

VIG HOUSE VIEW

VIG
ASSET MANAGEMENT

What happened in the last month?

What can we expect in the coming period?

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July 2026



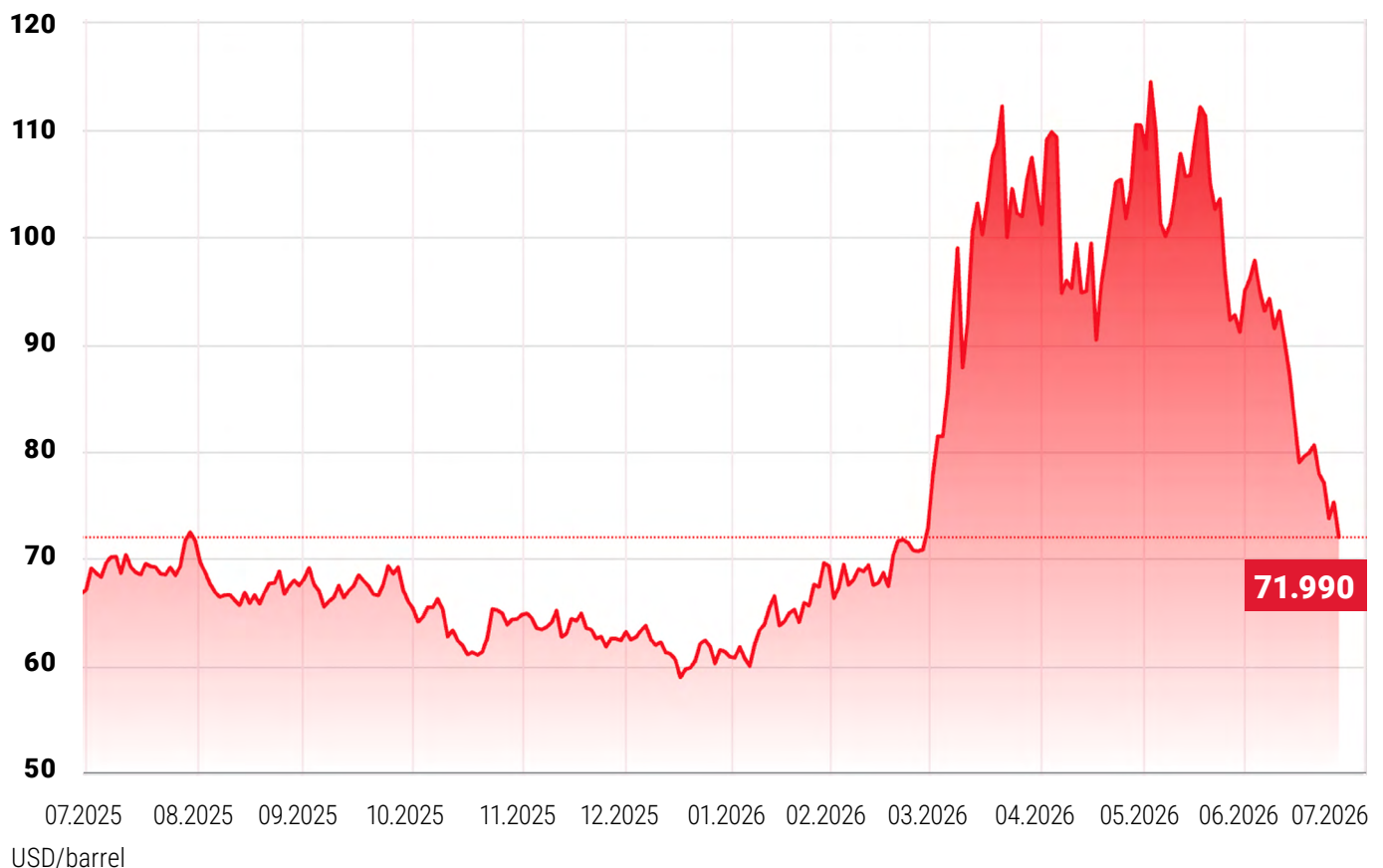
What happened in the last month?

