VIG HOUSE VIEW

VIG ASSET MANAGEMENT HUNGARY

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JANUARY 2026

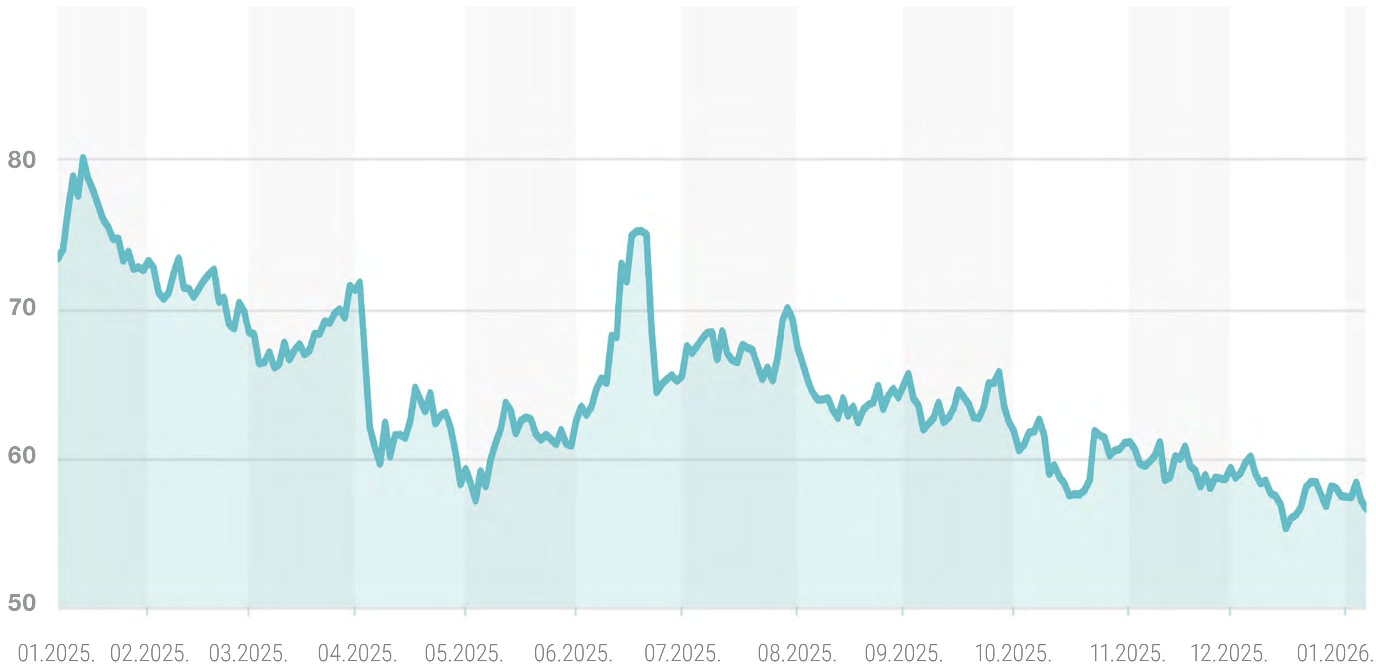
WHAT HAPPENED **IN THE LAST MONTH?**

IN FOCUS: AMERICA'S NEW OIL WAR

The global community was taken by surprise in early January when the United States arrested Venezuelan President Nicolás Maduro on American soil and transferred him to the US to face criminal charges related to drug trafficking. Maduro's forceful removal – and the expected appointment of a pro-US leader – represents an American move with far-reaching geopolitical and macroeconomic consequences. Venezuela is home to the world's largest proven oil reserves, estimated at around 303 billion barrels. This puts it ahead of Saudi Arabia (267 billion), Iran (209 billion), Canada (163 billion) and Iraq (145 billion). As a result, developments in the country have the potential to significantly influence global oil prices, a commodity that accounts for roughly one-third of the world's total energy consumption.

Through this channel, the move could also affect global – and especially US – inflation and economic growth. Initial market reactions pointed to falling oil prices: the US benchmark WTI crude remained below USD 60 per barrel. This suggests that investors are focusing more on the prospect of increased long-term supply than on short-term disruptions stemming from the political transition. If the US gradually lifts existing restrictions and major American oil companies such as Chevron or Exxon undertake substantial investments, Venezuela's oil production and exports could rise meaningfully. An increase in Venezuelan output would add further supply to an already well-stocked global oil market, putting downward pressure on prices. This effect could be particularly pronounced if global supply conditions remain ample in the period ahead.

