

# VIG Active Beta Flexible Allocation Inv Fund

UI series USD MONTHLY report - 2025 MARCH (made on: 03/31/2025)

## 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

Volatility in developed equity markets has gradually increased since mid-February. This was the result of a combination of a few factors: on the one hand, the new Trump tariff policy and the US disruption of relations with its European NATO allies have created significant geopolitical uncertainty. Government rationalisation led by Elon Musk has become increasingly severe, and public sector redundancies have negatively impacted consumer expectations and investor expectations. On the other hand, Chinese advances in the development of artificial intelligence have called into question the sustainability of the growth priced into AI-linked US equities. The latter trend negatively impacted the Fund, because although we did not hold Nvidia, we did have Broadcom, Constellation Energy and Microstrategy shares in the portfolio, which came under significant selling pressure, especially in early March. The fall in these stocks was only partially offset by the phenomenal rise in Reihnmittel, which has been in the European part of the portfolio for some time. The trend filter that we have been following has not yet given a sell signal for any of the submarkets at the end of February, but the increase in volatility has been more typical of the falling markets in recent times. Consequently, we have reduced our weighting in US equities to 30% in the first half of March, instead of the maximum 50% possible. In addition, some poor performers were removed from the portfolio during the regular monthly rebalancing (see above).

At the end of March, the trend filter we were following no longer recommended taking equity risk in the US market, so we sold the remaining 30% equity position. The European part of the portfolio is performing well for the time being, where we have included Ericsson as an important exposure in the portfolio, alongside the German heavy industry company mentioned above, due to the expected future upturn in defence spending. The banking sector was also a significant weight during the month, particularly those that stand to benefit from the market's anticipated recovery in the German economy.

The Fund's share price fell by almost 10% from its February peak. While such a correction in the Fund's share price is regrettable, it has occurred on a number of occasions in the past data test of the investment strategy. The drastic rotation in favourite stocks observed in March may suggest that a new market narrative may be emerging. The Trump cabinet's moves have reduced visibility not only among trading partners and corporate decision makers, but also among capital market investors. Over the coming months, we will see whether the decline in business confidence translates into a decline in economic activity.

## GENERAL INFORMATION

|                                    |  |
|------------------------------------|--|
| Fund Manager:                      | VIG Investment Fund<br>Management Hungary                                    |
| Custodian:                         | Erste Bank Hungary Zrt.  |
| Main distributor:                  | VIG Investment Fund<br>Management Hungary<br>70% MSCI World Net Total Return |
| Benchmark composition:             | EUR Index + 30% BBG Euro Tre<br>Bills Index TR Index Value Unh<br>EUR        |
| ISIN code:                         | HU0000734652   |
| Start:                             | 08/07/2024   |
| Currency:                          | USD  |
| Net Asset Value of the whole Fund: | 10,351,521,263 HUF   |
| Net Asset Value of UI series:      | 2,577,694 USD  |
| Net Asset Value per unit:          | 0.955049 USD   |

## DISTRIBUTORS

Concorde Securities Ltd.

## 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          |
|-----------------------------|-----------------|
| International equities      | 51.79 %         |
| T-bills                     | 33.77 %         |
| Current account             | 19.65 %         |
| Liabilities                 | -19.31 %        |
| Receivables                 | 14.11 %         |
| <b>Total</b>                | <b>100.00 %</b> |
| Derivative products         | 0.00 %          |
| Net corrected leverage      | 100.00 %        |
| Assets with over 10% weight |                 |
| US T-BILL 08/07/25 (USA)    |                 |

## RISK PROFILE

|            |   |   |   |   |   |            |
|------------|---|---|---|---|---|------------|
| 1          | 2 | 3 | 4 | 5 | 6 | 7          |
| ←          |   |   |   |   |   | →          |
| Lower risk |   |   |   |   |   | Higer risk |

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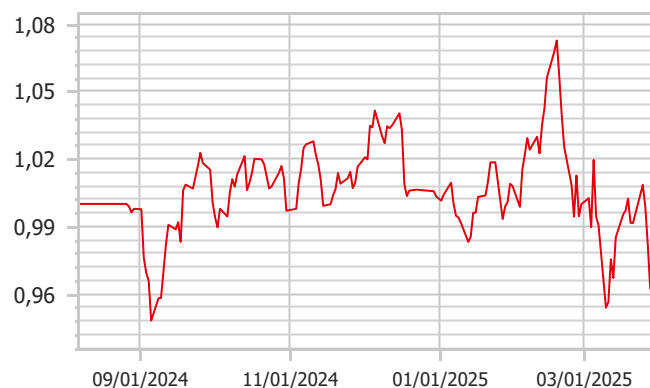
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## NET YIELD PERFORMANCE OF THE SERIES

| Interval    | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| YTD         | -4.81 %       |                 |
| From launch | -4.50 %       |                 |
| 1 month     | -4.48 %       |                 |
| 3 months    | -4.81 %       |                 |
| 6 months    | -5.92 %       |                 |

## NET PERFORMANCE OF THE SERIES

net asset value per share, 08/07/2024 - 03/31/2025



## RISK INDICATORS

|   |            |
|---|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year       | 13.84 %    |
| Annualized standard deviation of the benchmark's weekly yields- based on 1 year | 7.80 %     |
| Annualized standard deviation of the fund's weekly yields-based on 3 year       | 13.84 %    |
| Annualized standard deviation of the fund's weekly yields-based on 5 year       | 13.84 %    |
| WAM (Weighted Average Maturity)   | 0.10 years |
| WAL (Weighted Average Life)   | 0.10 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 | alapkezo@am.vig | www.vigam.hu