

VIG Alfa Absolute Return Investment Fund

UI series USD MONTHLY report - 2023 SEPTEMBER (made on: 09/30/2023)

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

In the US, at a press conference after the US Federal Reserve's September meeting, the Fed chairman said that he believes US interest rates will remain higher for longer than market participants had previously thought, which could mean that despite the fall in inflation, based on the macroeconomic numbers, the Fed is not willing to cut rates quickly. Also, Fed Chairman Jerome Powell does not seem to want to declare victory over inflation too soon, after his ill-fated "inflation is only temporary" statement two years ago, which means that he is leaning towards tightening, especially while economic indicators are still strong. Powell has also talked about soft-landing, but contrary to market expectations, this is not the Fed's baseline scenario. Real wages in the US are rising again, which is boosting economic activity, and the combined effect of these could lift the inflation trajectory in the coming months.

In Hungary, the MNB has continued to cut interest rates and after a long period, the base rate and the policy rate are the same. The base rate is now only 13%, which raises the question of how the forint will react to this. Although 13% is the highest in the region, the political risk premium makes it uncertain that the forint can remain stable. The MNB expects domestic inflation and core inflation to continue to fall at a rapid pace in the coming months. As the pace of disinflation continues to accelerate, inflation is expected to ease into the single-digit range in the autumn.

The fund continued to deliver positive returns in September thanks to the weakening forint, the high liquidity ratio in the portfolio and low risk positioning. During the month, we closed the forint position above 390 and also made a small rebalancing in the equity portfolio, as we took profits in the CEE small-cap equities and bought small amounts of relatively cheap regional equities into the fund. The fund intends to use its high liquidity to buy value assets that become cheap in a market turbulence, with keeping an eye to safety.

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:	HU0000729538
Start:	07/13/2022
Currency:	USD
Net Asset Value of the whole Fund:	33,785,834,542 HUF
Net Asset Value of UI series:	143,630 USD
Net Asset Value per unit:	1.132547 USD

DISTRIBUTORS

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	32.06 %
Corporate bonds	25.60 %
Government bonds	17.06 %
Hungarian equities	12.16 %
Collective securities	8.75 %
International equities	1.35 %
Market value of open derivative positions	2.81 %
Liabilities	-1.28 %
Current account	0.83 %
Receivables	0.68 %
Total	100,00 %
Derivative products	69.75 %
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 →

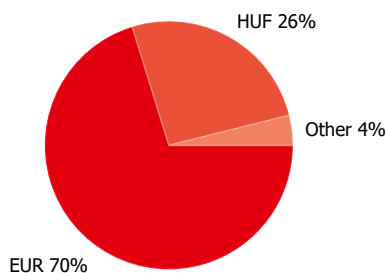
VIG Alfa Absolute Return Investment Fund

UI series USD MONTHLY report - 2023 SEPTEMBER (made on: 09/30/2023)

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	10.77 %	0.35 %
1 month	0.82 %	0.00 %
3 months	1.99 %	0.00 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/13/2022 - 09/30/2023



— VIG Alfa Absolute Return Investment Fund UI series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	10.84 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.06 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	12.13 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	12.13 %
WAM (Weighted Average Maturity)	1.17 years
WAL (Weighted Average Life)	1.66 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
BTF 0 04/17/24	zero coupon	Francia Állam	04/17/2024	15.18 %
Magyar Államkötvény 2024/B	interest-bearing	Államadósság Kezelő Központ Zrt.	06/26/2024	7.24 %
RATB 0 01/25/24	zero coupon	Osztrák Állam	01/25/2024	7.00 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Zártkörű Alapok		6.87 %
Graphisoft Park S.E új	share	Graphisoft Park SE		5.77 %
Magyar Államkötvény 2023/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2023	4.65 %
REPHUN 2031/06/16 4,25% EUR	interest-bearing	Államadósság Kezelő Központ Zrt.	06/16/2031	4.34 %
TVLRO 8 7/8 04/27/27	interest-bearing	BANCA TRANSILVANIA	04/27/2027	4.12 %
D240430	zero coupon	Államadósság Kezelő Központ Zrt.	04/30/2024	3.52 %
BTF 0 11/29/23	zero coupon	Francia Állam	11/29/2023	3.45 %

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