

# VIG Alfa Absolute Return 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 achieve a substantial yield for investors by taking high risks and making active use of derivative positions. The Fund applies special investment strategies used by hedge funds to establish its strategy. The fund is willing to buy or sell all available investment instruments - domestic and foreign bonds (treasury bonds, discounted treasury bills, bonds issued by the National Bank of Hungary, as well as low-risk bank and corporate bonds expected to bring higher yields than the state securities) Equities and other securities, indices and currencies - provided it sees the opportunity to make substantial gains – up to the maximum limit allowed by the law, which allows double leverage for the Fund. In its investment decisionmaking mechanism, the Fund considers fundamental pricing, technical and behavioral psychological factors To ensure liquidity the Fund aims to hold government securities issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary.

## 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.

The Alfa Fund generated a positive return in February, thanks to its regional equity and bond portfolio, while unhedged currency assets weakened the monthly performance due to the strengthening of the Hungarian forint. During the month, we increased our exposure to regional currency-denominated government bonds and purchased additional regional and European equities, as we expect the war-related discount currently reflected in the pricing of these assets to decrease in 2025. In the upcoming period, capital markets may experience higher volatility, which is why we intend to be active in both directions in US equities, which we consider overvalued and overly positioned, while seeking long investment opportunities in undervalued regional and European stocks.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% ZMAX Index + 1.7%
ISIN code:	HU0000703970
Start:	02/10/2006
Currency:	HUF
Net Asset Value of the whole Fund:	58,981,772,076 HUF
Net Asset Value of A series:	27,758,896,717 HUF
Net Asset Value per unit:	3.846518 HUF

## 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., Patria Finance Magyarországi Fióktelepe, Raiffeisen Bank cPlc., SPB Befektetési Zrt., UniCredit Bank Hungary cPlc., 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
Government bonds	37.42 %
Corporate bonds	25.24 %
T-bills	17.37 %
Collective securities	7.95 %
Hungarian equities	7.92 %
International equities	4.29 %
Liabilities	-6.44 %
Receivables	3.93 %
Market value of open derivative positions	1.33 %
Current account	0.99 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	83.93 %
Net corrected leverage	124.61 %

### Assets with over 10% weight

ROMANI EUR 2033/09/18 6,375% (Romanian State)
BTF 0 03/12/25 (French state)

## RISK PROFILE

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

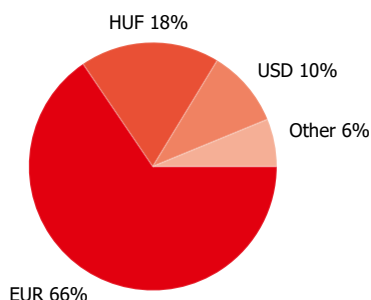
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## NET YIELD PERFORMANCE OF THE SERIES

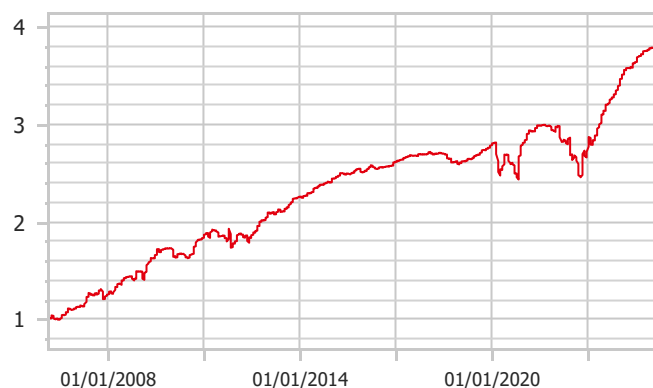
Interval	Yield of note	Benchmark yield
YTD	1.68 %	0.98 %
From launch	7.33 %	4.42 %
1 month	1.43 %	0.52 %
3 months	2.19 %	1.60 %
2024	10.46 %	7.29 %
2023	26.17 %	9.93 %
2022	-6.58 %	3.04 %
2021	3.39 %	-0.60 %
2020	0.96 %	0.41 %
2019	7.38 %	0.23 %
2018	-3.58 %	0.31 %
2017	3.08 %	0.20 %
2016	4.08 %	1.22 %
2015	4.27 %	1.50 %

### Currency exposure:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 02/10/2006 - 02/28/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	2.31 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	0.20 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	10.75 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	10.10 %
WAM (Weighted Average Maturity)	3.00 years
WAL (Weighted Average Life)	3.96 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
ROMANI EUR 2033/09/18 6,375%	interest-bearing	Romanian State	09/18/2033	16.31 %
BTF 0 03/12/25	zero coupon	French state	03/12/2025	11.20 %
MNB250306	zero coupon	Hungarian National Bank Plc.	03/06/2025	9.49 %
EUR/JPY 25.03.24 Forward Sell	derivative	OTP Bank	03/24/2025	6.79 %
ROMANI EUR 2042/04/13 2,875%	interest-bearing	Romanian State	04/13/2042	5.45 %
ROMANI EUR 2029/09/27 6,625%	interest-bearing	Romanian State	09/27/2029	4.51 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Closed-End Funds		4.49 %
EUR/JPY 25.05.12 Forward Sell	derivative	ING Bank Hun	05/12/2025	3.40 %
BOTS 0 03/14/25	zero coupon	Italian State	03/14/2025	3.39 %
USD/JPY 25.04.15 Forward Sell	derivative	ING Bank Hun	04/15/2025	3.27 %

### 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 | alapkezelo@am.vig | www.vigam.hu