

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Product name: VIG Emerging Markets ESG Equity Investment Fund

Legal entity identifier: 213800LW77BDJXG1VP14

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

No

Percentage of sustainable investments with an environmental objective: ___%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

Percentage of sustainable investments with a social objective: ___%

It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a minimum proportion of ___% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met? The Fund has the broad objective of promoting environmental and social aspects. In the case of environmental characteristics, this includes, among other things, climate change, climate protection, preserving and protecting biodiversity, protecting clean water and avoiding hazardous waste. In the case of social characteristics, this includes adherence to the principles of the UN Global Compact, extending to, for instance, the protection of human rights and the pursuit of social equality.

In 2023, the Fund complied with this requirement, therefore the exclusions detailed above were fully implemented.

● **How did the sustainability indicators perform?**

The indicators, established along industry and value-based exclusion principles, are designed to ensure that the Fund does not invest in companies and issuers with significant exposure to certain activities that could be considered harmful to the environment or society as a whole, nor in companies whose activities are considered harmful by international standards, such as non-compliance with the principles of the UN Global Compact, controversial weapons, companies with exposure to thermal coal, and companies involved in the tobacco industry.

In 2023, the Fund complied with this requirement, therefore the exclusions detailed above were fully implemented.

The Fund measures sustainability indicators using MSCI's ESG rating using an aggregated ESG indicator, where the scale of rating is as follows: AAA, AA, (leaders), A, BBB, BB (average) and B and CCC (laggards). The Fund had an overall ESG rating of "A" in respect of annual weighted average asset allocation and did not invest in CCC-rated companies.

● **...and compared to previous periods?** The first periodic disclosure of sustainability indicators for the Fund was made in 2023, for the year 2022. As in 2023, the Fund met the exclusion criteria in 2022 and in both periods it had an aggregate ESG indicator of "A" in terms of annual weighted asset allocation and did not invest in CCC-rated companies.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?** The Fund has no sustainable investment objective.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?** The financial product does not have sustainable investments.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and are accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors? The principal adverse impact (PAI) indicators are considered in two steps: 1. through the exclusion principles, 2. the PAIs to be mandatorily disclosed are considered indirectly through the ESG assessment. In some cases, where the Fund Manager can influence the company and add significant value to the ESG development of the company, it engages in shareholder engagement dialogue with the company to improve PAI indicators and ESG indicators. Furthermore, the Fund Manager may also confirm its involvement by a vote at its general meeting.

We will disclose accurate 2023 PAI data until 30.06.2024, in a separate section on our website entitled “Statement on principal adverse impacts of investment decisions on sustainability factors”, based on Article 4 of Regulation (EU) 2019/2088. The most recent, 2022 PAI data are available at the following link: <https://www.vigam.hu/wp-content/uploads/2023/07/VIG-FELTOREKVO-PIACI-ESG-RESZVENY-BEFEKTETESI-ALAP.pdf>



The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period.

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Lyxor MSCI Korea UCITS ETF	N/A	7.15%	South Korea
Lyxor MSCI India UCITS ETF	N/A	5.54%	India
iShares MSCI Taiwan UCITS ETF	N/A	5.18%	Taiwan
Xtrackers MSCI Taiwan UCITS ET	N/A	4.39%	Taiwan
Lyxor MSCI EM Ex China UCITS ETF	N/A	4.17%	Global emerging
Xtrackers ESG MSCI EM UCITS ETF	N/A	3.57%	Global emerging
Lyxor MSCI Brazil UCITS ETF	N/A	3.55%	Brazil
Amundi MSCI China ESG Leaders Select UCITS ETF	N/A	3.52%	China
iShares MSCI India UCITS ETF	N/A	3.18%	India
Invesco MSCI Saudi Arabia UCITS	N/A	2.78%	Saudi Arabia
Xtrackers MSCI Malaysia UCITS ETF	N/A	2.42%	Malaysia
Taiwan Semiconductor Manufacturing	Manufacture of electronic parts and components	2.01%	Taiwan
Samsung Electronics Co Ltd	Manufacture of communication equipment	1.92%	South Korea
iShares MSCI Thailand Capped ETF	N/A	1.71%	Thailand
Amundi MSCI Greece UCITS ETF	N/A	1.56%	Greece



What was the proportion of sustainability-related investments?

