

# VIG Global Emerging Market Bond Investment Fund

A series EUR MONTHLY report - 2025 MARCH (made on: 03/31/2025)

## INVESTMENT POLICY OF THE FUND

The Fund aims to achieve capital growth by investing in bonds of emerging European countries and state-owned companies. The Fund does not apply credit rating restrictions: it may purchase securities of any country or company with any long-term credit rating. The Fund aims for the highest possible capital growth alongside reasonable risk-taking. The Fund primarily purchases foreign currency emerging market bonds, in addition to which it holds Hungarian local currency short-term and long-term bonds for diversification and liquidity management purposes. The bond portfolio may also include short-term, long-term, fixed or floating-rate, structured and convertible bonds issued by mortgage credit institutions, other credit institutions, local governments or other business entities. The core of the Fund's investments is Central Eastern Europe (Hungary, Croatia, Poland, Romania, Slovakia, Ukraine), South East Europe (Serbia, Turkey), the Baltics (Latvia, Lithuania) and the Commonwealth of Independent States (Azerbaijan, Belarus, Kazakhstan, Russia, Georgia, Armenia) and bonds of majority state-owned companies, in addition to which the Fund holds short-term and long-term Hungarian government securities for diversification and liquidity management purposes. The target weight for bond exposures in the Fund in the 16 countries listed (target countries) is 95%. We do not set a limit on debt classification in the Fund. The Fund may only conclude derivative transactions for hedging purposes, or in the interest of establishing an efficient portfolio. The Fund may also hold non-leveraged bond-type collective investment forms. The Fund may also take on significant foreign currency exposure, which is normally covered 100% by the Fund Manager in the target currency (USD), but depending on market conditions, the Fund may also hold open foreign currency positions.

## MARKET SUMMARY

Last month, the US exempted imports from Canada and Mexico that satisfy USMCA rules of origin requirements along with the imposition of 25% duties on steel and aluminium products, together with confirmation that 25% tariffs on US car imports were to be imposed from 2 April. Towards the end of the month, the prospect of global US tariffs was in focus with an announcement from President Trump due on 2 April. Markets suffered to keep up with various delays and exemptions, accompanied with numerous retaliatory announcements. Worries over US exceptionalism were heightened amid an array of soft survey data, and consumer sentiment tumbled. Optimism, though, was bright in certain parts of the world, most notably in Europe, thanks to plans for significant fiscal loosening. The European Commission relaxed fiscal rules to exempt defence spending of up to 1.5% of GDP and estimated this could create €650bn of fiscal space for defence over four years. Soon after German elections concluded with a result likely to lead to a renewed 'grand coalition' of the CDU/CSU and SPD, a massive fiscal programme of infrastructure and defence spending involving constitutional changes was passed, marking a fiscal sea-change. Core sovereign yields rose in except US Treasuries. 10y JGB yields saw the largest increase, while yields on US Treasuries experienced the biggest decline. Unlike previous easing cycles since four decades, where 10y US Treasury yields generally fell or saw only a modest increase, the recent surge is unusual. Global HY spreads widened the most in, driven primarily by the rise in USD HY spreads. In contrast, Global IG spreads remained largely unchanged, with USD IG widening and EUR IG tightening. January saw spread contraction across IG and HY in both USD and EUR credit. However, USD HY spreads widened significantly last month.

Last month, we started de-risking of the fund with decreasing exposure to the high-yielding names (specifically in the long-end of the curve), such as Argentina, Bahrain, Dominican Republic, Romania, etc., and relocated to quality names of Israel, Qatar, Saudi Arabia and others; late last month we turned more cautious, therefore, further decrease of risky positions in LatAm, Africa and Asia being envisaged.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Fund has no benchmark
ISIN code:	HU0000706114
Start:	12/11/2007
Currency:	EUR
Net Asset Value of the whole Fund:	21,055,992 EUR
Net Asset Value of A series:	1,024,887 EUR
Net Asset Value per unit:	0.749203 EUR