World market price of oil per barrel ($) *



*WTI crude oil, in dollars

Source: Marketwatch.com

EQUITY MARKET NEWS

Venezuela's stock market posted a sharp and unexpected rally this week, as investors reacted strongly to the dramatic political developments in the country. The Caracas stock exchange index surged by 50% in a single trading session – matching a similar gain recorded in early January – following the previously mentioned US military action that led to the arrest of long-serving leader Nicolás Maduro. Markets interpreted the event as a potential break with the past and a signal of a more favourable economic trajectory ahead. The operation in the South American country also proved to be a major positive catalyst for US oil stocks, after President Trump indicated that the United States could gain access to Venezuela's oil reserves. Shares of Chevron – currently the only major US company operating in Venezuelan oil fields – rose by 5% on the day of the announcement, while large US refiners saw gains ranging from 3.4% to 9.3%. In Europe, Spanish and Italian bank stocks such as Santander, UniCredit and Intesa Sanpaolo performed well, supported by improving Spanish economic prospects, Italy's disciplined fiscal policy and a decline in perceived risks. The STOXX 600 Banks Index closed its strongest year since 1997.

BOND MARKET NEWS

December proved to be a standout month for Central and Eastern Europe. In Romania, inflation – currently around 10% – is forecast to decline to approximately 4.5% by the end of 2026. The National Bank of Romania is expected to cut interest rates by a total of 100 basis points this year, a move that could reprice bonds issued earlier at higher yields. Benchmark yields in Hungary are also moving lower. Real yields on forint-denominated bonds remain high and, combined with a stable exchange rate, continue to represent an attractive proposition for foreign investors. Rising demand could therefore support the valuation of Hungarian government bonds – a dynamic similar to that currently observed in South Africa.

The National Bank of Poland has also lowered interest rates. Following a 25 basis point cut, the policy rate now stands at 4%, its lowest level since March 2022. This marked the sixth rate cut of the year, bringing the total easing in 2025 to 175 basis points. That said, a pause may be on the horizon, much as the US Federal Reserve appears in no rush to continue easing after its own 25 basis point cut in December.

ALTERNATIVE INVESTMENTS NEWS

Copper prices reached a new all-time high, climbing above USD 13,000 per tonne. The rally has been driven by tight global supply, surging demand from artificial intelligence data centres and green energy projects, as well as safe-haven buying by investors. Supply-side constraints have been exacerbated by production disruptions at several key mines – including accidents and temporary shutdowns in countries such as Chile and Indonesia – further tightening global availability.

Gold prices also surged to a record high of USD 4,550 per ounce. The precious metal's market price rose by 65% in US dollar terms in 2025, supported by geopolitical tensions, expectations of interest rate cuts and continued purchases by central banks. At current price levels, one ounce of gold (31.1 grams) can buy nearly 80 barrels of oil (80 × 159 litres), compared with just 29 barrels a decade ago – a striking illustration of gold's strong relative performance.

