

VIG Central European Equity Investment Fund

EI series EUR MONTHLY report - 2023 AUGUST (made on: 08/31/2023)

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

Data from early August show that US labor market demand has already slowed in a number of sectors, with wage growth remaining strong. However, the macro data so far show no signs of deterioration, with the Atlanta Fed raising its latest third quarter GDP growth estimate from 5 to 5.8 percent on good housing and industrial production data, which has also pushed yields higher, with the 10-year US Treasury rising to levels not seen since 2007. The FOMC's latest meeting suggests that monetary policymakers still see "significant upside risks to inflation" and may therefore consider further rate hikes necessary. FED Chair Jerome Powell's Jackson Hole speech at the end of the month seemed austere, but statements such as "caution may be the way forward" indicate that the Fed will not raise rates unless the inflation trend worsens, leaving the option of raising rates for a worse scenario. In Hungary, the MNB continued to cut interest rates. The policy rate is now at 14% and could converge to the base rate in September. Thereafter, the base rate may also be cut, but this will require a continuation of decline in inflation. It is noteworthy that, in contrast to previous rate cuts, the forint has not weakened against the euro, but has risen to a one-month high of 379 forints to 1 euro by the end of the month.

The fund achieved a negative return in August and underperformed the reference index. In August, there was a slight correction on the stock markets, but the Hungarian market, within the region, nevertheless performed exceptionally well. The other countries in the region achieved a negative return, and the Polish market was the weakest. The Hungarian market is still overweight, but the weight in the Polish market has been reduced to neutral. We believe that the upcoming election is a serious risk factor for the Polish market, and we invest in this market accordingly. Regarding the coming months, we are still optimistic about the regional markets, the quarterly results have been strong so far, and the valuation in the region is still very low. At the end of the month, the fund was at 102% against the reference index.

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 Net Total Return Local Index + 15% MSCI Emerging Markets Hungary Net Total Return Local Index + 10% MSCI Romania Net Total Return |
| Benchmark composition: | |
| ISIN code: | HU0000730361 |
| Start: | 07/18/2022 |
| Currency: | EUR |
| Net Asset Value of the whole Fund: | 19,168,898,902 HUF |
| Net Asset Value of EI series: | 70,419 EUR |
| Net Asset Value per unit: | 1.274897 EUR |

ASSET ALLOCATION OF THE FUND

| Asset | Weight |
|--|-----------------|
| International equities | 75.50 % |
| Hungarian equities | 14.03 % |
| Government bonds | 6.26 % |
| Collective securities | 0.00 % |
| Current account | 4.06 % |
| Receivables | 1.04 % |
| Liabilities | -0.86 % |
| Market value of open derivative positions | -0.01 % |
| Total | 100,00 % |
| Derivative products | 13.12 % |
| Net corrected leverage | 114.16 % |
| Assets with over 10% weight | |
| There is no such instrument in the portfolio | |

DISTRIBUTORS

SUGGESTED MINIMUM INVESTMENT PERIOD

| | | | | | | |
|--------|--------|------|------|------|------|------|
| 3 mths | 6 mths | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr |
|--------|--------|------|------|------|------|------|

RISK PROFILE

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

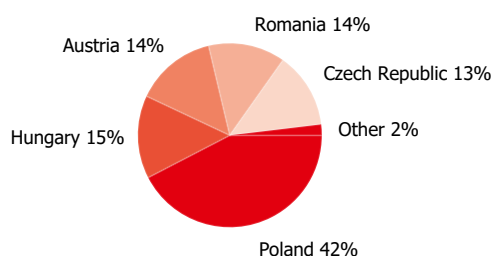
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NET YIELD PERFORMANCE OF THE SERIES

| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 24.20 % | 24.76 % |
| 1 month | -3.10 % | -3.20 % |
| 3 months | 10.57 % | 10.57 % |

Stocks by countries



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/18/2022 - 08/31/2023



— VIG Central European Equity Investment Fund EI series
— Benchmark

RISK INDICATORS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields- based on 1 year | 20.20 % |
| Annualized standard deviation of the benchmark's weekly yields- based on 1 year | 19.74 % |
| Annualized standard deviation of the fund's weekly yields- based on 3 year | 21.51 % |
| Annualized standard deviation of the fund's weekly yields- based on 5 year | 21.51 % |
| WAM (Weighted Average Maturity) | 0.04 years |
| WAL (Weighted Average Life) | 0.04 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity | |
|----------------------------|------------------|--|------------|--------|
| OTP Bank törzsrészvény | share | Országos Takarékpénztár és Kereskedelmi Bank Nyrt. | | 8.09 % |
| CEZ | share | CEZ A.S | | 8.04 % |
| Polski Koncern Naftowy | share | PL Koncern Naftowy | | 7.10 % |
| MIDWIG INDEX FUT Sep23 Buy | derivatív | Erste Bef. Hun | 09/15/2023 | 6.77 % |
| Erste Bank | share | ERSTE BANK AG | | 6.55 % |
| Dino Polska SA | share | DINO POLSKA SA | | 4.84 % |
| PKO Bank | share | PKO Bank | | 4.53 % |
| OMV PETROM SA | share | OMV PETROM | | 4.50 % |
| POLGB 2024/04/25 2,5% | interest-bearing | Lengyel Állam | 04/25/2024 | 4.47 % |
| Bank Pekao SA | share | Bank Pekao SA | | 4.33 % |

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