## DISTRIBUTORS

Concorde Securities Ltd., Erste Investment Plc., MBH Bank Nyrt., MBH Befektetési Bank Zrt, OTP Bank Nyrt., Patria Finance Magyarországi Fióktelepe, Raiffeisen Bank cPlc., UniCredit Bank Hungary cPlc., Vienna Life TU na Zycie S.A. Vienna Insurance Group, 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
Government bonds	92.51 %
Corporate bonds	1.30 %
T-bills	0.99 %
Market value of open derivative positions	4.36 %
Receivables	2.50 %
Liabilities	-1.93 %
Current account	0.29 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	0.00 %
Net corrected leverage	100.00 %
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

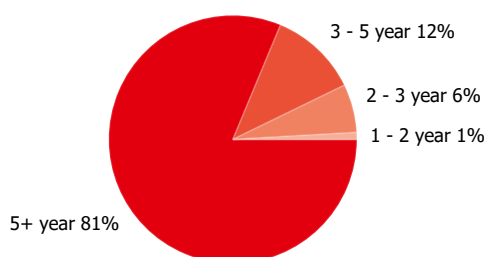
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## NET YIELD PERFORMANCE OF THE SERIES

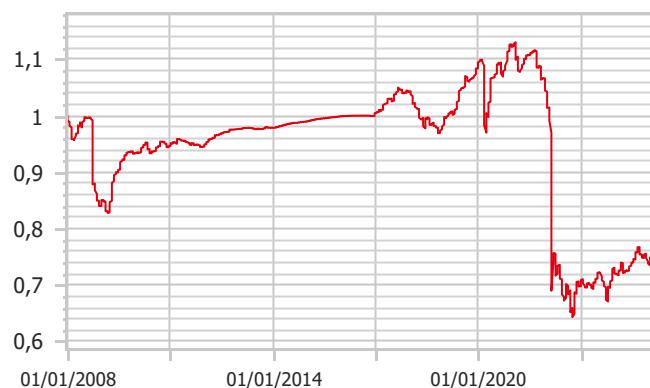
Interval	Yield of note	Benchmark yield
YTD	1.10 %	
From launch	-1.65 %	0.61 %
1 month	-1.25 %	
3 months	1.10 %	
2024	1.44 %	
2023	4.76 %	
2022	-34.14 %	
2021	-6.41 %	
2020	4.40 %	
2019	10.41 %	
2018	-5.82 %	
2017	4.30 %	
2016	0.03 %	-0.15 %
2015	0.96 %	0.07 %

### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 12/11/2007 - 03/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	4.81 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	9.34 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	14.32 %
WAM (Weighted Average Maturity)	8.03 years
WAL (Weighted Average Life)	12.69 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
TURKEY 2029/03/14 9,375% USD	interest-bearing	Turkish State	03/14/2029	4.56 %
KSA 3 5/8 03/04/28	interest-bearing	Saudi Arabian	03/04/2028	3.42 %
PANAMA 6 7/8 01/31/36 visszahívható 2035/10/31	interest-bearing	Panamai Köztársaság	01/31/2036	3.42 %
BRAZIL 6 1/4 03/18/31	interest-bearing	Brazil Állam	03/18/2031	3.10 %
ISRAEL 4 1/2 01/17/33	interest-bearing	Izrael	01/17/2033	2.90 %
ARGENT 4 1/8 07/09/35 sinkable 2024/11/08	interest-bearing	Argentína	07/09/2035	2.73 %
PHILIP 5 1/4 05/14/34	interest-bearing	Fülöp-szigeteki Köztársaság	05/14/2034	2.71 %
INDON 3.05 03/12/51	interest-bearing	Indonesian State	03/12/2051	2.69 %
ECUA 5 1/2 07/31/35 sinkable 2031/01/31	interest-bearing	Ecuador	07/31/2035	2.31 %
MEX 4.6 02/10/48	interest-bearing	Mexico	02/10/2048	2.29 %

### 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