

INVESTMENT POLICY OF THE FUND

MARKET SUMMARY

The performance of bond markets continued to be driven by the Iranian conflict that broke out at the end of February and has been ongoing ever since. Throughout the month, statements by Donald Trump aimed at ending the war repeatedly put downward pressure on oil prices; however, a lasting peace between the two sides has yet to be achieved. The impact of oil price movements has also been visible in the Hungarian bond market. At the same time, post-election euphoria continues to prevail, contributing to a further decline in Hungarian bond yields during May, which are currently in the 5.2%– 5.5% range. According to market expectations, May inflation may have been around 2.3%, as the fuel price cap remained in effect throughout the month, while margin caps on food products and drugstore goods were also still in place. At its rate-setting meeting at the end of May, the Monetary Council left the policy rate unchanged. However, two weeks before the meeting, the National Bank of Hungary (MNB) significantly reduced the maximum swap point value that could be submitted in its FX swap tender providing euro liquidity, thereby lowering the annualized forint interest rate available through the tender by 50 basis points. The forint weakened somewhat for a short period of time following the announcement but continues to trade in the 350– 360 range against the euro. While discussions in other CEE countries are increasingly focused on the possibility of interest rate hikes, in Hungary the market expects a rate cut in June due to the favorable inflation outlook and the strength of the forint. Geopolitical uncertainty remains elevated, as the outcome of the Iranian war is still far from clear. After the more than 200bps decrease in long term Hungarian government bond yields, we took some profit, however remained positive regarding Hungarian bonds, as a result we still keep approximately half of the duration overweight.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	90% MAX Index + 10% RMAX Index
ISIN code:	HU0000718127
Start:	12/01/2016
Currency:	HUF
Net Asset Value of the whole Fund:	53,518,923,031 HUF
Net Asset Value of I series:	44,722,076,526 HUF
Net Asset Value per unit:	1.309197 HUF

DISTRIBUTORS

SPB Befektetési Zrt., VIG Investment Fund Management Hungary

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	85.71 %
Corporate bonds	9.17 %
T-bills	4.04 %
Mortgage debentures	0.41 %
Current account	0.41 %
Market value of open derivative positions	0.26 %
Receivables	0.03 %
Liabilities	-0.03 %
Total	100.00 %
Derivative products	4.62 %
Net corrected leverage	100.00 %

Assets with over 10% weight

- 2032A (Government Debt Management Agency Pte. Ltd.)
- 2033A (Government Debt Management Agency Pte. Ltd.)
- 2035A (Government Debt Management Agency Pte. Ltd.)
- 2032G (Government Debt Management Agency Pte. Ltd.)

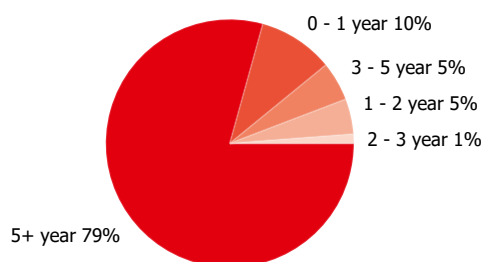
RISK PROFILE



NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	9.05 %	7.97 %
From launch	2.88 %	2.91 %
1 month	3.84 %	3.25 %
3 months	6.50 %	5.40 %
2025	6.06 %	6.03 %
2024	3.16 %	3.77 %
2023	27.87 %	26.82 %
2022	-16.66 %	-16.05 %
2021	-11.24 %	-11.36 %
2020	1.55 %	1.41 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 12/01/2016 - 05/31/2026



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	6.82 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	5.54 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	7.32 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	11.05 %
WAM (Weighted Average Maturity)	5.42 years
WAL (Weighted Average Life)	6.18 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
Magyar Államkötvény 2032/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	11/24/2032	22.49 %
Magyar Államkötvény 2033/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	04/20/2033	20.88 %
2035A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/24/2035	13.33 %
2032G	interest-bearing	Government Debt Management Agency Pte. Ltd.	05/27/2032	10.84 %
Magyar Államkötvény 2031/B	interest-bearing	Government Debt Management Agency Pte. Ltd.	07/23/2031	6.14 %
MFB 2028/02/02 6,3% HUF	interest-bearing	MFB Magyar Fejlesztési Bank Zrt.	02/02/2028	3.84 %
ROMANI EUR 2029/09/27 6,625%	interest-bearing	Romanian State	09/27/2029	3.47 %
Magyar Államkötvény 2041/A	interest-bearing	Government Debt Management Agency Pte. Ltd.	04/25/2041	2.11 %
MNB260604	zero coupon	Hungarian National Bank Plc.	06/04/2026	2.05 %
2037A	interest-bearing	Government Debt Management Agency Pte. Ltd.	09/23/2037	1.74 %

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 | alapkezeslo@am.vig | www.vigam.hu