

VIG Alfa Absolute Return Investment Fund

UI series USD MONTHLY report - 2024 JULY (made on: 07/31/2024)

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

In July, the US stock market experienced significant volatility. Stocks reached historic highs and then fell back, especially in the technology sector. A strong rotation unfolded, with investors buying winners from previous periods and selling laggards such as smaller capitalization stocks. The main reason for the correction in chipmakers was the new US sanctions imposed on exports to China in the middle of the month. On the macro front, inflation statistics came in better than expected, leading investors to believe a September rate cut as a possibility again. The more favorable inflation trajectory was also reflected in longer yields, with the yield on 10-year US Treasuries falling to around 4.21%. Highlights for Hungarian markets included the Hungarian National Bank's July interest rate decision, which resulted in a 25 basis point cut, as expected, leaving the Hungarian base rate at 6.75%. According to the HNB, the main influence on policymakers was the declining US interest rate expectations, but the June inflation figure of 3.7% was also lower than expected. According to the HNB, there could be another 1-2 rate cuts in 2024, meaning that the Hungarian base rate could fall to as low as 6.25%.

The Fund continued to deliver positive returns in July, thanks to falling regional bond yields and a rising Hungarian equity market. We continue to see the bond asset class as the most attractive from a risk/return perspective, but the undervaluation of regional equity markets cannot be ignored. During the month, we increased our gold exposure and again bought Romanian long government bonds, Richter and Raiffeisen shares, while reducing the regional credit portfolio. We took advantage of the strengthening of the forint to open a short position below 390.

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 3.5%
ISIN code:	HU0000729538
Start:	07/13/2022
Currency:	USD
Net Asset Value of the whole Fund:	48,299,026,542 HUF
Net Asset Value of UI series:	557,091 USD
Net Asset Value per unit:	1.255303 USD

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	55.63 %
Corporate bonds	19.43 %
Hungarian equities	11.97 %
Collective securities	6.77 %
International equities	3.23 %
Current account	2.77 %
Liabilities	-0.98 %
Receivables	0.92 %
Market value of open derivative positions	0.24 %
Total	100,00 %
Derivative products	45.76 %
Net corrected leverage	105.09 %

Assets with over 10% weight

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

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

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
--------	--------	------	-------------	------	------	------

RISK PROFILE

1	2	3	4	5	6	7
---	---	----------	---	---	---	---

← Lower risk Higher risk →

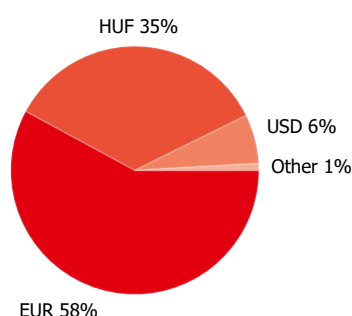
VIG Alfa Absolute Return Investment Fund

UI series USD MONTHLY report - 2024 JULY (made on: 07/31/2024)

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	5.80 %	2.08 %
From launch	11.73 %	1.22 %
1 month	1.47 %	0.32 %
3 months	2.75 %	0.88 %
2023	15.13 %	0.00 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/13/2022 - 07/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	2.77 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	0.26 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	8.66 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	8.66 %
WAM (Weighted Average Maturity)	3.62 years
WAL (Weighted Average Life)	4.83 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
ROMANI EUR 2033/09/18 6,375%	interest-bearing	Romanian State	09/18/2033	20.49 %
Magyar Államkötvény 2024/C	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/24/2024	15.54 %
2035A	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/24/2035	8.04 %
ROMANI EUR 2029/09/27 6,625%	interest-bearing	Romanian State	09/27/2029	5.60 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Closed-End Funds		5.48 %
OTP Bank törzsrészvény	share	OTP Bank Nyrt.		5.14 %
GOLD 100 OZ FUTR Dec24 Buy	derivative	Erste Bef. Hun	12/27/2024	5.05 %
REPHUN 2031/06/16 4,25% EUR	interest-bearing	Government Debt Management Agency Pte. Ltd.	06/16/2031	3.31 %
TVLRO 8 7/8 04/27/27	interest-bearing	Banca Transilvania SA	04/27/2027	2.92 %
Richter Nyrt. Részv. Demat	share	Chemical Works of Gedeon Richter Plc. (Budapest)		2.63 %

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