

# VIG Emerging Market ESG Equity Investment Fund

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

## INVESTMENT POLICY OF THE FUND

The aim of the Fund is to share in the performance of companies benefiting from the growth of developing economies, through share price increases or dividend payments of listed companies, either directly (through investments in individual stocks) or indirectly (through ETFs or mutual Funds), while taking environmental, social and governance (ESG) criteria into account. The Fund does not directly invest in shares of Chinese companies within the emerging market universe. The geographical distribution is partly determined by the MSCI Emerging Markets Ex China Index, in which, besides a significant Asian (ex China) focus, European and Latin American companies are also heavily represented, and partly by the MSCI World with Emerging Markets (EM) Exposure Index, in which American and European companies represent the greatest weight. The use of stock and index futures is permitted in order to hedge and effectively build the Fund's portfolio. In selecting the stocks, the Fund pays special attention to the ESG compliance of individual companies; therefore, besides analysing financial factors, portfolio managers also consider environmental, social and governance factors in the investment decision process. The Fund Manager seeks to build a portfolio in which the positive ESG characteristics of companies prevail, i.e. companies with high ESG scores are overrepresented in the portfolio as compared to companies with low ESG scores.

The environmental criterion covers the elements where a business interacts with the environment. This includes, for example, the energy usage, waste management, and emission of pollutants of corporations, as well as the preservation of natural resources. Social criteria include all relations of a corporation with external partners, customers and internal employees. Corporate governance criteria include the legal conditions affecting the reliable operation of a corporation.

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, i.e. the settlement currency of the benchmark (USD). The Fund Manager has a discretionary right to reduce the foreign currency risk of positions denominated in a currency other than the target currency, depending on market developments, by entering into 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).

## MARKET SUMMARY

Bears dominated the US equity markets in the first half of March, with all major stock indices falling. The total capitalization of the US stock market fell by 4,000 billion dollars, a significant part of this huge sum ending up on European markets. It is difficult to say at this stage whether America has simply undergone a correction or whether we are witnessing the start of an overseas bear market, but it is clear that the belief in American exceptionalism has not prevailed. From a macroeconomic point of view, it is not clear where the United States is going either. Growth remains strong, but there are signs of weakening, for example with slowing household consumption. Inflation is more stubborn than the Fed had expected, limiting the scope for interest rate cuts. Europe, on the other hand, has received an extraordinary boost, with many investors looking for undervalued European equities after the sell-off in the US stock market. Significant money was poured into defense sector stocks on the uncertain outcome of the Russia-Ukraine war and the expected increase in defense spending. Germany's DAX stock index rose to a historic high, supported by the acceptance of Germany's economic policy turnaround and the massive infrastructure and defense spending that it entails. Long-term bond yields fell and the euro strengthened, partly due to a weakening US dollar.

The Fund started the month of March with an overweight of around 5%, with the largest regional overweights in Central-Eastern Europe, Greece and the UAE, and underweights in Malaysia and Thailand. This helped the Fund to outperform the benchmark index over the month, mainly due to outperformance in Greek and Polish equities. As the month drew to a close, the Fund reduced its overweights in Poland and the UAE, starting the new month with a smaller overweight than before.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary 70% MSCI Emerging Markets ex China Net Return USD Index + 30% MSCI World with EM Exposure Net Total Return Index
Benchmark composition:	
ISIN code:	HU0000723705
Start:	05/26/2020
Currency:	USD
Net Asset Value of the whole Fund:	20,472,946,782 HUF
Net Asset Value of U series:	354,552 USD
Net Asset Value per unit:	1.183721 USD

## DISTRIBUTORS

Conseq Investment Management, a.s., ERSTE Group Bank AG Austria, Erste Investment Plc., OTP Bank Nyrt., SC Aegon ASIGURARI DE VIATA SA, VIG Investment Fund Management Hungary

## 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	59.58 %
International equities	33.88 %
Hungarian equities	2.38 %
Current account	4.09 %
Receivables	0.11 %
Liabilities	-0.04 %
Market value of open derivative positions	0.01 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	6.37 %
Net corrected leverage	106.23 %

### 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	-2.85 %	-2.97 %
From launch	3.54 %	6.02 %
1 month	-1.42 %	-2.04 %
3 months	-2.85 %	-2.97 %
2024	7.27 %	10.80 %
2023	12.17 %	15.48 %
2022	-25.08 %	-22.11 %
2021	-3.81 %	-2.90 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 05/26/2020 - 03/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	16.38 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	16.23 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	17.48 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	18.23 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Lyxor MSCI Emerging Markets Ex China UCITS ETF	investment note	Lyxor MSCI EM Ex China UCITS ETF	9.06 %
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	7.20 %
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF	6.47 %
Xtrackers MSCI Taiwan UCITS ET	investment note	Xtrackers MSCI Taiwan UCITS ETF	4.51 %
iShares MSCI India UCITS ETF	investment note	iShares MSCI India UCITS ETF	4.48 %
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	4.46 %
NVIDIA Corp	share	NVIDIA Corporation	4.18 %
Lyxor MSCI Brazil UCITS ETF	investment note	Lyxor MSCI Brazil UCITS ETF	3.88 %
HSBC MSCI Taiwan Capped UCITS ETF	investment note	HSBC MSCI Taiwan Capped UCITS	3.68 %
Apple Computer	share	Apple Computer Inc	3.67 %

## 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