

INVESTMENT POLICY OF THE FUND

The Fund's goal is to achieve capital growth through active portfolio management by investing in green bonds issued by governments and corporations in developed and emerging markets, while also advancing the Fund's sustainability objectives. The Fund Manager integrates sustainability risks and their management into the Fund's investment decision-making process. The Fund aims to promote environmental and/or social characteristics and pursues sustainable investment, thereby falling under Article 9 of the SFDR regulation. The Fund's credit rating restriction is that it may only purchase bonds with an investment-grade rating. With a reasonable risk approach, the Fund seeks the highest possible capital growth, primarily through asset allocation in green bonds available in global bond markets. The Fund's investment strategy is built on sustainable value creation, aiming to develop an actively managed, well-diversified portfolio that considers both sustainability criteria and the fundamentals of its assets. To achieve this, it primarily invests in developed market reem corporate and government bonds issued in foreign currencies, and may also hold emerging market green corporate and government bonds. The bond portfolio may also include short- and long-term, fixed or variable rate bonds issued by mortgage banks, other financial institutions, municipalities, or other economic organizations. The Fund's goal is sustainable investment, which it plans to achieve primarily, though not exclusively, through a positive environmental impact within the ESG universe. In pursuit of this, it mainly intends to invest in bonds from countries with low greenhouse gas emission intensity, a strong exercise of civil liberties, and low rates of social violations. Additionally, the Fund plans to invest in bonds of companies with a low ecological footprint, contributing through their activities to solving global environmental issues, such as the transition to a low-carbon economy or a circular economic model. The Fund may hold assets with exposures differing from the base currency up to 100%. The Fund Manager generally hedges currency exposures to the target currency (EUR) at 100%, but may also hold open currency positions depending on market expectations. The Fund invests at least 80% in assets issued and traded outside Hungary.

MARKET SUMMARY

Global financial and capital market movements in February were largely driven by Donald Trump's tariff hike policy. The US President imposed significant import tariffs on Mexico, Canada and China, which initially triggered a sharp sell-off in markets. Eventually, the last-minute announcement of a delay in the tariffs eased the mood, but the phenomenon illustrates the volatility of the markets. Despite the trade tensions, the US economy continued to show solid growth, with annual household consumption growth above 4% and subdued inflation creating a favorable environment for the equity markets. In Europe, investor sentiment was also driven by Trump's tariff announcements and the expected EU response. German and French inflation data came in slightly below expectations, reinforcing expectations of a rate cut by the European Central Bank (ECB) this year. As a result, the yield on two-year German government bonds fell by an unprecedented 19 basis points in February. This was partly due to the German elections, in which the AfD performed weaker than expected. In equity markets, the industrial and automotive sectors were particularly sensitive to US tariffs, while defense and energy stocks performed well. EU policymakers are expected to prepare targeted trade responses, which could lead to further volatility in the coming months. Last month, we remained optimistic on global rates and Eurozone rates as well and bought some Belgian green bonds to keep overweight duration. ECB rate cuts and low oil price would support lower yields on the whole yield curve, however, the possibility of increasing military spending and the need for more bond issuance might be a risk for lower yield environment.

GENERAL INFORMATION

| | |
|------------------------------------|--|
| Fund Manager: | VIG Investment Fund Management Hungary |
| Custodian: | Erste Bank Hungary Zrt. |
| Main distributor: | VIG Investment Fund Management Hungary |
| Benchmark composition: | Fund has no benchmark |
| ISIN code: | HU0000732177 |
| Start: | 08/05/2024 |
| Currency: | EUR |
| Net Asset Value of the whole Fund: | 1,290,150,087 HUF |
| Net Asset Value of El series: | 3,192,336 EUR |
| Net Asset Value per unit: | 1.007515 EUR |

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

| | | | | | | |
|--------|--------|------|------|------|------|------|
| 3 mths | 6 mths | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr |
|--------|--------|------|------|------|------|------|

ASSET ALLOCATION OF THE FUND

| Asset | Weight |
|------------------------|-----------------|
| Government bonds | 60.65 % |
| Corporate bonds | 29.75 % |
| Current account | 9.63 % |
| Liabilities | -0.01 % |
| Total | 100,00 % |
| Derivative products | 0.00 % |
| Net corrected leverage | 100.00 % |

Assets with over 10% weight

| |
|--|
| ROMANI EUR 2036/02/22 5,625% (Romanian State) |
| BTPS 4 10/30/31 (Italian State) |
| REPHUN 4% 2029/07/25 EUR (Government Debt Management Agency Pte. Ltd.) |

RISK PROFILE

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk → Higher risk

NET YIELD PERFORMANCE OF THE SERIES

| Interval | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| YTD | 0.76 % | |
| From launch | 0.75 % | |
| 1 month | 0.73 % | |
| 3 months | 0.01 % | |
| 6 months | 1.69 % | |

NET PERFORMANCE OF THE SERIES

net asset value per share, 08/05/2024 - 02/28/2025



RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year | 2.75 % |
| Annualized standard deviation of the fund's weekly yields-based on 3 year | 2.75 % |
| Annualized standard deviation of the fund's weekly yields-based on 5 year | 2.75 % |
| WAM (Weighted Average Maturity) | 5.39 years |
| WAL (Weighted Average Life) | 6.36 years |

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