

VIG Alfa Absolute Return Investment Fund

PI series PLN MONTHLY report - 2023 JUNE (made on: 06/30/2023)

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 the US, the Federal Reserve did not raise its benchmark interest rate, which was in line with expectations but also left some question marks. The interest rate curve, now pricing in that the Fed will raise rates once more this year by 25 basis points, but then do nothing until the end of the year and start the rate-cutting cycle early next year. The question is why the Fed thinks it didn't have to raise rates now and will in 6 weeks. Analysts say that although the Fed communicates its intentions well, the thought process is inconsistent.

The Monetary Council of the Hungarian National Bank (MNB) acted as expected at its June rate decision meeting. The base rate remained at 13 percent, but the interest rate corridor narrowed slightly, with the overnight deposit rate remaining at 12.5 percent and the overnight lending rate falling to 18.5 percent. The base rate has been at 13 percent since September last year, and the MNB has not changed it since. However, in October last year, it introduced a one-day deposit tender at 18 percent, in response to the collapse of the forint. This rate was lowered by the Monetary Council at last month's rate-setting meeting, after it was seen that inflation had peaked and would now moderate. The May inflation figure was also positive at 21.5 percent, so the central bank was expected to cut the benchmark overnight deposit tender rate further. Inflation has begun to moderate noticeably and there is a good chance that the rate of inflation could fall to well below 10 percent by the end of the year. The forint remained stable against the euro, at 371 forints to 1 euro at the end of the month.

The Fund achieved a positive return in June. During the month, we maintained our equity weighting of 18%. We continue to hold bank, small cap and regional value stocks, which we bought after the US banking crisis. On the bond side, we significantly reduced our interest rate risk on Hungarian bonds. During the month, seeing that the EURHUF exchange rate cannot go significantly below the 370 level, we reduced our hedging of foreign currency assets. Although Hungarian interest rates are still exceptionally high in the region, the forint can no longer strengthen significantly against the euro, so we decided to reduce the hedges, which were previously kept at 100%. We continue to hold small capitalisation stocks, our view is that Hungarian and regional stocks are extremely undervalued relative to other markets. In summary, we reduced the fund's risk profile in June.

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 2.9%
ISIN code:	HU0000727383
Start:	09/07/2021
Currency:	PLN
Net Asset Value of the whole Fund:	31,076,435,956 HUF
Net Asset Value of PI series:	725,105 PLN
Net Asset Value per unit:	1.000952 PLN

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

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
Corporate bonds	26.04 %
T-bills	21.76 %
Hungarian equities	15.81 %
Government bonds	13.37 %
Collective securities	8.86 %
International equities	2.57 %
Liabilities	-41.21 %
Receivables	35.48 %
Current account	14.09 %
Market value of open derivative positions	3.24 %
Total	100,00 %
Derivative products	46.20 %
Net corrected leverage	100.00 %

Assets with over 10% weight

BTF 0 04/17/24 (Francia Állam)

RISK PROFILE



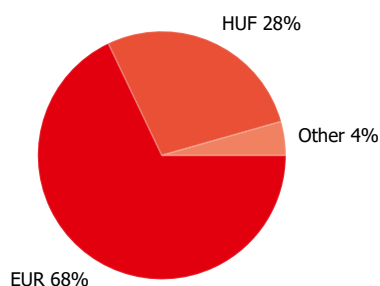
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	0.05 %	1.28 %
1 month	2.84 %	0.24 %
3 months	6.84 %	0.73 %
2022	-6.18 %	1.41 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 09/07/2021 - 06/30/2023



— VIG Alfa Absolute Return Investment Fund PI series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	14.79 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.13 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	18.20 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	18.20 %
WAM (Weighted Average Maturity)	1.46 years
WAL (Weighted Average Life)	1.99 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
BTF 0 04/17/24	zero coupon	Francia Állam	04/17/2024	15.53 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Zártkörű Alapok		7.29 %
Graphisoft Park S.E új	share	Graphisoft Park SE		5.80 %
REPHUN 2031/06/16 4,25% EUR	interest-bearing	Államadósság Kezelő Központ Zrt.	06/16/2031	4.50 %
TVLRO 8 7/8 04/27/27	interest-bearing	BANCA TRANSILVANIA	04/27/2027	4.12 %
OTP Bank törzsrészvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.		3.72 %
D240430	zero coupon	Államadósság Kezelő Központ Zrt.	04/30/2024	3.70 %
Magyar Államkötvény 2023/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2023	3.27 %
MVMHU 2027/11/18 0,875% EUR	interest-bearing	MVM Energetika ZRT.	11/18/2027	3.07 %
OTP HB 7.35% 03/04/26	interest-bearing	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	03/04/2026	3.00 %

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