

VIG Active Beta Flexible Allocation Inv Fund

U series USD MONTHLY report - 2024 DECEMBER (made on: 12/31/2024)



INVESTMENT POLICY OF THE FUND

The Fund's objective is to create an investment portfolio that is intended to achieve capital growth through active portfolio management, investing predominantly in US and European companies. Accordingly, the Fund Manager's investment portfolio is composed of developed-market equities, predominantly securities issued by US and European companies and short-term developed-market government bonds. The Fund pursues an active asset allocation policy. If the Fund Manager considers the prevailing capital market conditions to be unfavourable, it may significantly reduce equity exposure in order to protect capital. If capital market conditions appear ideal for taking equity exposure, the Fund Manager may invest the Fund's assets entirely in equities. On average over a full market cycle, the portfolio maintains an equity ratio of approximately 70%.

The Fund's investment universe includes the developed equity, bond and money markets. The Fund intends to hold liquidity related to trading needs in bank deposits or short-term developed-market government securities. As a general rule, of all the equities in the investment universe, the Fund intends to hold those that are considered the most popular among business partners, employees and investors.

The Fund Manager may significantly reduce equity exposure in the event of a break in a rising trend. In this situation, the Fund mainly holds foreign-currency money-market instruments in its portfolio. In the event of a rising market trend and increasing global risk appetite, the Fund will invest in developed-market equities as mentioned above.

The Fund invests at least 80% in assets that are issued and traded outside Hungary.

MARKET SUMMARY

In December, the U.S. stock market started the month with a notable rally. This surge was fueled by positive earnings reports from tech giants and a robust labor market, with job openings exceeding expectations, which bolstered confidence in the economy. However, as the month progressed, geopolitical tensions and concerns over inflation began to weigh on market sentiment. The market's volatility was further exacerbated by significant economic data releases. The Consumer Price Index (CPI) showed a year-on-year increase of 2.7%, aligning with expectations but still raising concerns about inflation's persistence. This led to fluctuations in major indices, with the Dow experiencing its longest losing streak in decades. As December drew to a close, the market faced profit-taking and a general pullback, with major indices ending the month lower despite a strong overall performance for the year. European markets have faced their own challenges, particularly due to political instability in France, Germany and Austria, which has raised concerns about the governments' ability to implement effective economic policies. The European Central Bank (ECB) is expected to cut rates by 25 basis points, reflecting a response to soft economic activity and stagnant earnings growth across many sectors. The euro area is showing signs of recovery in consumer spending, but fiscal constraints and external pressures, such as U.S. tariffs, cloud the outlook. In Asia, particularly Japan, the economic landscape appears more favorable. Japanese equities have shown resilience, driven by corporate reforms and a return to mild inflation, which has bolstered corporate pricing power and earnings growth. The outlook for Japan remains positive, with expectations of continued earnings growth despite potential challenges from rising U.S. protectionism. In this environment, our quantitative models suggested reducing equity risk on the European markets while maintaining exposure to the US stocks. The average weight of European shares in the Fund's portfolio was nearly zero during December. We started the month with a maximum allocation of 50% for US stocks. When the market volatility picked up after the FED's hawkish guidance on the interest rate path in the wake of the CPI figure, we took some profit in companies which were the leaders of the November-December period, like Tesla, Nvidia and Marvell Technologies.

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:	HU0000734645
Start:	10/08/2024
Currency:	USD
Net Asset Value of the whole Fund:	7,772,982,165 HUF
Net Asset Value of U series:	2,090,738 USD
Net Asset Value per unit:	0.994783 USD

DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Erste Investment Plc., MBH Befektetési Bank Zrt, 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
T-bills	70.99 %
International equities	26.63 %
Current account	17.87 %
Liabilities	-16.18 %
Receivables	0.69 %
Total	100.00 %

Derivative products	0.00 %
Net corrected leverage	100.00 %

Assets with over 10% weight

US T-Bill 02/20/25 (USA)

BTF 0 03/12/25 (French state)

BTF 0 01/02/25 (French state)

BTF 0 05/07/25 (French state)

RISK PROFILE

1	2	3	4	5	6	7
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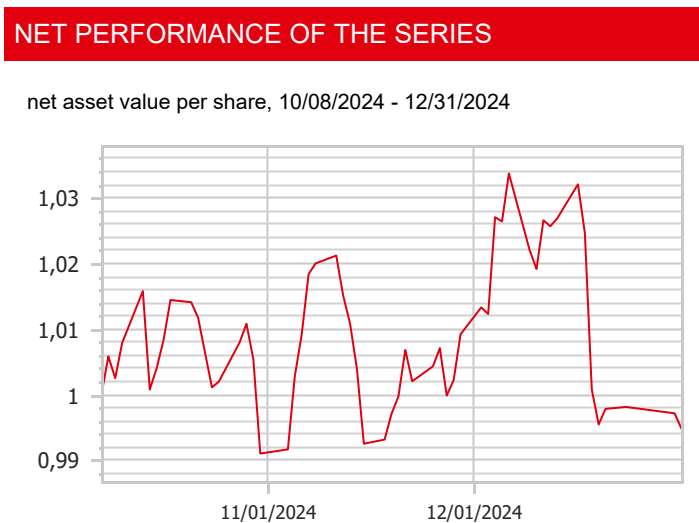
← Lower risk Higher risk →

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NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From launch	-0.52 %	
1 month	-1.43 %	
3 months		



RISK INDICATORS	
Annualized standard deviation of the fund's weekly yields-based on 1 year	6.09 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	6.09 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	6.09 %
WAM (Weighted Average Maturity)	0.12 years
WAL (Weighted Average Life)	0.12 years

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 | alapkezeslo@am.vig | www.vigam.hu