

VIG Alfa Absolute Return Investment Fund

E series EUR MONTHLY report - 2023 NOVEMBER (made on: 11/30/2023)

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

Investors have turned their attention back to the economic data after the turbulence caused by the Hamas-Israel war. The most watched data, US core and headline inflation, gave cause for optimism as they came in lower than expected. The Fed's Open Market Committee ultimately left policy rates unchanged, as expected. In a press conference after the decision, Fed President Jerome Powell said that they were not yet backing down in the fight against inflation and did not rule out the possibility of a December rate hike, adding that the decision would be data dependent. Commentators said that overall he was trying to strike a tightening tone, but many in the market see the end of the tightening cycle. After that, the Fed made a number of statements. They highlighted the strong third quarter GDP growth to watch, they also acknowledged the slowdown in the labor market, which gave buyers of interest rate sensitive stocks another ammunition. The GDP data is the rear-view mirror, but looking ahead, the market is already increasingly believing in a rate cut, which would be a drastic, albeit not unprecedented, reversal of the Fed's monetary policy so far. The Hungarian National Bank cut its base rate by another 75 basis points to 11.50%. The good news is that inflation has, after a long period of time, dropped to single digits. MNB Vice President Barnabás Virág said inflation is moving towards the regional average, but the uncertain yield environment calls for a cautious monetary policy. Inflation is expected to fall below 7 percent by December and the cycle of interest rate cuts is expected to continue at the 75 basis point pace. By the end of the year, interest rates could fall below 11 percent, and even below 10 percent by next February.

The Alfa Fund was able to further increase its 2023 return in November as the global bond market achieved its best one-month performance since 2008 and the global equity market its best one-month performance since 2020. The positive market turnaround after the Fed meeting caught investors off guard, as they were mostly expecting further market falls. Unlike them, we were sensing a dramatic change in sentiment, we continued to add to the equity portfolio, from which we successfully took a profit towards the end of the month by selling Raiffeisen, Wizzair and Greek equity ETFs, which we invested in regional corporate and bank bonds at the end of November. We expect a constructive market environment in the coming period, which we will be using to reduce risk.

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: | HU0000715982 |
| Start: | 03/17/2016 |
| Currency: | EUR |
| Net Asset Value of the whole Fund: | 36,605,610,935 HUF |
| Net Asset Value of E series: | 11,475,012 EUR |
| Net Asset Value per unit: | 1.043179 EUR |

DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Conseq Investment Management, a.s., Equilor Befektetési Zrt, ERSTE Group Bank AG Austria, Erste Investment Plc., MBH Bank Nyrt., MBH Befektetési Bank Zrt, MKB Bank Nyrt. 0789, OTP Bank Nyrt., Raiffeisen Bank cPlc., UniCredit Bank Hungary cPlc., VIG Asset Management Hungary Plc.

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 | 26.70 % |
| Corporate bonds | 26.02 % |
| Hungarian equities | 16.95 % |
| Government bonds | 16.56 % |
| Collective securities | 7.89 % |
| International equities | 0.19 % |
| Current account | 9.65 % |
| Liabilities | -9.08 % |
| Market value of open derivative positions | 4.90 % |
| Receivables | 0.25 % |
| Total | 100,00 % |
| Derivative products | 61.90 % |
| Net corrected leverage | 100.01 % |

Assets with over 10% weight

BTF 0 04/17/24 (French state)

RISK PROFILE

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

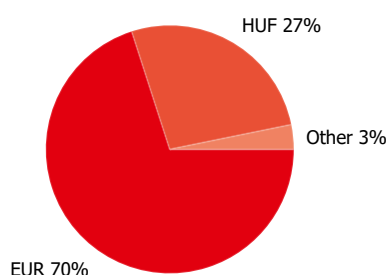
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NET YIELD PERFORMANCE OF THE SERIES

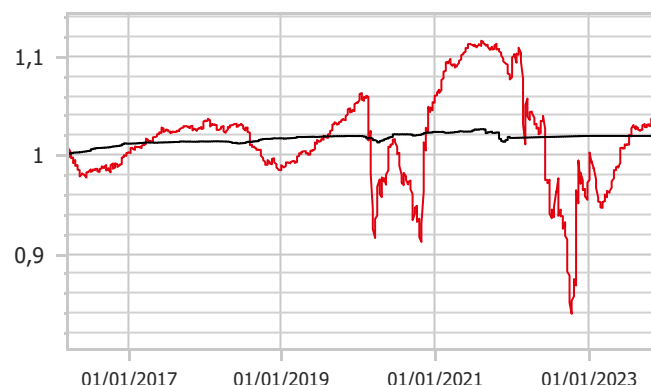
| Interval | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| YTD | 10.57 % | 0.00 % |
| From launch | 0.55 % | 0.25 % |
| 1 month | 1.21 % | 0.00 % |
| 3 months | 2.00 % | 0.00 % |
| 2022 | -12.34 % | 0.20 % |
| 2021 | 2.23 % | -0.60 % |
| 2020 | -0.01 % | 0.41 % |
| 2019 | 6.92 % | 0.23 % |
| 2018 | -4.08 % | 0.31 % |
| 2017 | 2.70 % | 0.20 % |

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/17/2016 - 11/30/2023



— VIG Alfa Absolute Return Investment Fund E series
— Benchmark

RISK INDICATORS

| | |
|--|------------|
| Annualized standard deviation of the fund's weekly yields-based on 1 year | 9.15 % |
| Annualized standard deviation of the benchmark's weekly yields-based on 1 year | 0.01 % |
| Annualized standard deviation of the fund's weekly yields-based on 3 year | 10.39 % |
| Annualized standard deviation of the fund's weekly yields-based on 5 year | 9.77 % |
| WAM (Weighted Average Maturity) | 1.31 years |
| WAL (Weighted Average Life) | 2.09 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity | |
|---------------------------------------|------------------|--|------------|---------|
| BTF 0 04/17/24 | zero coupon | French state | 04/17/2024 | 13.68 % |
| Magyar Államkötvény 2024/B | interest-bearing | Government Debt Management Agency Pte. Ltd. | 06/26/2024 | 6.77 % |
| RATB 0 01/25/24 | zero coupon | Austrian State | 01/25/2024 | 6.31 % |
| Adventum MAGIS Zártkörű Alapok Alapja | investment note | Adventum MAGIS Closed-End Funds | | 6.20 % |
| ROMANI EUR 2033/09/18 6,375% | interest-bearing | Romanian State | 09/18/2033 | 5.30 % |
| Graphisoft Park S.E új | share | Graphisoft Park SE | | 5.14 % |
| OTP Bank törzsrészvény | share | National Building Society and Commercial Bank Plc. (OTP Bank Plc.) | | 4.46 % |
| REPHUN 2031/06/16 4,25% EUR | interest-bearing | Government Debt Management Agency Pte. Ltd. | 06/16/2031 | 4.04 % |
| TVLRO 8 7/8 04/27/27 | interest-bearing | BANCA TRANSILVANIA | 04/27/2027 | 3.76 % |
| D240430 | zero coupon | Government Debt Management Agency Pte. Ltd. | 04/30/2024 | 3.31 % |

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