

VIG Central European Equity Investment Fund

El series EUR MONTHLY report - 2023 MAY (made on: 05/31/2023)

INVESTMENT POLICY OF THE FUND

The Fund purchases stocks issued by companies in Central and Eastern European region (primarily Hungary, the Czech Republic, Poland, Austria, Romania, secondarily Slovenia, Croatia, Russia, Turkey), but it may also invest in the stocks of other developing and developed foreign companies as well as other collective investment securities. The Fund may hedge some or all of its foreign currency risk using forward currency positions against the target currency composition of the Fund, i.e., the current settlement currency of the benchmark (CEE region currencies), depending on the market processes. 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 the Government Debt Management Agency on behalf of the Hungarian State to its portfolio. There is no possibility for making individual investor decisions in respect of the Fund.

MARKET SUMMARY

As expected, the US fiscal crisis was resolved by the end of May. To an outsider, it was odd that such a thing could happen again after 2011, when everyone knew full well that the US would not declare bankruptcy. If it did, it would have unforeseen consequences that no one would dare risk.

The Fed raised the base rate by 25 basis points to 5.25%. The wording of the Fed's statement at the post-raise briefing was much the same as that used at the top of the rate hike cycle in 2006, deleting the phrase "FOMC expects further rate hikes to be necessary", but there was no mention of the possibility of easing, and the balance could still tip towards tightening.

In Hungary, although falling, inflation is still very high. According to the official KSH release, inflation was 24% in May, more than 1% lower than the previous month. What was different from previous months was that the National Bank lowered the top of the interest rate band from 25% to 19.50%. While the official base rate is 13% and the overnight 1-day rate is 17%, the lowering of the top of the band itself could be a guide for the months ahead. The MNB president said at the post-cut briefing that if inflation numbers continue to fall, a 100 basis point per month rate cut could be expected. The forint did not weaken much on the announcement, indicating that the market had already priced in the news. Let's not forget that foreign investors still have access to the MNB's 17% weekly deposit, which makes the forint very attractive. Let us also note that the forint yield is still significantly high compared to the surrounding countries.

The Fund achieved a negative return in May, but outperformed the benchmark index. The reason for the outperformance was that the Czech market was underweight, which proved to be a good decision, but also a couple of off-benchmark stocks performed very well in the fund. The Hungarian and Romanian markets also performed very well in May, which also helped the fund's performance. On a stock level, shares in Polish retail and video game companies decreased the fund's performance. On a country level, Hungarian and Romanian exposure is overweight, Czech underweight and Polish was underweight at the beginning of the month but moved to overweight by the end of the month. At the sector level, utilities are underweight, banks are down to benchmark levels, while retail is overweight. Overall, due to long-term positions, the Fund is overweight against the benchmark index at around 108%.

GENERAL INFORMATION

| | |
|------------------------------------|---|
| Fund Manager: | VIG Investment Fund Management Hungary |
| Custodian: | Citibank Europe plc Magyarországi Fióktelepe |
| Main distributor: | VIG Investment Fund Management Hungary 45% MSCI Emerging Markets Poland Net Total Return Local Index + 15% MSCI Austria Net Total Return + 15% MSCI |
| Benchmark composition: | Emerging Markets Czech Republic Net Total Return Local Index + 15% MSCI Emerging Markets Hungary Net Total Return Local Index + 10% MSCI Romania Net Total Return |
| ISIN code: | HU0000730361 |
| Start: | 07/18/2022 |
| Currency: | EUR |
| Net Asset Value of the whole Fund: | 16,511,196,327 HUF |
| Net Asset Value of El series: | 25,155 EUR |
| Net Asset Value per unit: | 1.153010 EUR |

ASSET ALLOCATION OF THE FUND

| Asset | Weight |
|--|-----------------|
| International equities | 74.61 % |
| Hungarian equities | 20.13 % |
| Collective securities | 1.70 % |
| Current account | 3.06 % |
| Receivables | 1.83 % |
| Liabilities | -1.32 % |
| Market value of open derivative positions | 0.00 % |
| Total | 100,00 % |
| Derivative products | 12.16 % |
| Net corrected leverage | 112.40 % |
| Assets with over 10% weight | |
| There is no such instrument in the portfolio | |

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 | | | |

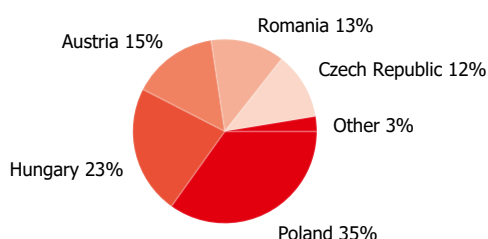
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EI series EUR MONTHLY report - 2023 MAY (made on: 05/31/2023)

NET YIELD PERFORMANCE OF THE SERIES

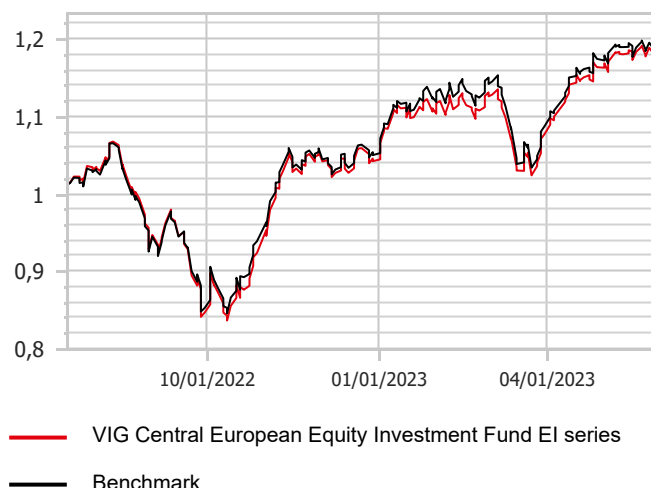
| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 15.30 % | 15.88 % |
| 1 month | -0.90 % | -1.32 % |
| 3 months | 2.37 % | 1.12 % |
| 6 months | 9.80 % | 9.98 % |

Stocks by countries



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/18/2022 - 05/31/2023



RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields- based on 1 year | 20.68 % |
| Annualized standard deviation of the benchmark's weekly yields- based on 1 year | 20.20 % |
| Annualized standard deviation of the fund's weekly yields- based on 3 year | 20.68 % |
| Annualized standard deviation of the fund's weekly yields- based on 5 year | 20.68 % |
| WAM (Weighted Average Maturity) | 0.00 years |
| WAL (Weighted Average Life) | 0.00 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|----------------------------|-------|--|----------|
| OTP Bank törzsrészvény | share | Országos Takarékpénztár és Kereskedelmi Bank Nyrt. | 9.56 % |
| CEZ | share | CEZ A.S | 8.17 % |
| Polski Koncern Naftowy | share | PL Koncern Naftowy | 6.89 % |
| Erste Bank | share | ERSTE BANK AG | 6.82 % |
| OMV PETROM SA | share | OMV PETROM | 4.74 % |
| Dino Polska SA | share | DINO POLSKA SA | 4.54 % |
| PKO Bank | share | PKO Bank | 4.35 % |
| Bank Pekao SA | share | Bank Pekao SA | 4.32 % |
| Richter Nyrt. Részv. Demat | share | Richter Gedeon Vegyészeti Gyár Nyrt. (Budapest) | 3.77 % |
| OMV | share | OMV AV | 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 | alapkezo@am.vig | www.vigam.hu