

# VIG Alfa Absolute Return Investment Fund

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

## 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

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.

March saw the start of a major rollercoaster ride in capital markets, in anticipation of new US tariffs. The global economy has seen a lot of uncertainty among consumers and business leaders, and the expected economic slowdown has called into question the justification for high equity market pricing in the US, while bond investments could be in for a good time. In March, the Fund reduced its equity weighting, increased its long bond exposure, significantly increased its FX position against the HUF by closing EUR/HUF and USD/HUF hedges. Our region's equity exposure has performed well this year, in case of a major sell-off we would like to increase the position in region equities again.

## 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:	60,276,508,833 HUF
Net Asset Value of A series:	27,716,005,172 HUF
Net Asset Value per unit:	3.839765 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 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	35.47 %
Corporate bonds	24.08 %
T-bills	13.01 %
Hungarian equities	12.58 %
Collective securities	7.81 %
International equities	4.44 %
Current account	1.69 %
Receivables	1.39 %
Liabilities	-0.74 %
Market value of open derivative positions	0.28 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	51.17 %
Net corrected leverage	112.24 %

### Assets with over 10% weight

ROMANI EUR 2033/09/18 6,375% (Romanian State)

BOTS 0 05/14/25 (Italian State)

## RISK PROFILE

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

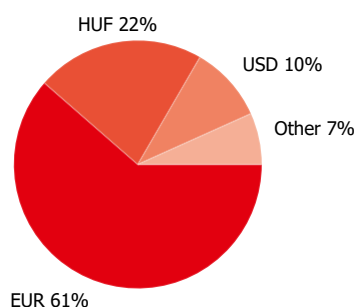
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## NET YIELD PERFORMANCE OF THE SERIES

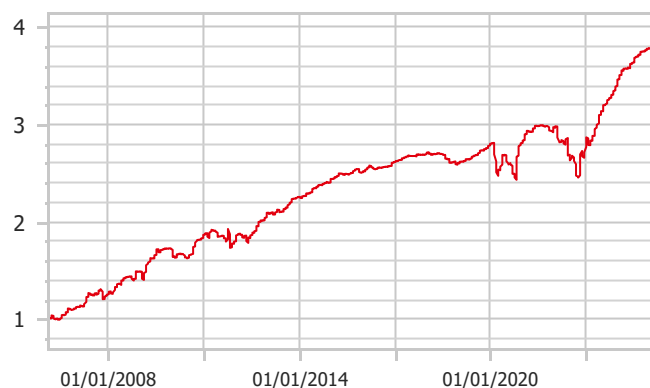
Interval	Yield of note	Benchmark yield
YTD	1.50 %	1.54 %
From launch	7.28 %	4.43 %
1 month	-0.18 %	0.55 %
3 months	1.50 %	1.54 %
2024	10.46 %	7.29 %
2023	26.17 %	9.93 %
2022	-6.58 %	3.04 %
2021	3.39 %	-0.60 %
2020	0.96 %	0.41 %
2019	7.38 %	0.23 %
2018	-3.58 %	0.31 %
2017	3.08 %	0.20 %
2016	4.08 %	1.22 %
2015	4.27 %	1.50 %

### Currency exposure:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 02/10/2006 - 03/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	2.24 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	0.19 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	9.65 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	9.22 %
WAM (Weighted Average Maturity)	2.85 years
WAL (Weighted Average Life)	3.75 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
ROMANI EUR 2033/09/18 6,375%	interest-bearing	Romanian State	09/18/2033	15.82 %
BOTS 0 05/14/25	zero coupon	Italian State	05/14/2025	10.31 %
MNB250403	zero coupon	Hungarian National Bank Plc.	04/03/2025	8.43 %
EUR/JPY 25.06.24 Forward Sell	derivative	OTP Bank	06/24/2025	6.67 %
ROMANI EUR 2042/04/13 2,875%	interest-bearing	Romanian State	04/13/2042	5.08 %
Richter Nyrt. Részv. Demat	share	Richter Gedeon Vegyészeti Gyár Nyilvánosan Működő Rt.		4.66 %
ROMANI EUR 2029/09/27 6,625%	interest-bearing	Romanian State	09/27/2029	4.42 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Closed-End Funds		4.40 %
EUR/JPY 25.05.12 Forward Sell	derivative	ING Bank Hun	05/12/2025	3.33 %
USD/JPY 25.04.15 Forward Sell	derivative	ING Bank Hun	04/15/2025	3.08 %

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