

VIG Emerging Market ESG Equity Investment Fund

UI series USD MONTHLY report - 2023 JULY (made on: 07/31/2023)

INVESTMENT POLICY OF THE FUND

The aim of the fund is to benefit on the economical growth of emerging countries. The fund accomplishes this goal basically via individual equity investments, however it may also hold collective investment instruments, if it is necessary for the efficient management of the portfolio. These can primarily be ETFs listed on the stock exchange, and open-end public investment funds. In the course of selecting the equities the Fund dedicates special attention to the compliance of individual companies with ESG (environmental, social, governance) criteria, so in addition to analyzing the financial factors, Portfolio managers also take into consideration environmental, social and governance factors during the investment decision making process. The Fund Manager seeks to build a portfolio in which the positive ESG characteristics of companies prevail, i.e. companies with high ESG scores are overrepresented in the portfolio as compared to companies with low ESG scores. The environmental criterion covers the elements where a business interacts with the environment. Environmental criteria include elements in the course of which the company comes into contact with the environment. These include for example the energy utilization, waste management, pollutant emission and/or the preservation of natural resources. Social criteria include all relations maintained by the company with its external partners, customers and internal employees. Corporate governance criteria are legal factors impacting reliable operation of a company. The Fund's main strategy is to provide broad emerging equity market exposure and to achieve performance above the emerging market index through active equity market allocation. An active strategy enables the Fund to achieve a return in excess of the benchmark. The Fund's risk exposure due to its geographical distribution is close to the benchmark. Due to the strategy of the Fund, it may also invest in assets denominated in foreign currency. The Fund may hedge some or all of its foreign currency risk using forward currency positions against the target currency, i.e. the settlement currency of the benchmark (USD).

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 high positive return of over 8% in July, but underperformed the benchmark index. The Fund was underweight by 7-8% for most of the month, with the Chinese, Indian and South Korean markets being the largest underweights, with China's strong performance being the main contributor to underperformance. Greek and Mexican overweight persisted, while Mexico underperformed emerging markets over a one-month time horizon, and this also took away from the Fund's performance. By the end of the month, the Fund had reduced its underweight against the benchmark index to around 2% and had established a small overweight in the Indian market, with India's economic growth advantage now coupled with a favorable technical picture.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% MSCI EM (EMERGING MARKETS) ESG
ISIN code:	HU0000729561
Start:	07/18/2022
Currency:	USD
Net Asset Value of the whole Fund:	13,114,057,045 HUF
Net Asset Value of UI series:	45,973 USD
Net Asset Value per unit:	1.098731 USD

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
Collective securities	72.33 %
International equities	23.41 %
T-bills	1.16 %
Current account	4.07 %
Liabilities	-1.12 %
Receivables	0.17 %
Market value of open derivative positions	0.00 %
Total	100,00 %
Derivative products	3.08 %
Net corrected leverage	103.20 %

Assets with over 10% weight

Xtrackers ESG MSCI EM UCITS ETF

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	9.52 %	9.00 %
1 month	6.18 %	6.64 %
3 months	8.86 %	9.51 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 07/18/2022 - 07/31/2023



— VIG Emerging Market ESG Equity Investment Fund UI series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	18.92 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	18.85 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	18.94 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	18.94 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Xtrackers ESG MSCI EM UCITS ETF	investment note	Xtrackers ESG MSCI EM UCITS ETF	13.68 %
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF	7.01 %
Amundi MSCI China ESG Leaders Select UCITS ETF	investment note	Amundi MSCI China ESG Leaders Select UCITS ETF	6.56 %
Lyxor MSCI Emerging Markets Ex China UCITS ETF	investment note	Lyxor MSCI EM Ex China UCITS ETF	5.91 %
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	5.00 %
iShares MSCI India UCITS ETF	investment note	iShares MSCI India UCITS ETF	4.20 %
Xtrackers MSCI Taiwan UCITS ET	investment note	Xtrackers MSCI Taiwan UCITS ETF	4.05 %
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	3.79 %
iShares Inc iShares ESG MSCI ETF	investment note	iShares Inc iShares ESG MSCI ETF	3.67 %
Lyxor MSCI Brazil UCITS ETF	investment note	Lyxor MSCI Brazil UCITS ETF	3.42 %

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