

VIG Opportunity Developed Markets Equity Investment Fund

I series HUF MONTHLY report - 2023 MAY (made on: 05/31/2023)

INVESTMENT POLICY OF THE FUND

The Fund aims to profit from the returns on global equity market investments through stock prices and dividend income. According to the intentions of the Fund Manager, the bulk of the Fund's portfolio is made up of shares of foreign companies issued through public offerings, but the Fund may also invest in shares issued by Hungarian companies. The proportion of shares that can be held in the Fund at any given time may reach the prevailing legal maximum. The Fund Manager has the option, at its own discretion, of hedging all or part of its foreign exchange risks using forward currency positions subject to observing the applicable legal requirements.

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 positive return in May and outperformed the benchmark index. The Fund was slightly overweight at the beginning of the month, which we closed mid-month, and when the indices rose sharply after the Nvidia report, we went underweight by selling Nasdaq futures contracts. Although the developed market indices look technically good, our view is that the markets are fundamentally very vulnerable. We owe this year's market rise to just 10 stocks. If these 10 stocks were to perform at the market average, the developed market indices would be in negative territory YTD. Therefore, we continue to look for entry points where the risk/return ratio is favorable to build a larger underweight in the fund.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% MSCI World Net Total Return USD Index
ISIN code:	HU0000712393
Start:	08/15/2013
Currency:	HUF
Net Asset Value of the whole Fund:	12,203,734,747 HUF
Net Asset Value of I series:	7,575,799,777 HUF
Net Asset Value per unit:	2.713277 HUF

ASSET ALLOCATION OF THE FUND

Asset	Weight
Collective securities	77.31 %
T-bills	13.06 %
Current account	9.19 %
Receivables	0.76 %
Liabilities	-0.30 %
Total	100,00 %
Derivative products	29.04 %
Net corrected leverage	130.21 %
Assets with over 10% weight	
iShares MSCI World ETF USD	

DISTRIBUTORS

Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt., UNION Vienna Insurance Group Biztosító Zrt.

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 →

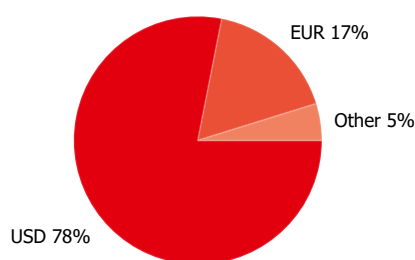
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NET YIELD PERFORMANCE OF THE SERIES

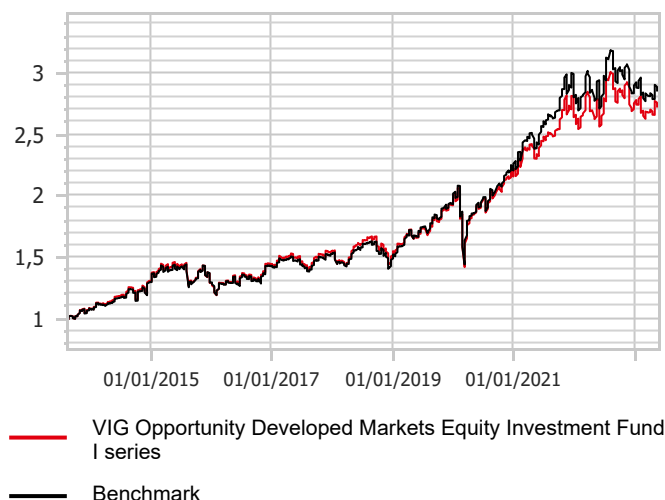
Interval	Yield of note	Benchmark yield
From start	10.73 %	11.26 %
1 month	1.64 %	1.54 %
3 months	1.67 %	0.91 %
2022	-4.44 %	-5.58 %
2021	27.89 %	33.43 %
2020	14.94 %	16.93 %
2019	31.10 %	34.89 %
2018	-3.90 %	-4.51 %
2017	5.77 %	5.12 %
2016	5.54 %	4.31 %
2015	5.57 %	6.48 %
2014	20.66 %	20.20 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 08/15/2013 - 05/31/2023



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	18.74 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	19.04 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	29.45 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	43.03 %
WAM (Weighted Average Maturity)	0.02 years
WAL (Weighted Average Life)	0.02 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
iShares MSCI World ETF USD	investment note	iShares MSCI World ETF	13.98 %
BNP Paribas Easy S&P 500 UCITS ETF	investment note	BNP Paribas Easy S&P 500 UCITS ETF	9.26 %
S&P500 EMINI FUT Jun23 Buy	derivatív	Erste Bef. Hun	06/16/2023 8.37 %
XMWO-DB MXWO ETF	investment note	XMWO-DB MXWO ETF	8.16 %
NASDAQ 100 E-MINI Jun23 Sell	derivatív	Erste Bef. Hun	06/16/2023 8.16 %
US T-Bill 06/01/23	zero coupon	Amerikai Egyesült Államok	06/01/2023 7.40 %
Vanguard S&P500 ETF	investment note	Vanguard S&P500 ETF	7.37 %
iShares Edge MSCI World Quality Factor UCITS ETF	investment note	iShares Edge MSCI World Quality	6.61 %
I Shares S&P 500 Index Fund	investment note	I Shares S&P 500 Index Fund	6.47 %
iShares Core MSCI World UCITS	investment note	iShares Core MSCI World UCITS ETF	6.27 %

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