In focus: high interest rates, strong economy

The first half of the month was still dominated by uncertainty in the energy markets triggered by the conflict in Iran and the resulting inflation fears; however, by the end of the month, diplomatic rapprochement and the gradual normalization of traffic through the Strait of Hormuz had significantly reduced the likelihood of the worst-case scenarios. The global economy was able to adapt to an extremely uncertain geopolitical environment. Investors were no longer pricing in a recession, but rather the expectation that global economic growth would be slower yet remain positive. Inflation rose again due to energy prices, but central banks increasingly viewed

it as a temporary shock, while labor markets continued to prove surprisingly stable. The global economy continues to be driven by technology investments. June offered two key lessons. Instead of focusing on short-term market noise, one must concentrate on fundamentals: geopolitical news caused significant exchange rate fluctuations, but investors who disciplinedly stuck to their diversified portfolios fared well. Moreover, within a few weeks, the markets began to price in an entirely new macroeconomic scenario. For an active asset manager, this presented an opportunity to adapt quickly to the changing environment, while long-term investment goals remained unchanged.

The price of Brent crude oil per barrel over the past 12 months



Source: Trading Economics

Equity market news

Investors have once again begun to focus on corporate earnings rather than geopolitical news. Technology remained the engine of growth, and the initial public offering (IPO) of SpaceX, the market leader in the space industry, led by Elon Musk, was met with enormous interest. At the same time, the first serious debates over valuations emerged: technology stocks, which had often been overpriced, suffered a significant correction, which proved to be a healthy profit-taking move. At the same time, earnings expectations for U.S. companies contin-

ued to improve overall (in Europe, defense, industrial, and infrastructure companies outperformed). The market recognized that the global economy had not entered a recession but had shifted to a slower yet stable growth trajectory. Investors are once again willing to pay higher valuations for companies offering structural growth. The role of active stock selection is becoming increasingly important: long-term value creation continues to depend on selecting companies with fundamentally strong, sustainable earnings growth.

Bond market news

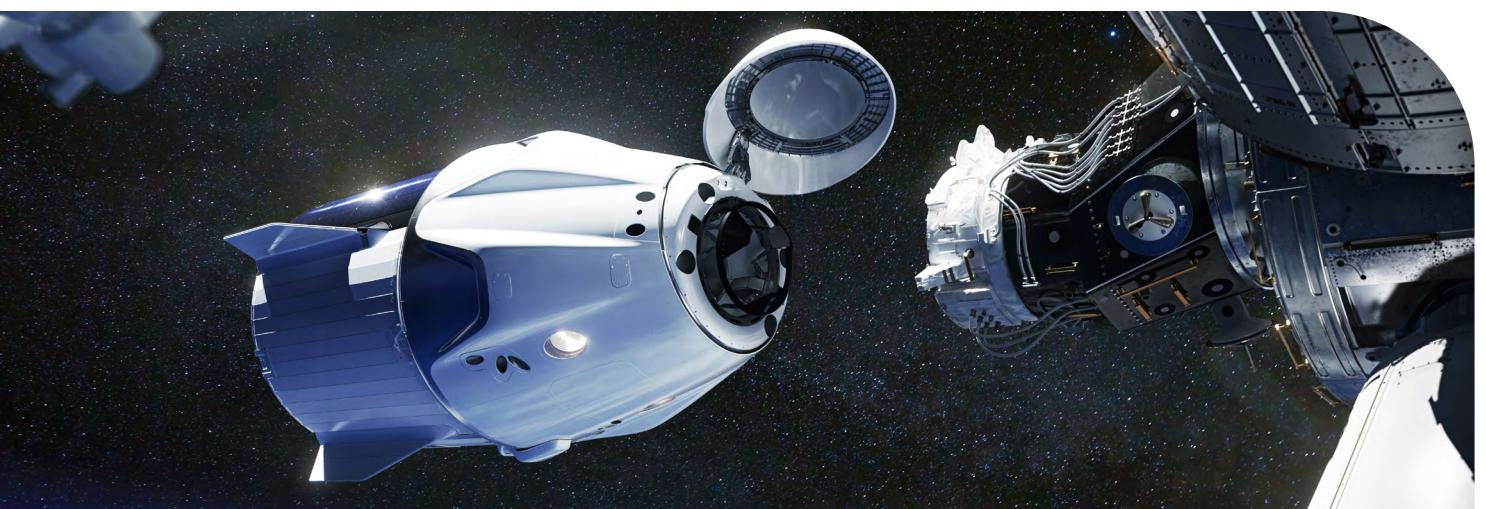
Investors have realized that an energy price shock does not automatically lead to sustained inflation and aggressive interest rate hikes, which has resulted in falling interest rates. The U.S. Federal Reserve left interest rates unchanged (3.50–3.75%), but new Chairman Kevin Warsh indicated that the fight against inflation is not yet over. Although the European Central Bank raised interest rates by 25 basis points, there was no panic-driven sell-off in bonds. Long-term government bonds have

once again become an attractive alternative for institutional investors: yields on 10-year U.S. Treasury bonds fell to 4.5%, while those on comparable German bonds dropped below 3%. Investors are once again focusing on real yields, rather than merely on inflation fears. This could create a favorable environment for high-quality bond investments in the longer term. Bonds can once again serve as important stabilizing components of a well-balanced portfolio.

