

# VIG Central European Equity Investment Fund

El series EUR MONTHLY report - 2025 MAY (made on: 05/31/2025)

## INVESTMENT POLICY OF THE FUND

The aim of the Fund is to invest on the stock market of the Central and Eastern European Region. It is for investors who would like a share in the long-term performance of listed companies in the region. In the development of the portfolio of this Fund, the priority is to optimise the aggregate risk of the securities added to the Fund. In order to reduce risks, the Fund Manager exercises the highest degree of diligence when selecting the securities to be included in the portfolio. It analyses the risk factors of the securities, and supports its decisions with in-depth calculations.

The Fund purchases stocks issued by companies in Central and Eastern European region (primarily Hungary, the Czech Republic, Poland, Austria, Romania, secondarily Slovenia, Croatia, Slovakia), but it may also invest in the stocks of other developing and developed foreign companies as well as other collective investment securities. Due to the strategy of the Fund, it may also invest in assets denominated in foreign currency. The Fund may hedge some or all of its foreign currency risk using forward currency positions against the target currency. The Fund Manager has the discretionary right to reduce the foreign currency risk of the currency positions differing from the Fund's target currency, based on the market processes by concluding hedge transactions. In addition, the use of equity and index futures is permitted in order to effectively build the Fund's portfolio. To ensure liquidity, the Fund wishes to add government securities issued by member states of the EU, OECD, or G20 to its portfolio.

## MARKET SUMMARY

The US stock market rose in May, supported by strong reports from large technology companies and a technical rebound from low positioning. The S&P 500 index's multi-day rally and persistent buying by retail investors signaled positive sentiment, but this was not matched by institutional interest, with large investment funds tending to wait and see. The market was negatively affected by the intensification of the trade war rhetoric, Donald Trump's tariff threats and the Fed's monetary wait-and-see approach. Although service sector and labor market data remained strong, some macroeconomic indicators and the slowdown in retail consumption are cause for concern. Most GDP estimates point to a decline, and the Fed has also adopted a wait-and-see stance. In the words of the chairman of the Federal Reserve, 'waiting costs nothing'.

In Europe, stock markets, especially the German market, have outperformed, supported by algorithmic buying, a strong euro and a weak dollar. However, economic data does not paint a uniform picture: inflationary pressures in France and Germany are easing, which could give the European Central Bank room to cut interest rates, but important macroeconomic indicators have declined in several countries (e.g. France, Italy). Domestic political uncertainties in Germany, which culminated in difficulties surrounding Merz's election, caused temporary turmoil, but the markets did not react with a panic. According to interest rate market expectations, the European Central Bank will begin cutting interest rates later this year.

Central European equities performed exceptionally well in May. This time, the rally was led primarily by the previously underperforming Romanian market, while Austrian and Czech equities also posted near double-digit gains. Two key political events played a pivotal role in moving markets during the month. The result of the Romanian presidential election triggered a notable market rebound, whereas the outcome of the very close Polish presidential race disappointed investors. Once again, the banking sector was the main driver of the regional market's gains, with Erste Bank and BRD leading the way. In contrast, the pharmaceutical and oil sectors were notably weak, mirroring the underperformance of these sectors globally. The Fund outperformed its benchmark index during the month. While we remain optimistic about the region's outlook, we have temporarily reduced the Fund's equity exposure following the strong gains seen in April.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Erste Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% CETOP 5/10/40 Index
ISIN code:	HU0000730361
Start:	07/18/2022
Currency:	EUR
Net Asset Value of the whole Fund:	47,985,228,920 HUF
Net Asset Value of El series:	5,519,951 EUR
Net Asset Value per unit:	2.014538 EUR

## DISTRIBUTORS

Compensa Life Vienna Insurance Group SE Lithuanian branch, Concorde Securities Ltd., WVP FUND MANAGEMENT a.d. Banja Luka

## 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
International equities	80.06 %
Hungarian equities	14.03 %
Government bonds	0.89 %
Collective securities	0.00 %
Current account	5.11 %
Liabilities	-1.08 %
Receivables	0.99 %
Market value of open derivative positions	0.00 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	6.27 %
Net corrected leverage	106.23 %

### 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 →

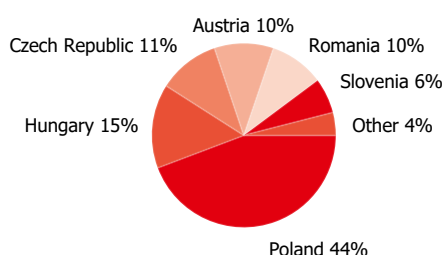
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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	25.20 %	22.68 %
From launch	27.66 %	26.52 %
1 month	5.59 %	5.37 %
3 months	7.98 %	6.70 %
2024	10.21 %	10.98 %
2023	40.13 %	37.38 %

## Stocks by countries



## NET PERFORMANCE OF THE SERIES

net asset value per share, 07/18/2022 - 05/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	20.69 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	19.47 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	19.12 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	19.12 %
WAM (Weighted Average Maturity)	0.06 years
WAL (Weighted Average Life)	0.07 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Erste Bank	share	ERSTE Group Bank AG Austria	8.37 %
Polski Koncern Naftowy	share	PL Koncern Naftowy	7.64 %
PKO Bank	share	PKO Bank Polski SA	7.63 %
OTP Bank törzsrésztvény	share	OTP Bank Nyrt.	6.61 %
CEZ	share	CEZ A.S	5.09 %
POWSZECHNY ZAKŁAD UBEZPIECZEŃ	share	POWSZECHNY ZAKŁAD UBEZPIECZEŃ	4.12 %
Allegro.eu SA	share	Allegro.eu SA	3.98 %
BANCA TRANSILVANIA	share	Banca Transilvania SA	3.95 %
Dino Polska SA	share	DINO POLSKA SA	3.94 %
Bank Pekao SA	share	Bank Pekao Sa	3.77 %

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