

# VIG Opportunity Developed Markets Equity Investment Fund

I series HUF MONTHLY report - 2023 JUNE (made on: 06/30/2023)

## 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

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, but underperformed the benchmark index. We held short Nasdaq futures positions during the month because we believe that the markets are pricing the future very optimistically. In addition, we opened a 1% short position in Tesla shares because we believe Tesla is one of the most overpriced stocks in the market. The bond market is pricing a recession and the rise in the stock market was almost exclusively due to 8 -10 stocks. Usually, when such a small number of stocks pull the indexes up, investors are signaling that there are very few stocks that are fundamentally sound and can be invested for the long term. We believe that if the rise in large capitalization tech stocks fades, a major correction in the markets could come, and we are positioning the fund in that direction.

## 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:	20,976,551,562 HUF
Net Asset Value of I series:	15,696,272,487 HUF
Net Asset Value per unit:	2.817122 HUF

## 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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## ASSET ALLOCATION OF THE FUND

Asset	Weight
Collective securities	78.10 %
T-bills	9.67 %
International equities	0.19 %
Current account	11.97 %
Receivables	5.25 %
Liabilities	-5.17 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	24.07 %
Net corrected leverage	124.40 %

### Assets with over 10% weight

iShares Edge MSCI World Quality Factor UCITS ETF
iShares MSCI World ETF USD

## RISK PROFILE

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

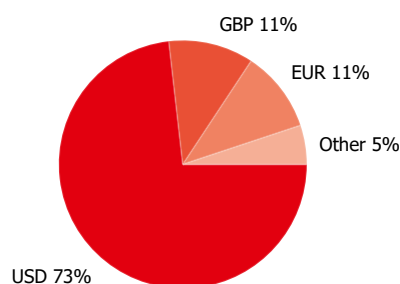
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## NET YIELD PERFORMANCE OF THE SERIES

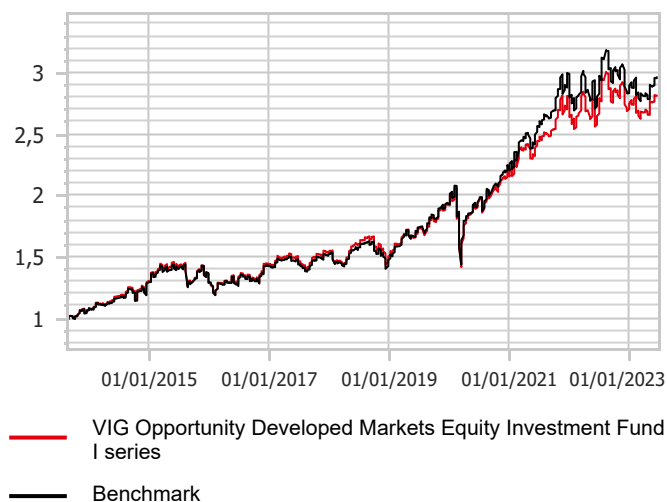
Interval	Yield of note	Benchmark yield
From start	11.06 %	11.64 %
1 month	3.83 %	4.33 %
3 months	4.38 %	4.55 %
2022	-4.44 %	-5.58 %
2021	27.89 %	33.43 %
2020	14.94 %	16.93 %
2019	31.10 %	34.89 %
2018	-3.90 %	-4.51 %
2017	5.77 %	5.12 %
2016	5.54 %	4.31 %
2015	5.57 %	6.48 %
2014	20.66 %	20.20 %

### Currency exposure:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 08/15/2013 - 06/30/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	17.43 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	18.05 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	29.31 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	43.19 %
WAM (Weighted Average Maturity)	0.04 years
WAL (Weighted Average Life)	0.04 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
iShares Edge MSCI World Quality Factor UCITS ETF	investment note	iShares Edge MSCI World Quality	14.27 %
iShares MSCI World ETF USD	investment note	iShares MSCI World ETF	14.19 %
iShares MSCI World UCITS ETF	investment note	iShares MSCI World UCITS ETF	9.81 %
iShares Core MSCI World UCITS	investment note	iShares Core MSCI World UCITS ETF	9.45 %
S&P500 EMINI FUT Sep23 Buy	derivatív	Erste Bef. Hun	09/15/2023 9.16 %
BNP Paribas Easy S&P 500 UCITS ETF	investment note	BNP Paribas Easy S&P 500 UCITS ETF	5.66 %
XMWO-DB MXWO ETF	investment note	XMWO-DB MXWO ETF	4.93 %
Vanguard S&P500 ETF	investment note	Vanguard S&P500 ETF	4.48 %
US T-Bill 11/30/23	zero coupon	Amerikai Egyesült Államok	11/30/2023 4.14 %
I Shares S&P 500 Index Fund	investment note	I Shares S&P 500 Index Fund	3.94 %

### 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