WHAT CAN WE EXPECT **IN THE COMING PERIOD?**

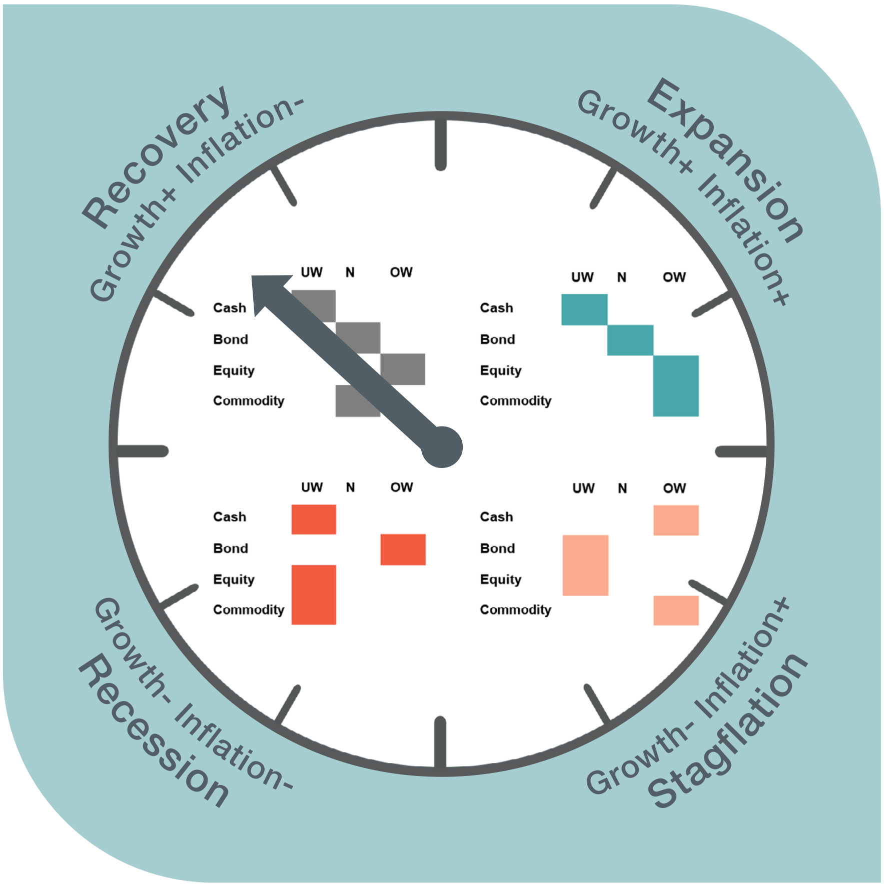
INVESTMENT CLOCK

VIG Asset Management's Global Investment Clock is a science-based forecasting model that uses forward-looking indicators to assess the short-term phase of the economic cycle. At present, the model points towards a recovery, although outlooks may differ noticeably across country groups.

Looking ahead to 2026, the global economy is most likely to continue being shaped by trends that emerged in 2025. Overall, the macroeconomic environment may remain supportive for risk assets. In developed economies, several factors could underpin growth. The delayed effects of monetary easing and still-loose financial conditions are expected to play an important role in sustaining global growth, while fiscal policy could also provide meaningful support.

In the United States, fiscal expansion may be front-loaded, driven by President Trump's "one, big beautiful bill" stimulus package. In Europe, Germany's sizeable defence and infrastructure investment programme could also lift growth. While the scale of German spending is significant, implementation risks suggest that its positive economic impact is more likely to materialise in the second half of the year.

China is also moving towards fiscal stimulus, as the government seeks to boost domestic consumption amid deflationary risks and weakening external demand. At the same time, policymakers continue to focus on ambitious expansion in strategic sectors and on industrial modernisation.



OW: Assets expected to perform well in the given period.

N: Assets expected to perfom less well in the given period.

UW: Assets expected to perform poorly in the given period.

Source: VIG Asset Management

TACTICAL ASSET ALLOCATION

In response to the latest macroeconomic and capital market developments, we have made adjustments to our tactical asset allocation. Profitability among companies listed on European stock exchanges may improve, as significant public spending is expected to be channelled into growth-supporting measures. In the recovery phase of the economic cycle, commodity markets may also perform well, while the factors that pushed gold prices higher in 2025 remain firmly in place.

A compelling opportunity: European equities

This year, stronger fiscal stimulus in major EU economies, together with a gradual easing of trade-related disruptions, could allow for a meaningful acceleration in corporate earnings growth. Moreover, European equity markets have a higher weighting of "real economy" sectors – including industrials, utilities, materials and financials. As a result, the region may benefit both from faster growth and from a broader-based earnings recovery.

Still worth watching: Gold

Following last year's sharp rally, the correction seen in the autumn was a natural development and fits well with historical patterns observed in previous bull markets. Periods of more pronounced pullbacks have often been followed by renewed, sustained price increases. The fundamental drivers supporting gold's valuation remain intact: elevated global debt levels, a weaker US dollar policy stance, deteriorating fiscal outlooks and the Federal Reserve's expected rate-cutting cycle. Historical experience suggests that gold tends to perform particularly well in environments where the Federal Reserve is easing monetary policy while inflation remains above 2% – a situation that closely resembles current conditions.

Monthly asset allocation (January 2026)

Asset class	H UW	UW	S UW	N	S OW	OW	H OW	Since Dec
Cash (Money market)								
Fixed income								
Core market fixed income								
EM local currency bonds								
EM hard currency bonds								
CEE government bonds								
Commodities								
Gold								
Equities								
DM Equities								
US Equities								
EU Equities								↑
EM ex China Equities								
CEE Equities								

The table was prepared based on our investment clock and quadrant model.

Source: VIG Asset Management

Weights:

The weights indicate the evaluation of the respective country, region, and asset class, providing a basis for portfolio managers in structuring portfolios and establishing positions, thus helping to capitalize on market opportunities.