Alternative investments news

The most significant event of the month was the rapid correction in oil prices. The market had previously priced in a prolonged supply shock, but diplomatic tensions eased, significantly alleviating these fears. As a result, the price of Brent crude fell by about 20%. The natural gas market also calmed down, which improved the inflation outlook. While gold remained an important safe-haven asset, it lost some of its short-term momen-

tum. The performance of industrial metals continued to be supported by AI data centers, electrical infrastructure, and defense investments. Demand for copper remained structurally strong, investors increasingly distinguished between cyclical and structural commodities. Geopolitical shocks may be temporary, while structural demand trends, digitalization, the energy transition, and infrastructure, could persist for many years.



What can we expect in the coming period?

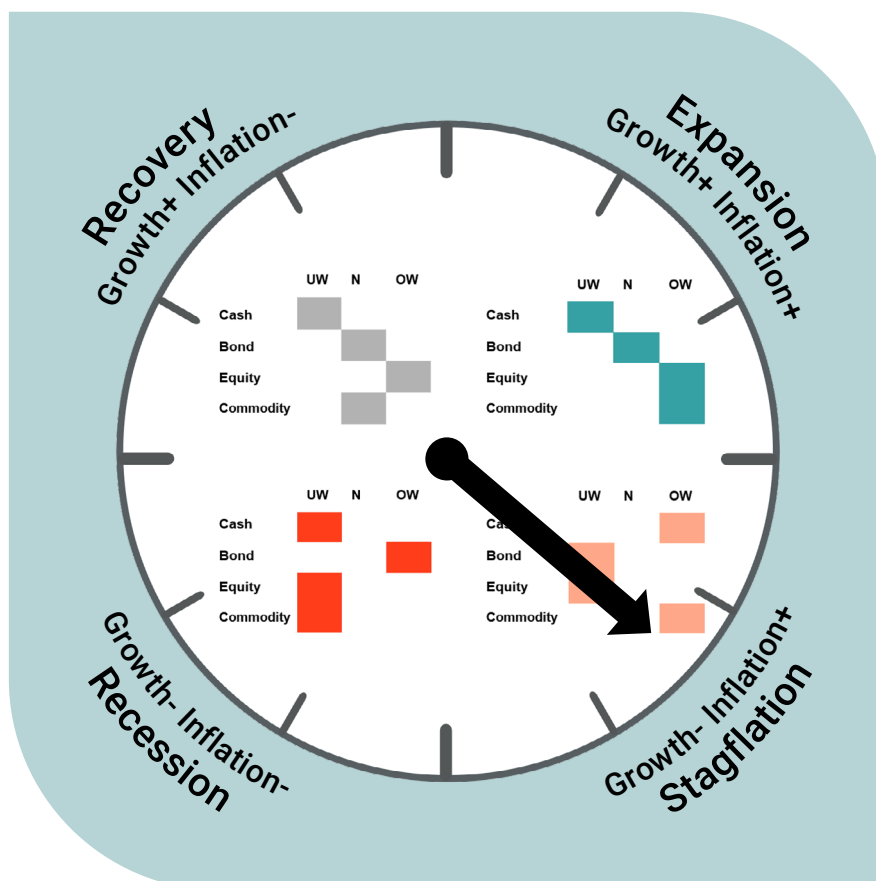
Investment clock

The VIG Global Investment Clock, a scientifically based tool that uses indicators to forecast economic cycles, is predicting stagflation (weak growth coupled with high inflation).

Positive news regarding the reopening of the Strait of Hormuz has had a beneficial effect on the macroeconomy. The global price of oil has fallen rapidly and significantly, and peace talks between the United States and Iran are moving in the right direction, all of which has brought a sense of relief and, with it, improved consumer confidence, and may help temper inflation expectations. This is exactly what is needed: the global economy

remains weak, but a lasting peace would help reduce global uncertainties.

The U.S. economy is currently on a “no landing” trajectory. The labor market is strong, and inflation jumped to 4.2% in May. Fed Chair Kevin Warsh’s debut in June took a “hawkish” that is, tightening (suggesting higher interest rates) turn, which led to a stronger dollar and expectations of interest rate hikes. In the eurozone, interest rates were raised as early as June due to surging inflation, but despite Germany’s infrastructure package, no turnaround in growth is expected, so the stagflationary environment persists.



