

VIG Central European Equity Investment Fund

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

INVESTMENT POLICY OF THE FUND

The aim of the Fund is to invest on the stock market of the Central and Eastern European Region. It is for investors who would like a share in the long-term performance of listed companies in the region. In the development of the portfolio of this Fund, the priority is to optimise the aggregate risk of the securities added to the Fund. In order to reduce risks, the Fund Manager exercises the highest degree of diligence when selecting the securities to be included in the portfolio. It analyses the risk factors of the securities, and supports its decisions with in-depth calculations.

The Fund purchases stocks issued by companies in Central and Eastern European region (primarily Hungary, the Czech Republic, Poland, Austria, Romania, secondarily Slovenia, Croatia, Slovakia), but it may also invest in the stocks of other developing and developed foreign companies as well as other collective investment securities. 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 composition of the Fund, i.e. the current settlement currency of the benchmark (CEE region currencies). The Fund Manager has the discretionary right to reduce the foreign currency risk of the currency positions differing from the Fund's target currency composition based on the market processes by concluding 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). To ensure liquidity, the Fund wishes to add government securities issued by member states of the EU, OECD, or G20 to its portfolio. No individual investor's decisions can be made in the Fund.

The most important factors influencing the return of the Fund are: changes in the prices of financial instruments in the Fund's portfolio, the risks undertaken by the Fund, gains/losses resulting from the currency exposure in the Fund, and changes in the operational and other expenses of the Fund. The Fund achieves returns through the appreciation of financial instruments in its portfolio. The calculation of the Fund's return is based on Appendix 3 of Act CXXXVIII of 2007 (Hungarian Securities Act).

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.

After a strong January, Central European markets closed the second month of the year with a very good performance. Polish equities were the best performers this time, but the Austrian stock market also managed to rise significantly. By contrast, the Hungarian, Czech and Romanian markets were flat. On a sectoral basis, companies in the industrial and oil sectors were the best performers this time, while utilities companies fell overall. The Fund performed well not only in absolute terms but also in relative terms, relative to its benchmark return. This was in part due to the Fund's overweight equity position, particularly in Poland and Hungary. The Fund's individual non-benchmark exposures also performed well, with Wizzair, Magyar Telekom, Dunahouse and Raiffeisen all managing to rise significantly. We remain bullish on Central European equities, as illustrated by the month-end overweight, however we believe the next period could be more volatile.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary 45% MSCI Emerging Markets Poland Net Total Return Local Index + 15% MSCI Austria Net Total Return + 15% MSCI Emerging Markets Czech Republic
Benchmark composition:	Net Total Return Local Index + 15% MSCI Emerging Markets Hungary Net Total Return Local Index + 10% MSCI Romania Net Total Return
ISIN code:	HU0000702501
Start:	03/16/1998
Currency:	HUF
Net Asset Value of the whole Fund:	43,275,209,967 HUF
Net Asset Value of A series:	8,286,615,053 HUF
Net Asset Value per unit:	11.201180 HUF

ASSET ALLOCATION OF THE FUND

Asset	Weight
International equities	80.16 %
Hungarian equities	13.13 %
Government bonds	0.99 %
Collective securities	0.00 %
Current account	5.49 %
Receivables	0.37 %
Liabilities	-0.13 %
Market value of open derivative positions	-0.01 %
Total	100,00 %
Derivative products	12.35 %
Net corrected leverage	113.72 %
Assets with over 10% weight	
There is no such instrument in the portfolio	

DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, ERSTE Group Bank AG Austria, Erste Investment Plc., MBH Bank Nyrt., MBH Befektetési Bank Zrt, MKB Bank Nyrt. 0789, OTP Bank Nyrt., Raiffeisen Bank cPlc., SPB Befektetési Zrt., UniCredit Bank Hungary cPlc., VIG Asset Management Hungary Plc.

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SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths

6 mths

1 yr

2 yr

3 yr

4 yr

5 yr

RISK PROFILE

1

2

3

4

5

6

7

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Lower risk



Higer risk

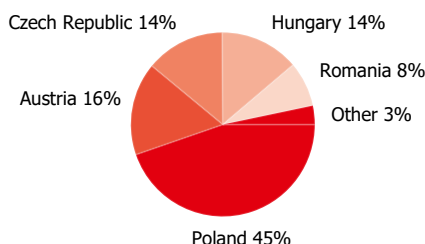
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	13.02 %	12.30 %
From launch	9.38 %	4.01 %
1 month	3.94 %	3.51 %
3 months	14.48 %	14.38 %
2024	16.55 %	18.90 %
2023	32.73 %	31.39 %
2022	-14.03 %	-10.51 %
2021	33.18 %	33.21 %
2020	-5.95 %	-5.77 %
2019	10.90 %	12.03 %
2018	-8.23 %	-7.91 %
2017	26.04 %	25.00 %
2016	7.31 %	5.96 %
2015	-1.48 %	-2.82 %

Stocks by countries



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/16/1998 - 02/28/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	12.21 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	11.08 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	17.92 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	21.56 %
WAM (Weighted Average Maturity)	0.07 years
WAL (Weighted Average Life)	0.08 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
WIG20 INDEX FUT Mar25 Buy	derivative	Erste Bef. Hun	03/21/2025
Erste Bank	share	ERSTE Group Bank AG Austria	9.00 %
OTP Bank törzsrszvény	share	OTP Bank Nyrt.	7.96 %
CEZ	share	CEZ A.S	7.44 %
PKO Bank	share	PKO Bank Polski SA	7.21 %
Bank Pekao SA	share	Bank Pekao Sa	5.03 %
Polski Koncern Naftowy	share	PL Koncern Naftowy	4.67 %
POWSZECHNY ZAKŁAD UBEZPIECZEŃ	share	POWSZECHNY ZAKŁAD UBEZPIECZEŃ	4.08 %
Komerční Banka	share	Komerční Banka A. S.	4.05 %
OMV	share	OMV AV	3.78 %

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