

# VIG Emerging Market ESG Equity Investment Fund

A series HUF MONTHLY report - 2025 JANUARY (made on: 01/31/2025)

## 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

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 Fund started 2025 with an overweight position of around 5%, primarily in CEE markets. Within this, the Fund took the largest overweight position in the Polish stock market, which was one of the best-performing markets with a double-digit return in January. In the first half of the month, Thai and Malaysian stocks were underweighted, while Greece and the United Arab Emirates were overweighted, as they could continue their relative outperformance if the U.S. dollar strengthens further. By the end of the month, the Fund closed most of its Polish overweight position and reduced exposure in developed market stocks with high emerging market exposure. As a result, the Fund started the new month with a slight underweight position.

## 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:	HU0000705272
Start:	05/11/2007
Currency:	HUF
Net Asset Value of the whole Fund:	22,916,369,022 HUF
Net Asset Value of A series:	3,426,501,038 HUF
Net Asset Value per unit:	2.540504 HUF

## DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, ERSTE Group Bank AG Austria, Erste Investment Plc., MBH Befektetési Bank Zrt, OTP Bank Nyrt., Raiffeisen Bank cPlc., SPB Befektetési Zrt., UniCredit Bank Hungary cPlc., VIG Asset Management Hungary Plc.

## 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	59.49 %
International equities	32.95 %
Hungarian equities	1.66 %
Current account	4.51 %
Receivables	1.48 %
Liabilities	-0.07 %
Market value of open derivative positions	-0.01 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	3.64 %
Net corrected leverage	103.69 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## 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	0.98 %	1.71 %
From launch	5.40 %	5.59 %
1 month	0.98 %	1.71 %
3 months	2.89 %	4.22 %
2024	21.87 %	25.88 %
2023	3.44 %	6.49 %
2022	-13.58 %	-10.16 %
2021	5.43 %	6.36 %
2020	19.21 %	20.53 %
2019	17.07 %	20.43 %
2018	-6.84 %	-7.93 %
2017	17.45 %	19.66 %
2016	4.46 %	5.03 %
2015	-0.31 %	0.23 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 05/11/2007 - 01/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	15.11 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	14.56 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	17.05 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	18.94 %
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	8.88 %
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	6.80 %
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF	6.18 %
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	4.71 %
Xtrackers MSCI Taiwan UCITS ET	investment note	Xtrackers MSCI Taiwan UCITS ETF	4.66 %
iShares MSCI India UCITS ETF	investment note	iShares MSCI India UCITS ETF	4.20 %
HSBC MSCI Taiwan Capped UCITS ETF	investment note	HSBC MSCI Taiwan Capped UCITS	3.95 %
iShares MSCI UAE ETF	investment note	iShares MSCI UAE ETF	3.84 %
NVIDIA Corp	share	NVIDIA Corporation	3.80 %
Apple Computer	share	Apple Computer Inc	3.69 %

### Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfv. 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