OW: Assets expected to perform well in the given period.

N: Assets expected to perform less well in the given period.

UW: Assets expected to perform poorly in the given period.

Source: VIG Asset Management

Tactical Asset Allocation

In line with the latest economic and capital market trends, we have made adjustments to our asset allocation. We have once again adopted a slightly riskier asset allocation for the coming period, increasing the weighting of certain equity markets primarily due to the positive outlook for the stock market.

We have reduced the weighting of equities

The possibility of continued dollar strength could be a cause for concern regarding stock prices, as it would result in a decline in liquidity in global capital markets and could trigger a significant wave of profit-taking in “overbought” assets, that is, those with excessively high valuations. And not just those: such a shift in investor sentiment could drag down riskier assets in general, notably the stock markets. But the greatest danger would be to those stocks that have risen the most in recent months, primarily shares of companies linked in

one way or another to the technology and artificial intelligence sectors.

Commodities may gain momentum

We are seeing more momentum in the commodity markets than in previous months; we expect gold, in particular, to strengthen. The precious metal had previously proven to be one of the most profitable investments (its price had risen to record levels due to military conflict), but the sudden easing of geopolitical tensions triggered a rapid price drop of about 20%. Yet demand remains strong, not from speculators seeking short-term gains, but from central banks diversifying their reserves for the long term. Their purchases could provide support for the price, which may begin to rise again, thereby allowing gold to once again fulfill its role as a balancing asset within the portfolio.

Monthly asset allocation (July 2026)

Asset class	H UW	UW	S UW	N	S OW	OW	H OW	Since June
Cash (Money market)								
Fixed income								
Core market fixed income								
EM local currency bonds								
EM hard currency bonds								
CEE government bonds								
Commodities								
Gold								
Equities								
DM Equities								
US Equities								
EU Equities								
EM ex China Equities								
CEE Equities								

The table was prepared based on our investment clock and quadrant model.

Source: VIG Asset Management

Weights:

The weights indicate the evaluation of the respective country, region, and asset class, providing a basis for portfolio managers in structuring portfolios and establishing positions, thus helping to capitalize on market opportunities.

- Strongly underweight
- Underweight
- Slightly underweight
- Neutral
- Slightly overweight
- Overweight
- Strongly overweight
- Changes compare to the the previous month

Fund of the month at VIG Asset Management

VIG Central European Equity Fund

The positive outlook evident in regional stock markets puts the VIG Central European Equity Fund in a strong position. The Fund's objective is to invest in the stock markets of the Central and Eastern European region, and it is recommended for investors who wish to participate in the long-term performance of companies listed on regional stock exchanges. Huge amounts of capital are flowing into the region's stock markets, partly because the end of the U.S.-Iran-Israel war is now within reach: the improving outlook is emboldening investors worldwide, who are thus more willing to venture into emerging markets that

are slightly riskier but promise higher returns. Within this context, Hungary and Poland are the "favorites": analysts are consistently revising upward the earnings forecasts for listed companies in both countries, while stock prices remain low relative to profits, both regionally and internationally. The financial sector, in particular, is performing well, it's no wonder that foreign capital is flowing in.

Based on our expectations (and tactical asset allocation), the fund of the month may outperform in the near future.



ESG theme of the month

The tournament of records: can the biggest FIFA World Cup ever also be sustainable?

The 2026 FIFA World Cup has already set records in many respects. It is the first tournament to feature 48 national teams, the World Cup with the highest number of matches in history – 104 in total – and it will be hosted across 16 stadiums in three countries: the United States, Canada and Mexico. But can sustainability remain a priority when organizing an event of such unprecedented scale? Is this FIFA's greatest sustainability challenge to date?

Environmental challenges of the FIFA World Cup

As one of the world's most popular sports, football captures the attention of billions of people every four years during the FIFA World Cup.

Attendance records have already been broken. The previous record of 3,587,538 spectators, set in 1994, was surpassed by June 28, when 4,644,549 fans had already attended¹ the first 72 group-stage matches across the United States, Canada and Mexico. However, this enormous success comes with a significant environmental cost. Supporters and national teams travel vast distances between host cities, generating millions of tonnes of CO₂ emissions. Even the travel undertaken by FIFA president² between matches contributes to the tournament's environmental footprint.

In addition, stadium operations and event management require enormous amounts of energy. Large-scale waste generation, food waste, and the substantial water and energy consumption associated with fan zones and accommodation facilities further increase the environmental burden.

