

VIG

ALFA

Absolute Return
Investment Fund

**VIG Alfa Fund,
a compass for
economic cycles**

VIG
ASSET MANAGEMENT
HUNGARY

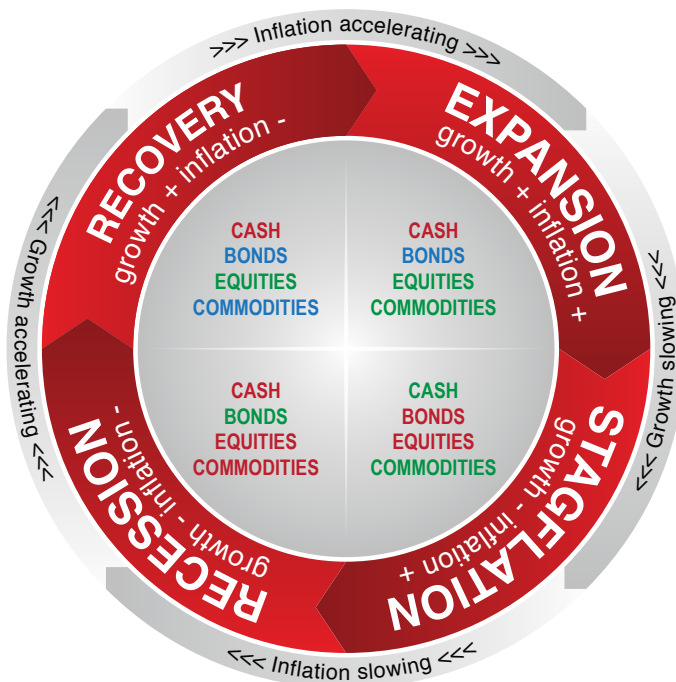
PURPOSE OF THE FUND

The VIG Alfa Fund is an actively managed absolute return fund. Its aim is to have a well-diversified portfolio that allows it to adapt, as far as possible, to each economic cycle, and thus the proportion of bonds and equities varies accordingly.*

INVESTMENT CLOCK

Typical performance of investment assets in the given phase of the economic cycle

- **We have highlighted** in green the assets that are likely to do well in the given period.
- **We have highlighted** in blue the assets that are likely to do less well in the given the period.
- **We have highlighted** in red the assets that are not likely to perform well in the given the period.



THE INVESTMENT CLOCK, AS AN ASSET ALLOCATION MODEL

VIG Asset Management Hungary uses what is known as an Investment Clock to assess which economic phase we are in, and which assets are likely to perform well in a given phase of the business cycle. The portfolio managers

of the VIG Alfa Fund use forward-looking indicators such as economic growth and inflation trends, that is, they look to select investment vehicles according to the direction of economic growth and inflation.



WHY DOES IT MATTER WHICH STAGE OF THE ECONOMIC CYCLE WE ARE IN? **

At VIG Asset Management Hungary, we think economic growth may slow further, and that inflation may also start to fall. This is when bonds tend to perform best. In this phase of the cycle, the best yields can generally be achieved by holding more bonds and fewer equities in the portfolio.



WHY DO WE THINK THIS? **

Falling world energy prices, less friction in global value chains, falling international transport costs and a correction in commodity prices all point to a slowing of inflation. **We expect inflation to be a lot higher than it was in the previous decade, but we do not see it remaining above 20%.** **



HOW DOES THE VIG ALFA FUND ADAPT TO ECONOMIC CYCLES?

Chief Investment Officer András Loncsák and his team of portfolio managers manage the VIG Alfa Investment Fund in a way that allows it to adapt, as far as possible, to each economic cycle. Active asset allocation is used, meaning that the asset class that is most likely to perform well according to the Investment Clock is afforded greater weight in the VIG Alfa Fund at any particular time. With moderate risk, the fund is able to dynamically vary its equity and bond exposure, primarily investing in the bond and equity markets of the emerging European region.

„VIG Asset Management Hungary uses the Investment Clock to assess which economic phase we are in, and which assets are likely to perform well in a given phase of the business cycle”





SENIOR PORTFOLIO MANAGER OF THE FUND



ANDRÁS LONCSÁK
Investment Director

**ASSETS UNDER
MANAGEMENT**
million EUR ***

81

**RISK
CLASSIFICATION ***
moderately low

3/7

**RECOMMENDED
INVESTMENT PERIOD**
medium-term

2 yrs

ISIN: HU0000715982 (E SERIES EUR)
ISIN: HU0000715990 (U SERIES USD)

**“In the recessionary phase, bonds
are likely to be the best performing
asset class in terms of risk/return ratio.”**

* The fund is an absolute return investment fund that aims to create an investment portfolio through active portfolio management that achieves a return for its clients in excess of the benchmark, subject to a predetermined risk profile. It intends to accomplish this goal primarily by investing in the bond and equity markets of the emerging European region. The fund's asset allocation adjusts in line with capital market conditions.

** Based on data as at 01/06/2023

*** Total net value of the fund based on data as at 01/06/2023

This is a distribution announcement. In order to make well-founded investment decisions, please inform yourself thoroughly regarding the Fund's investment policy, potential investment risks and distribution in the Fund's key investment information, official prospectus and management regulations available at the Fund's distribution outlets and

on the Fund Manager's website (www.vigam.hu). Past returns do not predict future performance.

The future performance that can be achieved by investing may be subject to tax, and the tax and duty information relating to specific financial instruments and transactions can only be accurately assessed on the basis of the individual circumstances of each investor and may change in the future. It is the responsibility of the investor to inform himself about the tax liability and to make the decision within the limits of the law.

The information contained in this leaflet is for informational purposes only and does not constitute an investment recommendation, an offer or investment advice. VIG Asset Management Hungary Closed Company Limited by Shares accepts no liability for any investment decision made on the basis of this information and its consequences.