

# VIG Alfa Absolute Return Investment Fund

U series USD MONTHLY report - 2025 JANUARY (made on: 01/31/2025)

## 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

January saw the start of the fourth quarterly corporate reporting season in the US equity markets. The S&P 500 companies are forecast to post earnings growth of more than 11%, while it is questionable whether high profit margins above nominal GDP growth will be maintained. The change in the yield environment was a key factor, with the US 10-year Treasury yield reaching 4.8%, putting pressure on equity markets. The dollar remained extremely strong, which may not be conducive to US economic policy in the long term. Fed policymakers remained cautious: on the January meeting, in line with market expectations they did not cut the base rate. Inflation data showed a mixed picture, with core inflation rising on a monthly basis in December, which could point to strong wage pressures. European markets were volatile on inflation data and interest rate expectations. Inflation in December was higher than expected in several countries - 2.9% in Germany, for example - reducing the European Central Bank's (ECB) room for maneuver in cutting interest rates. In bond markets, the rise in UK yields and the weakening of sterling raised concerns, with some analysts suggesting that the situation is similar to the period before the 1976 IMF bailout in the UK. The housing market remains weak: like the US market, European real estate players are finding it difficult to sell their assets.

In the first month of the year, we pursued highly active asset management. The overvaluation of U.S. technology stocks and excessive investor positioning presented an attractive selling and shorting opportunity. We had to close our short position in two steps but were able to partially reopen it at higher levels on the last day of the month. We largely exited our investments in individual stocks (MOL, Raiffeisen, OTP, PKN, Pekao Bank, Zabka) and instead opened a long position in the WIG20 Polish equity index. Our net equity exposure is currently below 10%. In the coming period, we expect high volatility and bond outperformance.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% US SOFR Compounded Index + 1.7%
ISIN code:	HU0000715990
Start:	03/17/2016
Currency:	USD
Net Asset Value of the whole Fund:	58,975,700,083 HUF
Net Asset Value of U series:	10,541,680 USD
Net Asset Value per unit:	1.318205 USD

## DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Conseq Investment Management, a.s., 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., Raiffeisen Bank cPlc., SC Aegon ASIGURARI DE VIATA SA, UniCredit Bank Hungary cPlc., VIG Asset Management Hungary Plc.

## SUGGESTED MINIMUM INVESTMENT PERIOD



## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	37.20 %
Corporate bonds	24.45 %
T-bills	20.92 %
Collective securities	8.12 %
Hungarian equities	5.78 %
International equities	1.82 %
Current account	5.35 %
Liabilities	-4.71 %
Market value of open derivative positions	0.68 %
Receivables	0.39 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	81.28 %
Net corrected leverage	116.19 %
<b>Assets with over 10% weight</b>	
BTF 0 03/12/25 (French state)	
ROMANI EUR 2033/09/18 6,375% (Romanian State)	

## RISK PROFILE



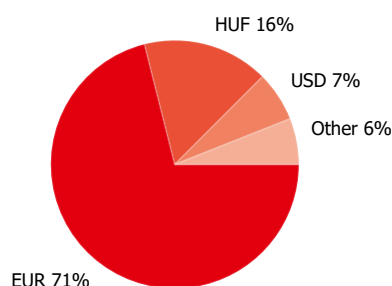
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## NET YIELD PERFORMANCE OF THE SERIES

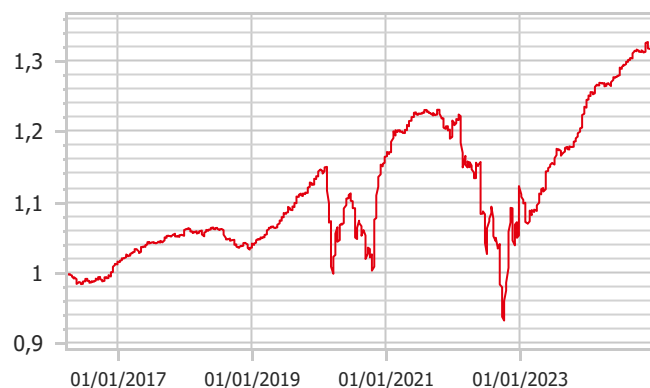
Interval	Yield of note	Benchmark yield
YTD	0.08 %	0.52 %
From launch	3.16 %	0.75 %
1 month	0.08 %	0.52 %
3 months	0.48 %	1.11 %
2024	6.63 %	3.58 %
2023	17.25 %	0.00 %
2022	-11.40 %	0.90 %
2021	2.99 %	-0.60 %
2020	1.65 %	0.41 %
2019	9.74 %	0.23 %
2018	-1.66 %	0.31 %
2017	3.93 %	0.20 %

### Currency exposure:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 03/17/2016 - 01/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	2.16 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	0.13 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	10.30 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	9.79 %
WAM (Weighted Average Maturity)	2.60 years
WAL (Weighted Average Life)	3.48 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
BTF 0 03/12/25	zero coupon	French state	03/12/2025	16.91 %
ROMANI EUR 2033/09/18 6,375%	interest-bearing	Romanian State	09/18/2033	16.34 %
MNB250206	zero coupon	Hungarian National Bank Plc.	02/06/2025	8.13 %
EUR/JPY 25.03.24 Forward Sell	derivative	OTP Bank	03/24/2025	6.92 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Closed-End Funds		4.59 %
ROMANI EUR 2029/09/27 6,625%	interest-bearing	Romanian State	09/27/2029	4.52 %
EFSF 02/17/25 0,4%	interest-bearing	European Financial Stability Facility	02/17/2025	4.51 %
EUR/HUF 25.02.07 Forward Sell	derivative	ING Bank Hun	02/07/2025	4.15 %
ROMANI EUR 2042/04/13 2,875%	interest-bearing	Romanian State	04/13/2042	4.10 %
NASDAQ 100 E-MINI Mar25 Sell	derivative	Erste Bef. Hun	03/21/2025	3.45 %

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