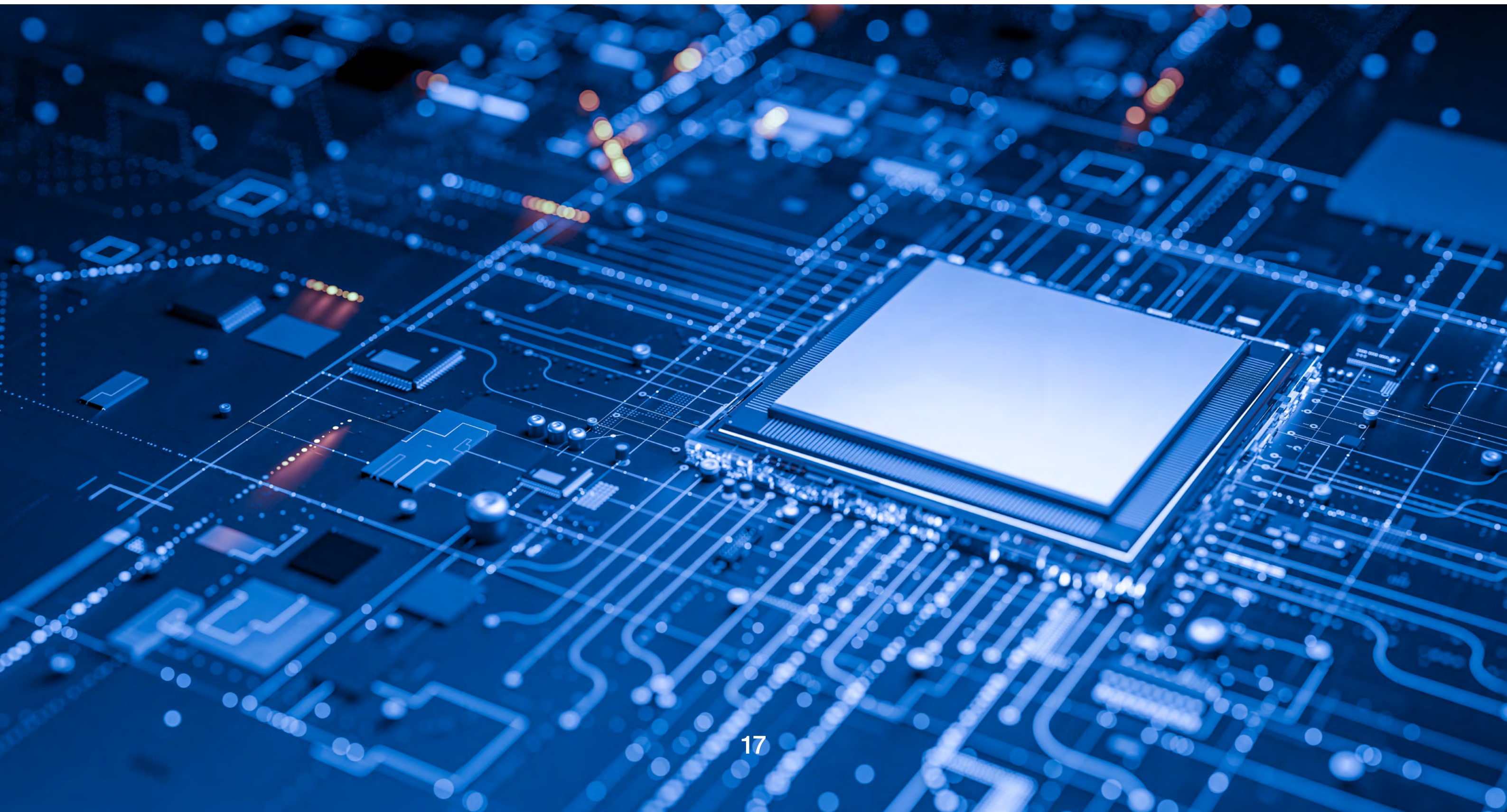
Based on data of Bloomberg terminal

In our publication from last month, we already summarized the first-quarter results of some of the world's largest technology companies. Nvidia's report fits into this series; given the company's market weight, its significance now extends far beyond the company's mere valuation.