- Strongly underweight
- Underweight
- Slightly underweight
- Neutral
- Slightly overweight
- Overweight
- Strongly overweight
- Changes compare to the the previous month

FUND OF THE MONTH
AT VIG ASSET MANAGEMENT

VIG EMERGING MARKET ESG EQUITY INVESTMENT FUND

The Fund aims to participate in the performance of companies benefiting from the growth of emerging economies, primarily through share price appreciation and dividend income. Investments are made either directly, via individual equities, or indirectly through exchange-traded funds (ETFs) and investment funds, while consistently incorporating environmental, social and governance (ESG) criteria into the investment process. From a geographical perspective, the portfolio has significant exposure to Asian companies (excluding China), as well as to European and Latin American firms. In addition, the Fund invests in US and European companies with substantial exposure to emerging markets. The Fund's strong performance was supported by timely portfolio adjustments aligned with prevailing market trends, including an increased allocation to South African and South Korean equities. On the Johannesburg Stock Exchange, gold mining stocks such as AngloGold Ashanti and Gold Fields recorded price gains of 200–300% in 2025, driven by the sharp appreciation in gold prices. In South Korea, the technology sector led the market, with Samsung shares rising by nearly 150% over the course of the year.

ESG THEME OF THE MONTH

NEW YEAR, NEW CHANGES

In November 2025, the European Commission published a legislative proposal to amend the Regulation on sustainability-related disclosures and the regulation on key information documents for packaged retail and insurance-based investment products. The proposal also includes the repeal of Commission Delegated Regulation (EU) 2022/1288[1-2].

With this document, the European Union aims to simplify the regulatory framework, reduce administrative burdens, and promote the correct and uniform application of the regulation, with a particular focus on mitigating the risk of greenwashing.

The most important changes may affect three main areas concerning fund managers: company-level PAI (principal adverse impact) statements may be abolished, product categories may be restructured, and product-level disclosures may be significantly simplified.

One of the most significant elements of the proposal is the potential restructuring of product categories. The current Article 6 ("gray") funds, Article 8 funds promoting environmental or social characteristics ("light green") funds, and Article 9 funds with sustainability objectives ("dark green") funds – which are not officially recognized – would be replaced by a new, now official classification system: if the proposal is adopted, the new categories would be ESG Basics, Transition, and Sustainable. In addition, it would of course still be possible to operate funds that do not take ESG criteria into account.

Transition could be introduced as a completely new product category, while the ESG Basics and Sustainable categories could be considered clarifications of the previous Article 8 and Article 9 funds. Under the proposal, the new product categories would have the following common features (1) they must have a predefined exclusion list containing mandatory elements, (2) only these products may use terms referring to sustainability or ESG in their name or marketing communications, and (3) at least 70% of the actual investments of the products must comply with the requirements of the given category.

The ESG Basics category is the lowest intensity classification, which does not set transition or sustainability goals, but is required to comply with basic exclusion, naming, and allocation requirements.

The Transition product category supports companies' transition processes, primarily by helping them achieve environmental or social goals. In this category, portfolios that follow the EU climate transition or Paris Agreement Benchmark (PAB) play a prominent role. perform activities that comply with taxonomy, invest in companies with scientifically based, accountable environmental or social goals, support credible transition plans, or include investments that implement engagement strategies.

Even stricter requirements would apply in the Sustainable category to ensure that sustainable investments are actually implemented. In addition, separate rules would apply to corporate and government bond investments.

The question arises as to what will happen to funds under the former Article 6. The amendment to the regulation lays down specific rules for so-called "non-categorised" financial products. These products may not use terms referring to ESG or sustainability in their names, but this is permitted in their marketing communications if they are transparent, not misleading, and accurately reflect the information disclosed regarding the relative share of investments in categorized products and other instruments. Sustainability information may only appear in a limited, non-central manner in pre-contractual disclosures and periodic reports, up to a maximum of 10% of the investment strategy description, while the use of ESG factors remains permitted.

If the proposal is adopted, we can expect the changes detailed above to take effect from 2028, but we need to start preparations this year to ensure that we can implement the new rules on time and thus open a new chapter in sustainable investment.

[1] Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR), Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and repealing Commission Delegated Regulation (EU) 2022/1288 (2025.11.20.)
Available: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025PC0841

[2] Commission simplifies transparency rules for sustainable financial products. (2025, November 20). Finance.
Available: https://finance.ec.europa.eu/publications/commission-simplifies-transparency-rules-sustainable-financial-products_en

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The Asset Management's license number for managing alternative investment funds (AIFM) is: H-EN-III-6/2015. The Fund Manager's license number for UCITS fund management (collective portfolio management) is: H-EN-III-101/2016.

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