

VIG Alfa Absolute Return Investment Fund

EI series EUR MONTHLY report - 2023 JULY (made on: 07/31/2023)

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

Global growth is running below-trend this year but considering the size and extent of recent headwinds (real rate shock, monetary tightening) is holding up relatively well. Underneath this resilient global picture there continues to be a marked divergence between strong services and weak manufacturing sectors. As a result, manufacturing-intensive economies like China and Germany are struggling while more services-based ones like the United States are outperforming. We still see a disinflationary environment. While goods inflation has fallen notably, services inflation is still running high across a wide range of economies.

The Fund achieved a positive return in July. During the month, we maintained an equity weighting below 20%, which we intend to cover with advanced equity short positions in case of renewed market volatility. In 25% of the Fund, we have established a HUF weakening position, while the 25% short duration foreign currency bond portfolio is held in a HUF revaluation. Overall, the risk profile of the Fund remains low, with high liquidity as we expect higher volatility in the second half of the year, where we hope to be able to increase the Fund's risk at much better levels than currently.

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 0%
ISIN code:	HU0000729520
Start:	07/13/2022
Currency:	EUR
Net Asset Value of the whole Fund:	31,887,505,428 HUF
Net Asset Value of EI series:	204,531 EUR
Net Asset Value per unit:	1.118163 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
T-bills	29.89 %
Corporate bonds	26.40 %
Hungarian equities	15.40 %
Government bonds	11.94 %
Collective securities	8.89 %
International equities	2.91 %
Liabilities	-8.35 %
Receivables	8.33 %
Market value of open derivative positions	3.22 %
Current account	1.39 %
Total	100,00 %
Derivative products	46.32 %
Net corrected leverage	100.00 %

Assets with over 10% weight

BTF 0 04/17/24 (Francia Állam)

RISK PROFILE

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

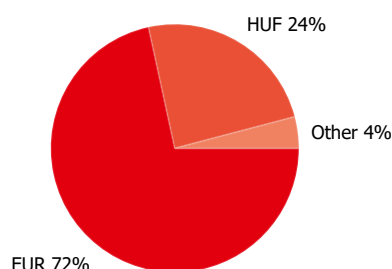
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	11.23 %	0.09 %
1 month	0.99 %	0.00 %
3 months	4.35 %	0.00 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/13/2022 - 07/31/2023



— VIG Alfa Absolute Return Investment Fund EI series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	12.30 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.01 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	12.67 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	12.67 %
WAM (Weighted Average Maturity)	1.30 years
WAL (Weighted Average Life)	1.81 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
BTF 0 04/17/24	zero coupon	Francia Állam	04/17/2024	15.75 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Zártkörű Alapok		7.37 %
RATB 0 01/25/24	zero coupon	Osztrák Állam	01/25/2024	7.27 %
Graphisoft Park S.E új	share	Graphisoft Park SE		5.74 %
REPHUN 2031/06/16 4,25% EUR	interest-bearing	Államadósság Kezelő Központ Zrt.	06/16/2031	4.67 %
TVLRO 8 7/8 04/27/27	interest-bearing	BANCA TRANSILVANIA	04/27/2027	4.24 %
OTP Bank törzsrészevény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.		3.83 %
D240430	zero coupon	Államadósság Kezelő Központ Zrt.	04/30/2024	3.64 %
Magyar Államkötvény 2023/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2023	3.22 %
MVMHU 2027/11/18 0,875% EUR	interest-bearing	MVM Energetika ZRt.	11/18/2027	3.19 %

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