Looking at the numbers, the company exceeded market expectations, which were already high, in nearly every area. Revenue jumped to $81.6 billion, an 85% year-over-year increase, which is slightly more than the total market capitalization of the Hungarian Stock Exchange. Of this, net income amounted to $45.5 billion, representing a 139% increase year-over-year, a growth rate that even exceeded that of revenue. This remarkable improvement in efficiency is also reflected in the gross margin, which Nvidia managed to boost to as high as 75%.

These results are also telling when viewed from the perspective of the sector as a whole. Hyperscalers, that is, the world's largest cloud service providers and technology companies, are expected to spend a record amount this year on capital investments related to artificial intelligence. An ever-increasing portion of this spending will go toward chips that these companies design themselves, in order to reduce their dependence on a single supplier. For its part, Nvidia plans to offset this risk with a growing number of orders from companies and governments that do not develop their own chips.

Nvidia's figures confirm that the AI boom has brought about a lasting transformation in the technology sector. Although its largest customers' in-house chips may pose a challenge over time, in the short term, the company is firmly maintaining its dominance while already seeking new growth opportunities. The ultimate test for the sector, however, will be when this massive infrastructure spending translates into tangible profits.



May MegaTrend newsletter

In May, as geopolitical tensions eased and energy prices plummeted, risk appetite returned strongly to the stock markets, resulting in a favorable month and strong performance for the VIG MegaTrend Equity Fund. Thematic, technology, and AI-exposed segments outperformed, while the energy sector corrected in the wake of sharply falling oil prices. At the end of the month, however, another exchange of blows between the U.S. and Iran, followed by a 60-day memorandum of understanding, reminded investors of the persistence of geopolitical risk.

One of the month's most significant developments, affecting the Fund's entire thematic universe, was the unfolding wave of AI IPOs. SpaceX publicly filed its preliminary prospectus for an IPO targeting a record valuation of approximately $1.75 trillion, with its debut expected in mid-June. The two leading AI labs, Anthropic and OpenAI, are also expected to go public before the end of the year. The capital requirements for building out AI infrastructure are enormous, and companies are finding it increasingly difficult to meet these needs through the private market, so they are turning to the public stock market.

This wave of capital raising has also spurred action among tech giants already listed on the stock market: Alphabet, Google's parent company, announced an $80 billion stock offering to finance its AI investments. On the one hand, these offerings open up new, direct investment opportunities in AI players that were previously accessible only indirectly; on the other hand, the inflow of fresh capital must find a destination, which could temporarily cause a realignment of existing large technology holdings. This could act as a headwind to the performance of the MAG7 companies, in which investors are heavily concentrated.

Market valuations remain at historically high levels, but sustained, strong, double-digit corporate earnings growth remains a supportive factor. The risk continues to lie in geopolitics. A lasting agreement could further ease monetary conditions, while a renewed escalation could threaten to bring inflationary pressures and a decline in risk appetite.

During the month, we increased the Fund's overweight position in the technology and AI infrastructure themes, which have maintained their strong momentum in recent weeks.

Disclaimer

This is a distribution announcement. Detailed information is needed to make a well-founded investment decision. Please inform yourself thoroughly regarding the Fund's investment policy, potential investment risks and distribution in the Fund's key investment information, official prospectus and management regulations available at the Fund's distribution outlets and on the Asset Management's website (www.vigam.hu). The costs related to the distribution of the fund (buying, holding, selling) can be found in the fund's management regulations and at the distribution outlets. Past returns do not predict future performance. Please note that in comparison with other investment funds, the return achieved may be affected by differences in the reference index and therefore the investment policy.

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The Asset Management's license number for managing alternative investment funds (AIFM) is: H-EN-III-6/2015.

The Fund Manager's license number for UCITS fund management (collective portfolio management) is: H-EN-III-101/2016.

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