

# VIG Global Emerging Market Bond Investment Fund

A series EUR MONTHLY report - 2025 APRIL (made on: 04/30/2025)

## 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

The key event in April was the Trump administration's unexpected announcement on April 2nd of significantly higher "reciprocal" tariffs—some of which are temporarily paused for 90 days—while retaliatory tariffs on China have climbed to a steep 145%. Although this initially triggered a sell-off in financial markets and tighter financial conditions, those effects have somewhat eased. Both consumer and business confidence have dropped sharply, yet the limited hard data for April—such as low weekly initial jobless claims—suggests the economy hasn't experienced a dramatic downturn. Core PCE inflation for March likely remained modest at 0.1% month-over-month, though the ISM manufacturing price index has jumped and one-year consumer inflation expectations have surged. The Federal Reserve's dual mandate of maintaining 2% inflation and maximizing employment may soon come into conflict. In this context, the Fed has indicated it will assess how far the economy is from each target and the duration of that divergence when setting policy. Officials have expressed that monetary policy is currently well-positioned to remain on hold while awaiting more clarity. Assuming no recession, market expects the Fed to prioritize price stability and foresee just one rate cut this year, likely in Q4 2025. US Treasuries yield curve steepened further as 2Y yields decreased by c.30 bps along with increased 30Y yields by around 10 bps amid significant volatility during the month. German and British curves steepened as well but in a bull fashion as 2Y yields went down by more than 35 bps and 30Y ones by appr. 20 bps. In the current uncertain environment, gold added another 5% to its value ending the month at \$3,289/oz., posted all-time-high \$3,424/oz. in mid-Apr. EUR appreciated versus the U.S. Dollar by 4.7%, which is still unjustified by macroeconomic data. Risk assets have recovered a lot of the damage. The S&P 500 is now only down some 7.5% since its January peak, HY spreads have tightened some 100bp and IG credit is only about 25bp wider from the YTD tightens. Last month, we followed de-risking of the fund with decreasing exposure to the high-yielding names (specifically in the long-end of the curve), such as Colombia, Egypt, Romania, Turkey etc., and relocated to quality names of Saudi Arabia, Mexico, Peru and others; late last month we turned more constructive, therefore, further decrease of risky positions is unlikely.

## 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:	18,866,501 EUR
Net Asset Value of A series:	988,041 EUR
Net Asset Value per unit:	0.746582 EUR

## DISTRIBUTORS

Concorde Securities Ltd., Erste Investment Plc., MBH Bank Nyrt., MBH Befektetési Bank Zrt, OTP Bank Nyrt., Patria Finance Magyarország 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	90.32 %
Corporate bonds	1.34 %
T-bills	0.99 %
Market value of open derivative positions	5.42 %
Receivables	2.02 %
Liabilities	-1.83 %
Current account	1.75 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	9.41 %
Net corrected leverage	102.22 %
Assets with over 10% weight	

There is no such instrument in the portfolio

## RISK PROFILE

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

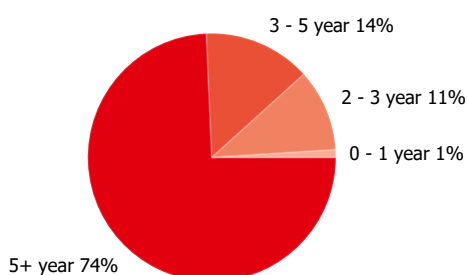
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## NET YIELD PERFORMANCE OF THE SERIES

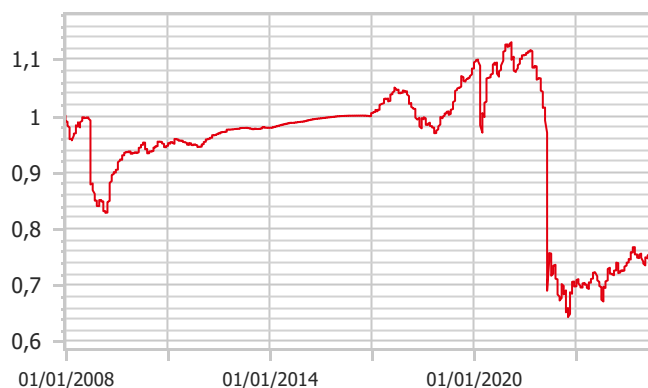
Interval	Yield of note	Benchmark yield
YTD	0.74 %	
From launch	-1.67 %	0.60 %
1 month	-0.35 %	
3 months	-0.35 %	
2024	1.44 %	
2023	4.76 %	
2022	-34.14 %	
2021	-6.41 %	
2020	4.40 %	
2019	10.41 %	
2018	-5.82 %	
2017	4.30 %	
2016	0.03 %	-0.15 %
2015	0.96 %	0.07 %

### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 12/11/2007 - 04/30/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	5.33 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	8.81 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	14.44 %
WAM (Weighted Average Maturity)	7.16 years
WAL (Weighted Average Life)	11.35 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 10YR NOTE (CBT)Jun25 Buy	derivative	Raiffeisen Hun	06/18/2025	9.41 %
KSA 3 5/8 03/04/28	interest-bearing	Saudi Arabian	03/04/2028	6.18 %
TURKEY 2029/03/14 9,375% USD	interest-bearing	Turkish State	03/14/2029	4.84 %
KSA 4 7/8 07/18/33	interest-bearing	Saudi Arabian	07/18/2033	4.21 %
PANAMA 6 7/8 01/31/36 visszahívható 2035/10/31	interest-bearing	Panamai Köztársaság	01/31/2036	3.68 %
BRAZIL 6 1/4 03/18/31	interest-bearing	Brazil Állam	03/18/2031	3.34 %
ARGENT 4 1/8 07/09/35 sinkable 2024/11/08	interest-bearing	Argentína	07/09/2035	3.09 %
PHILIP 5 1/4 05/14/34	interest-bearing	Fülöp-szigeteki Köztársaság	05/14/2034	2.90 %
INDON 3.05 03/12/51	interest-bearing	Indonesian State	03/12/2051	2.90 %
MEX 3 3/4 01/11/28	interest-bearing	Mexico	01/11/2028	2.77 %

### 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