

# VIG InnovationTrend ESG Equity Investment Fund

I series HUF MONTHLY report - 2025 FEBRUARY (made on: 02/28/2025)

## 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, cyber security, 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

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.

Equity markets managed to rise further until mid-month, when a weaker-than-expected services PMI data, combined with doubts about AI growth, high prices and over-positioning, triggered a fall. According to S&P Global, the PMI survey company, the optimism seen in the US economy at the beginning of the year has faded and economic players have become more cautious, and the word 'stagflation' is also becoming more common, which would not be a supportive environment for equity markets. In the second half of the month, investors rotated out of momentum stocks in particular, and a rotation started in the Magnificent7 stocks (Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia, Tesla) with the largest capitalisation and the largest contributors to the market rise over the last two years. At the sector level, the cyclical consumer discretionary, communication services and IT sectors were by far the weakest in February. Tesla suffered the biggest fall, having already given back much of the rise following the US presidential election last November. Now the news that Tesla's sales in the EU fell by 50% in January has rattled the market. Nvidia also reported this month. It posted slightly better-than-expected revenue and profit numbers for the fourth quarter, but its first-quarter forecast was slightly below analyst expectations. We continued our rotation within the AI sector towards the software industry during the month, as well as a shift away from large-cap stocks towards mid- and small-caps.

## 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:	HU0000732987
Start:	02/15/2024
Currency:	HUF
Net Asset Value of the whole Fund:	18,040,425 USD
Net Asset Value of I series:	5,847,832,353 HUF
Net Asset Value per unit:	1.205157 HUF

## DISTRIBUTORS

Concorde Securities Ltd.

## 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	62.28 %
International equities	28.06 %
T-bills	1.25 %
Current account	7.91 %
Receivables	0.55 %
Liabilities	-0.03 %
Market value of open derivative positions	-0.01 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	4.62 %
Net corrected leverage	104.31 %

Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

1	2	3	4	5	6	7
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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	-4.60 %	
From launch	19.74 %	
1 month	-7.02 %	
3 months	-2.39 %	

### Stocks by sectors



## NET PERFORMANCE OF THE SERIES

net asset value per share, 02/15/2024 - 02/28/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	19.16 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	18.98 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	18.98 %
WAM (Weighted Average Maturity)	0.01 years
WAL (Weighted Average Life)	0.01 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	9.55 %
Xtrackers MSCI World Consumer D UCITS ETF	investment note	Xtrackers MSCI World Consumer D UCITS ETF	8.62 %
Xtrackers MSCI World I T UCITS ETF	investment note	Xtrackers MSCI World Information Tech UCITS ETF	8.05 %
SPDR MSCI World Consumer Discretionary UCITS ETF	investment note	SPDR MSCI World Consumer Discretionary UCITS ETF	6.60 %
NVIDIA Corp	share	NVIDIA Corporation	4.80 %
NASDAQ 100 E-MINI Mar25 Buy	derivative	Erste Bef. Hun	03/21/2025 4.64 %
SPDR MSCI World Communications Service UCITS ETF	investment note	SPDR MSCI World Communications Service UCITS ETF	4.06 %
Xtrackers AI & Big Data UCITS ETF	investment note	Xtrackers AI & Big Data UCITS ETF	3.96 %
Lyxor MSCI World Information Technology USD TR UCITS ETF	investment note	Lyxor MSCI World Information Tech USD TR UCITS ETF	3.69 %
Invesco NASDAQ-100 Equal Weight UCITS ETF	investment note	Invesco NASDAQ-100 Equal Weigh	3.43 %

### 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