

# VIG Alfa Absolute Return Investment Fund

PI series PLN 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 2.9%               |
| ISIN code:                         | HU0000727383                           |
| Start:                             | 09/07/2021                             |
| Currency:                          | PLN                                    |
| Net Asset Value of the whole Fund: | 31,887,505,428 HUF                     |
| Net Asset Value of PI series:      | 751,879 PLN                            |
| Net Asset Value per unit:          | 1.030617 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 |
|--------|--------|------|------|------|------|------|

## 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 %          |
| <b>Total</b>                              | <b>100,00 %</b> |
| 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 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

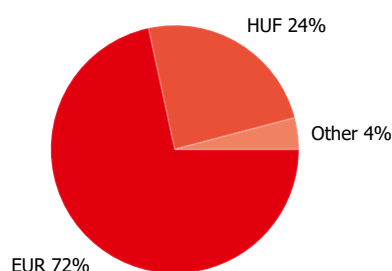
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## NET YIELD PERFORMANCE OF THE SERIES

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 1.60 %        | 1.35 %          |
| 1 month    | 2.96 %        | 0.25 %          |
| 3 months   | 7.77 %        | 0.75 %          |
| 2022       | -6.18 %       | 1.41 %          |

### Currency exposure:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 09/07/2021 - 07/31/2023



— VIG Alfa Absolute Return Investment Fund PI series  
— Benchmark

## RISK INDICATORS

|   |            |
|---|------------|
| Annualized standard deviation of the fund's weekly yields- based on 1 year      | 13.63 %    |
| 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      | 18.22 %    |
| Annualized standard deviation of the fund's weekly yields- based on 5 year      | 18.22 %    |
| 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 törzsrészesvény              | 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