● **What was the asset allocation?**

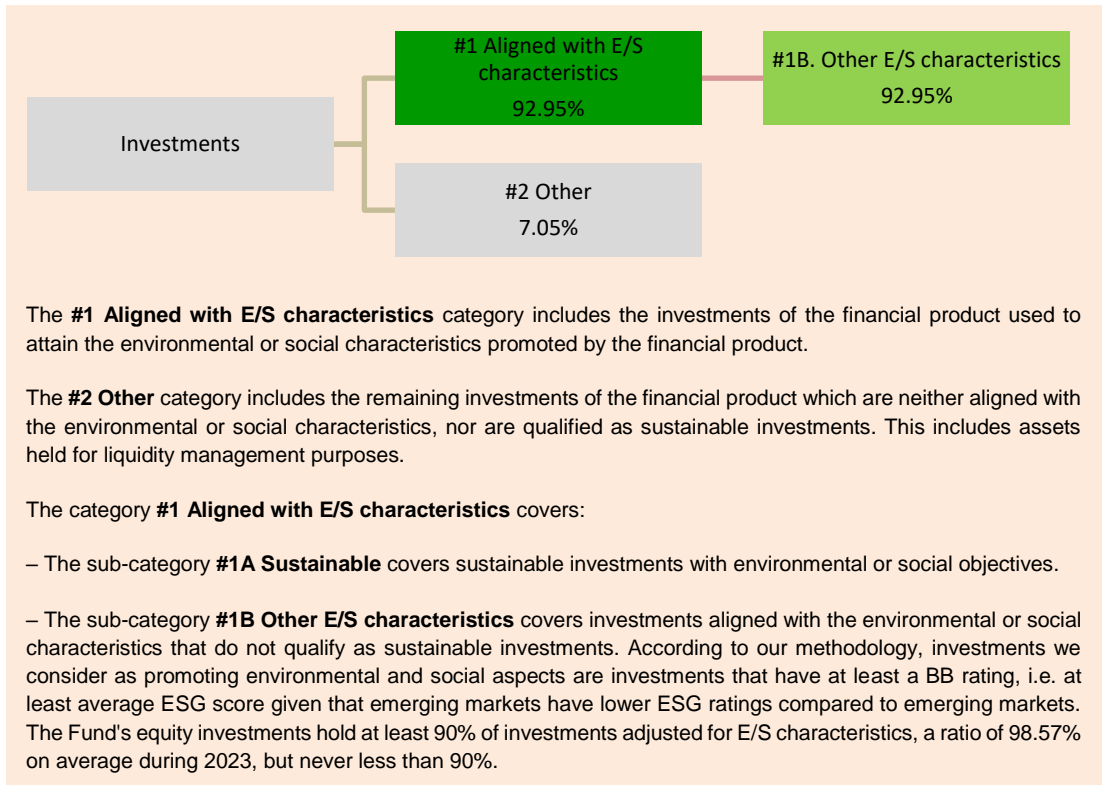
Asset allocation describes the share of investments in specific assets.

In the interest of alignment with the EU Taxonomy, the criteria for **fossil gas** include limiting emissions and transitioning to renewable energy or low-carbon fuels by the end of 2035.

For **nuclear energy**, the criteria include comprehensive safety and waste management regulations.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



In terms of aggregate ESG indicators, the Fund had the following annual weighted average allocation: 8.31% AAA; 15.18% AA; 56.17% A; 12.81% BBB; 6.1% BB; 0.47% B; 0% CCC; 0.86% not rated.

● **In which economic sectors were the investments made?**

Sector	% Assets
Information Technology	21.87
Financials	17.65
Uncategorised	12.56
Consumer Discretionary	10.32
Communication Services	7.82
Energy	6.50
Materials	5.92
Consumer Staples	5.82
Industrials	5.09
Health Care	3.18
Utilities	1.79
Real Estate	1.49



