

VIG Central European Equity Investment Fund

El series EUR MONTHLY report - 2023 JUNE (made on: 06/30/2023)

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

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 May and slightly outperformed its benchmark index. In June, the regional markets performed particularly well, with the Polish market delivering an outstanding return. At the country level, the Czech and Austrian markets underweight, while the Hungarian, Romanian and Polish markets overweight. We are particularly positive on the Romanian market, which appears to be gaining international recognition, helped by the listing of the shares of the largest hydroelectric utility on the Romanian stock exchange. On a sector level, the telecom and retail sectors are overweight, banks are at neutral, and the utility, commodity, oil and cyclical sectors are underweight in the fund. 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 Emerging Markets Czech Republic
Benchmark composition:	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:	17,783,062,408 HUF
Net Asset Value of El series:	30,023 EUR
Net Asset Value per unit:	1.240967 EUR

DISTRIBUTORS

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
International equities	73.10 %
Hungarian equities	18.51 %
Collective securities	2.17 %
T-bills	0.88 %
Current account	4.50 %
Receivables	2.22 %
Liabilities	-1.37 %
Market value of open derivative positions	0.00 %
Total	100.00 %
Derivative products	14.31 %
Net corrected leverage	114.60 %
Assets with over 10% weight	
There is no such instrument in the portfolio	

RISK PROFILE

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

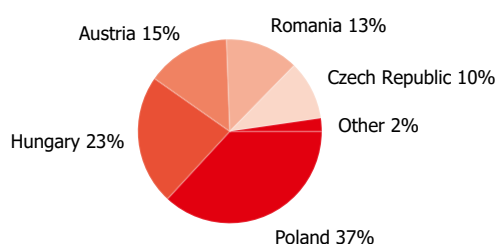
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EI series EUR MONTHLY report - 2023 JUNE (made on: 06/30/2023)

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	24.10 %	24.76 %
1 month	7.63 %	7.67 %
3 months	15.22 %	14.74 %
6 months	19.10 %	18.84 %

Stocks by countries



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/18/2022 - 06/30/2023



— VIG Central European Equity Investment Fund EI series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	20.78 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	20.34 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	20.78 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	20.78 %
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.	9.98 %
CEZ	share	CEZ A.S	6.83 %
MIDWIG INDEX FUT Sep23 Buy	derivatív	Erste Bef. Hun	09/15/2023 6.72 %
Erste Bank	share	ERSTE BANK AG	6.71 %
Polski Koncern Naftowy	share	PL Koncern Naftowy	6.49 %
Dino Polska SA	share	DINO POLSKA SA	5.42 %
WIG20 INDEX FUT Sep23 Buy	derivatív	Erste Bef. Hun	09/15/2023 4.79 %
Bank Pekao SA	share	Bank Pekao SA	4.70 %
PKO Bank	share	PKO Bank	4.64 %
OMV PETROM SA	share	OMV PETROM	4.43 %

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 | alapkezelelo@am.vig | www.vigam.hu