

# VIG InnovationTrend ESG Equity Investment Fund

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

## INVESTMENT POLICY OF THE FUND

The purpose of the investment fund is to create an equity fund that seeks to benefit from innovation in various industries. The Fund aims to achieve long-term capital growth by investing in global companies that are at the forefront of the use of disruptive technologies and can thus play a leading role in their industries. Disruptive technology refers to innovations or developments that significantly change or disrupt existing industries, business models, products or services. Such trends include, for example, big data (artificial intelligence, quantum computers), e-mobility (electric cars and related battery technologies), digitisation and related entertainment (metaverse, e-sports) and, last but not least, fintech and robotics industry breakthroughs.

The Fund aims to achieve its objectives through equity-type instruments, primarily exchange-traded funds (ETFs), equities and open-ended public investment funds. The Fund takes a forward-looking approach and actively seeks companies in industries that show potential for growth through technological innovation. Investments are made in companies that have strong fundamentals and are capable of long-term value creation and achieving competitive advantage through innovation. The investment philosophy is based on the belief that innovation is a key driver of long-term business success and shareholder value. Trends related to technological innovation are long-term processes that extend beyond normal economic cycles and are generally global and affect the entire world. Consequently, the Fund is not subject to any geographical restrictions. Since the Fund aims to profit from long-term growth and has significant exposure to the equity market, we recommend the Fund to investors who want to invest in the longer term and have a relatively high willingness to take risk.

## 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.

The Fund's price continued to rise in January, with the largest contribution coming from companies in the communication sector, while hardware manufacturers had the most negative impact on returns. At the end of January, the emergence of China's DeepSeek in generative artificial intelligence disrupted an already volatile market. Reports suggest that DeepSeek could compete with leading AI solutions significantly more efficiently and at a lower cost, which led to a 17% drop in Nvidia's stock price in a single day. Other chipmakers also suffered substantial declines, as DeepSeek's advancements cast doubt on the absolute necessity of high-end chips for AI development. Additionally, Microsoft, Meta, and Tesla released their quarterly earnings at the end of the month. The key message from these companies was that they are continuing AI-related investments at the same pace, unaffected by DeepSeek's emergence, with the goal of maintaining leadership in AI. At this point, it seems that competition in AI will likely intensify further, especially after Alibaba also announced a strong challenger in AI development. We believe caution remains warranted in the chipmaking sector, while software companies utilizing AI solutions could actually benefit from DeepSeek's emergence. As a result, we have adjusted our portfolio allocation in that direction. AI-related companies continue to be one of the Fund's most prominent themes, particularly software developers and cybersecurity firms.

## 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:	HU0000732953
Start:	03/11/2024
Currency:	EUR
Net Asset Value of the whole Fund:	18,903,813 USD
Net Asset Value of E series:	1,017,724 EUR
Net Asset Value per unit:	1.244123 EUR

## DISTRIBUTORS

CIB BANK ZRT, Conseq Investment Management, a.s., MBH Befektetés Bank Zrt, Raiffeisen Bank cPlc., VIG Asset Management Hungary Plc.

## 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
Collective securities	61.68 %
International equities	27.16 %
T-bills	1.16 %
Current account	10.11 %
Liabilities	-0.13 %
Receivables	0.04 %
Market value of open derivative positions	-0.01 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	4.57 %
Net corrected leverage	104.39 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

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

← Lower risk Higher risk →

# VIG InnovationTrend ESG Equity Investment Fund

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

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	3.03 %	
From launch	24.41 %	
1 month	3.03 %	
3 months	15.01 %	
6 months	17.95 %	

### Stocks by sectors



## NET PERFORMANCE OF THE SERIES

net asset value per share, 03/11/2024 - 01/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	18.51 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	18.51 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	18.51 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Xtrackers MSCI World Communication Services Index UCITS ETF	investment note	Xtrackers MSCI World Comm Services Index UCITS ETF	9.64 %
Xtrackers MSCI World Consumer D UCITS ETF	investment note	Xtrackers MSCI World Consumer D UCITS ETF	8.97 %
Xtrackers MSCI World I T UCITS ETF	investment note	Xtrackers MSCI World Information Tech UCITS ETF	8.08 %
SPDR MSCI World Consumer Discretionary UCITS ETF	investment note	SPDR MSCI World Consumer Discretionary UCITS ETF	6.87 %
NASDAQ 100 E-MINI Mar25 Buy	derivative	Erste Bef. Hun	03/21/2025 4.57 %
SPDR MSCI World Communications Service UCITS ETF	investment note	SPDR MSCI World Communications Service UCITS ETF	4.12 %
Xtrackers AI & Big Data UCITS ETF	investment note	Xtrackers AI & Big Data UCITS ETF	3.96 %
Alphabet Inc	share	Alphabet Inc	3.73 %
Lyxor MSCI World Information Technology USD TR UCITS ETF	investment note	Lyxor MSCI World Information Tech USD TR UCITS ETF	3.71 %
Lyxor MSCI World Information Tech EUR TR UCITS ETF	investment note	Lyxor MSCI World Information Tech EUR TR UCITS ETF	3.35 %

### 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