

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

August started with a correction in developed economies, including the US. Contributing to the downturn was the likelihood of a hard landing in the economy as opposed to a soft landing. On the other hand, the Japanese central bank's interest rate hike in response to the weakening yen negatively affected investors who had leveraged equity positions financed with cheap Japanese yen. This caused a stock market crash in Japan that spilled over to the United States. US Federal Reserve Chairman Jerome Powell has indicated that the Fed may start cutting interest rates from September, but, he sees no justification for a drastic cut. This uncertainty has increased market volatility and many investors have fled into bonds, and yields have fallen. At the end of the month, Nvidia published its second quarter results, which exceeded investor expectations, but the company's less optimistic forecasts were disappointing. Nvidia, seen as the flagship of the artificial intelligence wave, is also being watched by many as the performance of many technology companies could be affected by its month-end report. In Hungary, the MNB's interest rate policy has reached a turning point, as the one-and-a-half-year cycle of rate cuts appears to be coming to an end, with the central bank leaving the base rate at 6.75% at its August policy meeting. This is consistent with declining inflationary pressures, but we do not rule out further rate cuts in the event of weak economic performance. Another important consideration is the forint exchange rate, which has shown considerable volatility recently, so we believe that an implicit moderation of this may have played a role in the decision.

Despite the turbulence in the capital markets triggered by the Japanese central bank's interest rate hike, the month ended on a positive note for the Fund. In light of the selling wave, we made a slight increase to our position in regional equities by purchasing Raiffeisen. Following data indicating a further slowdown in the US economy, yields on Hungarian bonds also declined. This provided an opportunity to almost completely unwind our Hungarian 10-year government bonds at yields below 6.10%. In light of the anticipated interest rate reductions, we maintain a constructive outlook on long bonds. Consequently, we have been acquiring long Romanian currency bonds in lieu of Hungarian forint bonds. In light of the weakening of the dollar and the relative strength of the forint, we have taken the decision to open a USD/HUF position in the fund, on the basis of our expectation of a weaker forint and a stronger dollar exchange rate in the medium term. US equity indices recovered rapidly to reach levels close to their previous highs following the 10% decline in early August. However, we believe that current equity market pricing is elevated, positioning has become extended once again, and we anticipate a decline in corporate earnings. Consequently, we have initiated a short position in the S&P 500 index.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Hurdle rate, annual 4%
ISIN code:	HU0000715982
Start:	03/17/2016
Currency:	EUR
Net Asset Value of the whole Fund:	48,896,778,241 HUF
Net Asset Value of E series:	18,455,055 EUR
Net Asset Value per unit:	1.130211 EUR

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	50.13 %
Corporate bonds	23.03 %
Hungarian equities	11.77 %
Collective securities	6.86 %
International equities	3.63 %
Receivables	9.24 %
Liabilities	-9.02 %
Current account	3.96 %
Market value of open derivative positions	0.39 %
Total	100,00 %
Derivative products	57.67 %
Net corrected leverage	102.99 %

Assets with over 10% weight

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

2024C (Government Debt Management Agency Pte. Ltd.)

DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Conseq Investment Management, a.s., Equilor Befektetési Zrt, Erste Bank AD Podgorica, 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

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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RISK PROFILE

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

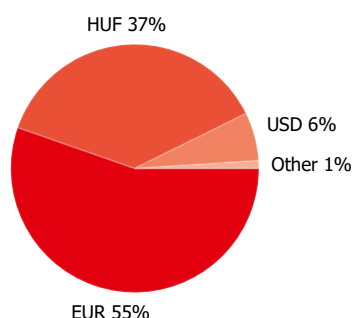
VIG Alfa Absolute Return Investment Fund

E series EUR MONTHLY report - 2024 AUGUST (made on: 08/31/2024)

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	5.18 %	2.71 %
From launch	1.46 %	0.54 %
1 month	0.22 %	0.33 %
3 months	2.25 %	1.00 %
2023	13.89 %	0.00 %
2022	-12.34 %	0.20 %
2021	2.23 %	-0.60 %
2020	-0.01 %	0.41 %
2019	6.92 %	0.23 %
2018	-4.08 %	0.31 %
2017	2.70 %	0.20 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/17/2016 - 08/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	2.83 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.29 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	10.50 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	9.89 %
WAM (Weighted Average Maturity)	3.05 years
WAL (Weighted Average Life)	4.09 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
ROMANI EUR 2033/09/18 6,375%	interest-bearing	Romanian State	09/18/2033	20.19 %
Magyar Államkötvény 2024/C	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/24/2024	15.40 %
MNB240905	zero coupon	Hungarian National Bank Plc.	09/05/2024	7.76 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Closed-End Funds		5.55 %
ROMANI EUR 2029/09/27 6,625%	interest-bearing	Romanian State	09/27/2029	5.52 %
USD/HUF 24.12.03 Forward Buy	derivative	ING Bank Hun	12/03/2024	5.07 %
OTP Bank törzsrészevény	share	OTP Bank Nyrt.		4.98 %
ROMANI EUR 2042/04/13 2,875%	interest-bearing	Romanian State	04/13/2042	3.25 %
USD/HUF 24.12.03 Forward Buy	derivative	Raiffeisen Hun	12/03/2024	2.90 %
TVLRO 8 7/8 04/27/27	interest-bearing	Banca Transilvania SA	04/27/2027	2.89 %

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