Despite what appears to be a challenging environmental balance sheet, the tournament's organizers have not remained passive. On the contrary, they have introduced a range of initiatives designed to mitigate these impacts.

FIFA's sustainability strategy

For the 2026 FIFA World Cup, FIFA has developed a dedicated Sustainability & Human Rights Strategy³, providing a comprehensive framework for addressing the tournament's social, environmental and economic responsibilities.

The strategy is built around four key pillars:

- Social
- Environmental
- Economic
- Governance

Within this framework, FIFA has committed to implementing consistent environmental and human rights audits across every host city and stadium. While these commitments sound promising on paper, implementation is equally important.

In practice, FIFA aims to reduce the tournament's unavoidable environmental footprint by engaging local communities, respecting labour rights, and monitoring and reducing greenhouse gas emissions throughout the event.

Stadiums designed with sustainability in mind

Most of the stadiums hosting FIFA World Cup matches have undergone significant infrastructure upgrades to meet modern sustainability standards.

Thirteen of the sixteen venues have received recognised green building certifications⁴, demonstrating that existing infrastructure can successfully be adapted to meet higher environmental standards. This is particularly important because the 2026 tournament relies primarily on existing stadiums – many of them NFL venues – rather than constructing entirely new facilities.

Sources:

¹ <https://inside.fifa.com/organisation/news/records-world-cup-2026-group-stage-sets-new-benchmark>

² <https://www.bbc.com/sport/football/articles/cgev5wy0zg3o>

³ <https://inside.fifa.com/tournament-organisation/world-cup-2026-sustainability-strategy/introduction>

⁴ <https://netzerocompare.com/articles/world-cup-stadiums-gain-green-building-certifications-as-climate-concerns-persist>

Atlanta's Mercedes-Benz Stadium⁵, which will host eight World Cup matches, provides one of the strongest examples of sustainable stadium design. More than 4,000 solar panels generate approximately 1.6 million kilowatt-hours of renewable electricity annually, reducing the stadium's electricity consumption by around 29%.

The venue has also invested heavily in water conservation. A four-million-litre underground cistern collects rainwater for cooling systems and irrigation, reducing pressure on the municipal water supply while providing a sustainable water source for maintaining both the playing surface and the surrounding landscape.

Meanwhile, in Texas, the Houston Host Committee has committed to supplying all major official tournament venues with electricity generated entirely from renewable energy sources.

Japanese fans set the gold standard

While FIFA and the host venues deserve recognition for their sustainability efforts, individual responsibility can be just as important in reducing the tournament's environmental footprint.

Japanese supporters have become the benchmark for environmentally responsible fan behaviour. During the 2022 FIFA World Cup in Qatar, they earned worldwide admiration by systematically cleaning their seating sections after every match, equipped with their now-famous blue rubbish bags.

Their exemplary conduct has inspired others to follow

suit. After the Japan–Netherlands match at AT&T Stadium in Dallas, New York Giants quarterback Jameis Winston⁶ picked up a rubbish bag himself and joined Japanese supporters in cleaning the stands.

This powerful act of solidarity demonstrates how positive fan culture can spread across borders and encourage collective environmental responsibility.

The World Cup's power to unite people

From an ESG perspective, the Social (S) pillar is just as important as the environmental dimension.

Held every four years, the FIFA World Cup brings together millions of people through a shared passion for football. Fans from every generation and every social background come together to support their national teams, creating a unique atmosphere that extends far beyond the matches themselves.

Boston, for example, came alive thanks to Scottish supporters, with its streets transformed into a vibrant multicultural festival for several days. Meanwhile, fans from the Netherlands, Portugal and Norway have also made headlines with their distinctive chants and celebrations, creating unforgettable moments that have become part of World Cup folklore.

These scenes demonstrate football's remarkable ability to bridge cultural and political divides. At a time when geopolitical tensions often dominate international relations, the World Cup offers a rare opportunity for people around the world to experience a genuine sense of global unity.

Sources:

⁵ <https://sustainabilitymag.com/news/world-cup-2026-the-energy-use-of-fifas-largest-tournament>

⁶ https://www.espn.co.uk/nfl/story/_/id/49066052/jameis-winston-japanese-fans-clean-world-cup-2026-match-new-york-giants



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Contact information:

**VIG Asset Management
Hungary**

+36 1 477 4814

alapkezelo@am.vig

Üllői Street 1.

1091 Budapest, Hungary

www.vigam.hu/en/