

## INVESTMENT POLICY OF THE FUND

The aim of the Fund is to invest on the stock market of the Central and Eastern European Region. It is for investors who would like a share in the long-term performance of listed companies in the region. In the development of the portfolio of this Fund, the priority is to optimise the aggregate risk of the securities added to the Fund. In order to reduce risks, the Fund Manager exercises the highest degree of diligence when selecting the securities to be included in the portfolio. It analyses the risk factors of the securities, and supports its decisions with in-depth calculations.

The Fund purchases stocks issued by companies in Central and Eastern European region (primarily Hungary, the Czech Republic, Poland, Austria, Romania, secondarily Slovenia, Croatia, Slovakia), but it may also invest in the stocks of other developing and developed foreign companies as well as other collective investment securities. 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 composition of the Fund, i.e. the current settlement currency of the benchmark (CEE region currencies). The Fund Manager has the discretionary right to reduce the foreign currency risk of the currency positions differing from the Fund's target currency composition based on the market processes by concluding 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). To ensure liquidity, the Fund wishes to add government securities issued by member states of the EU, OECD, or G20 to its portfolio. No individual investor's decisions can be made in the Fund.

The most important factors influencing the return of the Fund are: changes in the prices of financial instruments in the Fund's portfolio, the risks undertaken by the Fund, gains/losses resulting from the currency exposure in the Fund, and changes in the operational and other expenses of the Fund. The Fund achieves returns through the appreciation of financial instruments in its portfolio. The calculation of the Fund's return is based on Appendix 3 of Act CXXXVIII of 2007 (Hungarian Securities Act).

## MARKET SUMMARY

January saw the start of the fourth quarterly corporate reporting season in the US equity markets. The S&P 500 companies are forecast to post earnings growth of more than 11%, while it is questionable whether high profit margins above nominal GDP growth will be maintained. The change in the yield environment was a key factor, with the US 10-year Treasury yield reaching 4.8%, putting pressure on equity markets. The dollar remained extremely strong, which may not be conducive to US economic policy in the long term. Fed policymakers remained cautious: on the January meeting, in line with market expectations they did not cut the base rate. Inflation data showed a mixed picture, with core inflation rising on a monthly basis in December, which could point to strong wage pressures. European markets were volatile on inflation data and interest rate expectations. Inflation in December was higher than expected in several countries - 2.9% in Germany, for example - reducing the European Central Bank's (ECB) room for maneuver in cutting interest rates. In bond markets, the rise in UK yields and the weakening of sterling raised concerns, with some analysts suggesting that the situation is similar to the period before the 1976 IMF bailout in the UK. The housing market remains weak: like the US market, European real estate players are finding it difficult to sell their assets.

The Central European markets closed January with exceptionally strong performance. This time, Polish stocks led the gains, something that had not happened for more than half a year. The Czech and Hungarian markets also performed well, while the Romanian market lagged somewhat, although it still managed to rise. Sector-wise, retail performed the best, with all members of the sector rising by double digits. The raw materials, telecommunications, banking, and oil sectors also performed well. The Fund outperformed its benchmark index during the month, mainly due to the high equity weighting (107%), particularly the overweight positions in Polish and Hungarian stocks. We remain distinctly optimistic about Central European equities, primarily due to strong fundamentals alongside high valuation discounts. The main risks continue to stem from uncertainties related to the Russia-Ukraine war and the impact of trade wars on the region.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary 45% MSCI Emerging Markets Poland Net Total Return Local Index + 15% MSCI Austria Net Total Return + 15% MSCI
Benchmark composition:	Emerging Markets Czech Republic Net Total Return Local Index + 15% MSCI Emerging Markets Hungary Net Total Return Local Index + 10% MSCI Romania Net Total Return
ISIN code:	HU0000705926
Start:	10/29/2007
Currency:	EUR
Net Asset Value of the whole Fund:	38,813,809,682 HUF
Net Asset Value of B series:	9,880,073 EUR
Net Asset Value per unit:	7.070133 EUR

## ASSET ALLOCATION OF THE FUND

Asset	Weight
International equities	80.40 %
Hungarian equities	14.34 %
Government bonds	1.10 %
Collective securities	0.00 %
Current account	3.42 %
Receivables	0.85 %
Liabilities	-0.10 %
Market value of open derivative positions	0.00 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	13.11 %
Net corrected leverage	114.19 %
<b>Assets with over 10% weight</b>	
There is no such instrument in the portfolio	

## DISTRIBUTORS

Concorde Securities Ltd., Conseq Investment Management, a.s., ERSTE Group Bank AG Austria, Erste Investment Plc., OTP Bank Nyrt., Raiffeisen Bank cPlc., SC Aegon ASIGURARI DE VIATA SA, SPB Befektetési Zrt., Vienna Life TU na Zycie S.A. Vienna Insurance Group, VIG Asset Management Hungary Plc.

# VIG Central European Equity Investment Fund

B series EUR MONTHLY report - 2025 JANUARY (made on: 01/31/2025)



## SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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## RISK PROFILE

1	2	3	4	5	6	7
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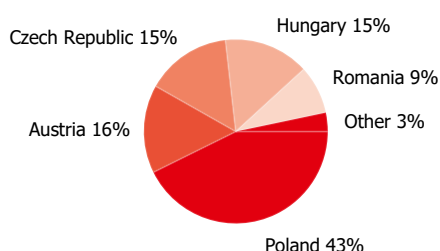
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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	9.32 %	9.07 %
From launch	2.14 %	1.09 %
1 month	9.32 %	9.07 %
3 months	12.96 %	13.56 %
2024	8.79 %	10.98 %
2023	38.79 %	37.38 %
2022	-20.75 %	-17.49 %
2021	31.77 %	31.82 %
2020	-14.89 %	-14.70 %
2019	7.88 %	8.98 %
2018	-11.48 %	-11.17 %
2017	26.40 %	25.36 %
2016	8.01 %	6.67 %
2015	-0.97 %	-2.27 %

### Stocks by countries



## NET PERFORMANCE OF THE SERIES

net asset value per share, 10/29/2007 - 01/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	14.55 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	13.44 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	22.32 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	24.81 %
WAM (Weighted Average Maturity)	0.08 years
WAL (Weighted Average Life)	0.10 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
WIG20 INDEX FUT Mar25 Buy	derivative	Erste Bef. Hun	03/21/2025	9.92 %
OTP Bank törzsrészevény	share	OTP Bank Nyrt.		9.08 %
Erste Bank	share	ERSTE Group Bank AG Austria		8.89 %
CEZ	share	CEZ A.S		8.76 %
PKO Bank	share	PKO Bank Polski SA		7.83 %
Bank Pekao SA	share	Bank Pekao Sa		4.32 %
POWSZECHNY ZAKŁAD UBEZPIECZEŃ	share	POWSZECHNY ZAKŁAD UBEZPIECZEŃ		4.24 %
Polski Koncern Naftowy	share	PL Koncern Naftowy		4.00 %
Komercni Banka	share	Komercni Banka A. S.		3.91 %
OMV	share	OMV AV		3.18 %

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