

VIG Emerging Market ESG Equity Investment Fund

R series HUF MONTHLY report - 2023 AUGUST (made on: 08/31/2023)

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

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, but outperformed the reference index. During the month we kept increasing the fund's underweight, which helped the performance. We mainly sold Chinese shares, so the Chinese underweight increased to 8%. On the other hand, we continue to prioritize the Greek, Indian and Mexican markets. We currently view India particularly favorably, because the growth advantage of India's economy is now coupled with a favorable technical picture. Overall, Asian markets are underweighted, while ex-Asian markets are overweighted. By the end of the month, the Fund was at 94% compared to the reference index.

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:	HU0000723663
Start:	06/02/2020
Currency:	HUF
Net Asset Value of the whole Fund:	13,563,177,613 HUF
Net Asset Value of R series:	7,849,398,474 HUF
Net Asset Value per unit:	1.193380 HUF

DISTRIBUTORS

Raiffeisen Bank 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	68.01 %
International equities	23.51 %
Current account	8.59 %
Liabilities	-0.11 %
Receivables	0.00 %
Market value of open derivative positions	0.00 %
Total	100,00 %
Derivative products	2.72 %
Net corrected leverage	102.68 %

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 →

VIG Emerging Market ESG Equity Investment Fund

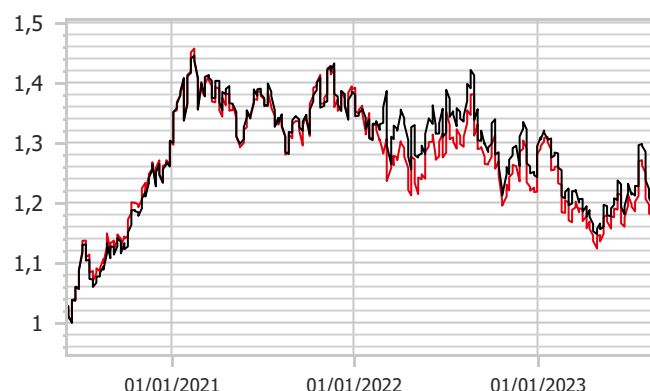
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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	5.60 %	6.15 %
1 month	-6.09 %	-6.49 %
3 months	4.04 %	3.78 %
2022	-12.40 %	-10.16 %
2021	6.74 %	6.36 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 06/02/2020 - 08/31/2023



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

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	18.14 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	18.83 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	30.02 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	31.17 %
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	12.30 %
Lyxor MSCI Emerging Markets Ex China UCITS ETF	investment note	Lyxor MSCI EM Ex China UCITS ETF	8.78 %
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF	7.45 %
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	4.61 %
iShares MSCI India UCITS ETF	investment note	iShares MSCI India UCITS ETF	3.98 %
Amundi MSCI China ESG Leaders Select UCITS ETF	investment note	Amundi MSCI China ESG Leaders Select UCITS ETF	3.85 %
Xtrackers MSCI Taiwan UCITS ET	investment note	Xtrackers MSCI Taiwan UCITS ETF	3.72 %
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	3.61 %
iShares Inc iShares ESG MSCI ETF	investment note	iShares Inc iShares ESG MSCI ETF	3.30 %
Lyxor MSCI Brazil UCITS ETF	investment note	Lyxor MSCI Brazil UCITS ETF	3.04 %

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