● **To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?**

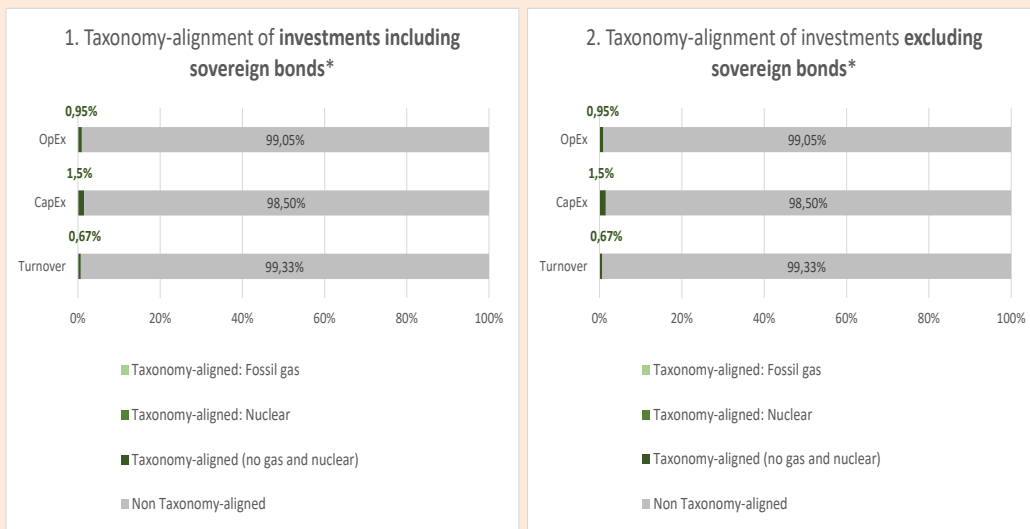
Yes

No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy,
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?** The Fund had no investments in transition and enabling activities.
- **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?** The percentage of investments aligned to the EU Taxonomy increased compared to the previous reference period. For 2022, this ratio was 0% for all indicators (OpEx, CapEx, Sales), increasing to 0.47% (OpEx), 1% (CapEx) and 0.7% (Sales) in 2023.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards? Financial assets, money market instruments were included under "other", for which environmental and social characteristics are not considered relevant. Their primary objective was to ensure the liquidity of the Fund.

What actions have been taken to attain the E/S related sustainable investment objective during the reference period? According to our methodology, investments we consider as promoting environmental and social aspects are investments that have at least a BB rating, i.e. at least average ESG score given that emerging markets have lower ESG ratings compared to emerging markets. This requirement was fully met in 2023, but no other activities (e.g. engagement) to meet the environmental and/or social characteristics were taken in 2023.

How did this financial product perform compared to the reference benchmark?

- **Where can the methodology used for the calculation of the designated index be found?** More information on the calculation methodology of the index can be found on the MSCI website at: <https://www.msci.com/zh/msci-emerging-markets-ex-china-index> for the MSCI Emerging Markets ex China Net Return USD Index and https://www.msci.com/eqb/methodology/meth_docs/MSCI_Economic_Exposure_Indexes_Methodology_May2014.pdf for the MSCI World with EM Exposure Net Total Return Index.
- **How does the reference benchmark index differ from a relevant broad market index?** MSCI indices that promote environmental and social characteristics have a separate MSCI ESG set of rules and ratings, unlike general market indices. Although they cover the same investment area, ESG-type indices primarily filter out companies involved in the tobacco industry, controversial weapons, fossil fuel extraction and thermal energy generation, and whether they continue to meet the above criteria when making investment decisions and holding assets in the portfolio.
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?** The Fund does not aim to attain a sustainability indicator higher than the reference benchmark.



are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How did this financial product perform compared with the reference benchmark?** The reference benchmark used to measure the Fund's performance and to measure the attainment of environmental and social characteristics was the MSCI Emerging Markets ESG Focus Net Total Return USD Index (Bloomberg ticker: M1CXBLX index) until 27.09.2023. Between 01.01.2023 and 27.09.2023, the fund's performance was 1.12% below the benchmark. As of 28.09.2023, the benchmark used to measure the fund's performance and the achievement of environmental and social characteristics has been changed to 70% MSCI Emerging Markets ex China Net Return USD Index (Bloomberg ticker: M1CXBRV Index) + 30% MSCI World with EM Exposure Net Total Return Index (Bloomberg ticker: M1WO0EXE Index). The fund underperformed this combined benchmark by 1.87% between 28.09.2023 and 31.12.2023. In respect of the promotion of environmental and social characteristics, the Fund has made a commitment relative to the parent index.
- **How did this financial product perform compared with the broad market index?** Compared to the parent index, which in the case of this Fund can be considered an appropriate broad market index, the Fund's ESG rating remained at a higher level throughout 2023.