

# VIG Emerging Market ESG Equity Investment Fund

PI series PLN MONTHLY report - 2024 DECEMBER (made on: 12/31/2024)

## INVESTMENT POLICY OF THE FUND

The aim of the Fund is to share in the performance of companies benefiting from the growth of developing economies, through share price increases or dividend payments of listed companies, either directly (through investments in individual stocks) or indirectly (through ETFs or mutual Funds), while taking environmental, social and governance (ESG) criteria into account. The Fund does not directly invest in shares of Chinese companies within the emerging market universe. The geographical distribution is partly determined by the MSCI Emerging Markets Ex China Index, in which, besides a significant Asian (ex China) focus, European and Latin American companies are also heavily represented, and partly by the MSCI World with Emerging Markets (EM) Exposure Index, in which American and European companies represent the greatest weight. The use of stock and index futures is permitted in order to hedge and effectively build the Fund's portfolio. In selecting the stocks, the Fund pays special attention to the ESG compliance of individual companies; therefore, besides analysing financial factors, portfolio managers also consider environmental, social and governance factors in the investment decision process. The Fund Manager seeks to build a portfolio in which the positive ESG characteristics of companies prevail, i.e. companies with high ESG scores are overrepresented in the portfolio as compared to companies with low ESG scores.

The environmental criterion covers the elements where a business interacts with the environment. This includes, for example, the energy usage, waste management, and emission of pollutants of corporations, as well as the preservation of natural resources. Social criteria include all relations of a corporation with external partners, customers and internal employees. Corporate governance criteria include the legal conditions affecting the reliable operation of a corporation.

Due to the strategy of the Fund, it may also invest in assets denominated in foreign currency. The Fund may hedge some or all of its foreign currency risk using forward currency positions against the target currency, i.e. the settlement currency of the benchmark (USD). The Fund Manager has a discretionary right to reduce the foreign currency risk of positions denominated in a currency other than the target currency, depending on market developments, by entering into hedge transactions. In addition, the use of equity and index futures is permitted in order to effectively build the Fund's portfolio. The Fund records its assets in Hungarian forint (HUF).

## MARKET SUMMARY

The US equity market had an average performance in December, influenced by rising bond yields and mixed economic data. Although the S&P 500 and the Nasdaq index reached new all-time highs, led mainly by the technology sector, the year-end Santa Claus rally did not deliver the expected results. The ISM services sector index showed a solid growth picture, while labor market data indicated a balanced economy. The Fed's 25 basis point interest rate decision in December was in line with expectations, but Powell's speech suggested less rate cuts next year than expected. This caused a sell-off, that markets have not been able to recover from since. Some sectors, such as semiconductors, did not perform well for other reasons, partly explained by market overpricing and sector-specific uncertainties. In Europe, the German DAX index rose to a new high, supported by a favorable yield environment and expected interest rate cuts by the European Central Bank. But the German market also fell back by the end of December, caused by a political crisis like the one in France. The French market was held back by fiscal uncertainty and tensions around political conflicts, in particular a motion of no confidence in the government. Although weak PMI data indicated a slowdown in the Eurozone economy, investment stimulus statements and expected monetary easing improved sentiment in the cyclical sectors.

The Fund returned -0.87% for the month, underperforming the benchmark index. The underperformance was mainly due to the underperformance of the largest overweight in the fund, which was Poland; in addition, large fossil energy producing countries such as Saudi Arabia and the UAE were underweight, while they were among the best performing markets during December. In addition, the Indonesian overweight also took away from relative performance. The Fund started the New Year with an overweight of around 5% against the benchmark index.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	70% MSCI Emerging Markets ex China Net Return USD Index + 30% MSCI World with EM Exposure Net Total Return Index
ISIN code:	HU0000723689
Start:	06/09/2020
Currency:	PLN
Net Asset Value of the whole Fund:	24,229,420,492 HUF
Net Asset Value of PI series:	28,837 PLN
Net Asset Value per unit:	1.239287 PLN

## DISTRIBUTORS

Vienna Life TU na Zycie S.A. Vienna Insurance Group

## 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
Collective securities	60.66 %
International equities	32.00 %
Hungarian equities	1.47 %
T-bills	0.79 %
Current account	5.00 %
Receivables	0.17 %
Liabilities	-0.07 %
Market value of open derivative positions	0.00 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	9.90 %
Net corrected leverage	109.63 %

### Assets with over 10% weight

Lyxor MSCI Emerging Markets Ex China UCITS ETF

## RISK PROFILE

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← Lower risk Higher risk →

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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	13.50 %	15.48 %
From launch	4.82 %	5.99 %
1 month	-0.95 %	-0.10 %
3 months	0.83 %	1.43 %
2024	13.50 %	15.48 %
2023	1.59 %	3.24 %
2022	-17.73 %	-15.48 %
2021	5.47 %	5.02 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 06/09/2020 - 12/31/2024



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	13.74 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	14.24 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	15.72 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	15.46 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Lyxor MSCI Emerging Markets Ex China UCITS ETF	investment note	Lyxor MSCI EM Ex China UCITS ETF	12.87 %
S&P500 EMINI FUT Mar25 Buy	derivative	Raiffeisen Hun	03/21/2025 6.75 %
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	6.72 %
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF	5.52 %
NVIDIA Corp	share	NVIDIA Corporation	5.34 %
Xtrackers MSCI Taiwan UCITS ET	investment note	Xtrackers MSCI Taiwan UCITS ETF	4.43 %
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	4.42 %
iShares MSCI India UCITS ETF	investment note	iShares MSCI India UCITS ETF	4.15 %
HSBC MSCI Taiwan Capped UCITS ETF	investment note	HSBC MSCI Taiwan Capped UCITS	3.72 %
Apple Computer	share	Apple Computer Inc	3.71 %

### 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 | alapkezelo@am.vig | www.vigam.hu