



# **VIG SOCIALTREND ESG EQUITY INVESTMENT FUND**

## **Fund Rules**

FUND MANAGEMENT COMPANY

**VIG Asset Management Hungary Closed Company Limited by Shares**

(H-1091 BUDAPEST, ÜLLŐI STREET 1.)

CUSTODIAN:

**Erste Bank Hungary Ltd.**

**(1138 Budapest, Népfürdő utca 24-26.)**

**effective:**

**06 March 2024.**

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## Definition of Terms

<b>UCITS</b>	collective investment undertakings for transferable securities
<b>UCITS Fund Manager</b>	investment fund manager managing one or multiple UCITS as a regular business activity
<b>UCITS Policy</b> transferable securities	Directive 2009/65/EC on undertakings for collective investment in
<b>Fund</b>	VIG SocialTrend ESG Equity Investment Fund
<b>Base currency</b>	HUF, i.e. Hungarian forint. The currency, in which the Fund keeps its assets. The Fund may invest part of its assets in securities issued in a currency other than its base currency.
<b>Fund manager</b> <b>ÁKK</b>	<b>VIG Asset Management Hungary Closed Company Limited by Shares</b> Államadósság Kezelő Központ Zártkörűen Működő Részvénytársaság (Government Debt Management Agency Public Ltd in Hungary)
<b>Investment fund</b>	a collective investment form established under conditions specified in the Kbtv.
<b>Investment fund unit</b>	a transferable security that is marketed in series by the investment fund as the issuer in the manner and formality specified in the Kbtv, securing a claim and other rights against the investment fund specified in the management rules of the investment fund
<b>Investor</b>	holder of the unit or other collective investment security
<b>Target country</b>	a country in the capital market of which a Fund invests or intends to invest strategically
<b>Dematerialized security</b>	A set of data created, recorded, transmitted and registered electronically in a manner specified in the Capital Market Act (Tpt) and in a separate legal act, containing the content elements of the security in an identifiable manner
<b>ESG (environmental, social, governance)</b>	as used in this document, the term ESG is understood by the Fund Manager to refer to the consideration of environmental, social and good governance matters, equivalent to the meaning of ‘sustainability factors’ under Article 2(24) of the SFDR Regulation (Regulation (EU) 2019/2088)
<b>ESG score</b>	an indicator measuring the environmental, social and governance impacts of an issuer’s (company’s or country’s) operations. Issuers and their instruments, investment funds and benchmark indexes are measured against the ESG indicator, which thus makes them comparable. The Fund

	Manager's internal ESG indicator methodology relies in part on external ESG data providers.
<b>EU</b>	European Union
<b>Excess performance</b>	the difference between the net performance of the portfolio and the performance of the benchmark
<b>Crystallisation frequency</b>	the frequency at which the accrued performance fee, if any, becomes payable to the management company
<b>EU member state</b>	any Member State of the European Union and States who are parties to the Agreement on the European Economic Area
<b>Inspectorate</b>	National Bank of Hungary (formerly: the Hungarian Financial Supervisory Authority)
<b>FIFO Principle</b>	the first purchase in a portfolio of a given security is sold first
<b>Distribution Day</b>	each business day for which the Fund Manager calculates the Net Asset Value
<b>Distributor</b>	The Fund Manager and other distributors involved in the distribution of the Units. The current list of distributors can be found in Section 1.7 of the Fund Rules
<b>Points of Distribution</b>	Locations designated by the Distributor for the sale of the Fund's units. The list of Distribution Points is available on the Fund Manager's website: <a href="https://www.vigam.hu/">https://www.vigam.hu/</a>
<b>G20</b>	G20 is an organisation comprising the world's 19 largest economies and the European Union.
<b>Kbftv.</b>	Act XVI of 2014. on Collective Investment Trusts and Their Managers, and on the Amendment of Financial Regulations
<b>Fund Rules</b>	regulation prepared pursuant to Kbftv. containing the special rules of Fund Management, including the general terms and conditions between the Fund Manager and the Investors
<b>Auditor</b>	PricewaterhouseCoopers Könyvvizsgáló Kft.
<b>Tracking error</b>	An indicator that shows the divergence between the performance of the investment fund and that of its reference index (benchmark). The smaller the tracking error, the more precisely the fund has succeeded in tracking the benchmark.
<b>Points of Publication</b>	the <a href="https://www.vigam.hu/">https://www.vigam.hu/</a> and the <a href="https://kozvetetelek.mnb.hu/">https://kozvetetelek.mnb.hu/</a> website
<b>Relative return</b>	the return achieved by the fund compared to the specified benchmark
<b>Benchmark model</b>	a performance fee model whereby the performance fees may only be charged on the basis of outperforming the reference benchmark.
<b>Benchmark</b>	a market index against which to assess the performance of a fund
<b>Custodian</b>	Erste t Bank Hungary Zrt.

<b>Commission</b>	Purchase, redemption and /or conversion order of investment units.
<b>MNB</b>	National Bank of Hungary
<b>Net value of assets</b>	the value of the assets in the investment fund's portfolio, including lending claims, less all liabilities in the portfolio, including accruals and deferrals
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>Civil Code</b>	Act V of 2013 on the Civil Code
<b>Equity</b>	the equity of the investment fund is equal to the product of the nominal value and the number of units at the beginning, during its operation the equity is equal to the total net asset value of the investment fund
<b>Series</b>	Units of one or more series with the same denomination and the same rights within the same series may be issued on behalf of an investment fund. The Fund Rules and the Prospectus specify in detail the characteristics in which individual series differ from each other.
<b>SFDR Regulation (Sustainable Finance Disclosure Regulation)</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
<b>Taxonomy regulation</b>	Regulation (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 establishing a framework for the promotion of sustainable investment and amending Regulation (EU) 2019/2088
<b>Prospectus</b>	document prepared pursuant to Kbfvtv. for the public offering of the units
<b>Target currency</b>	USD, i.e. US dollars. The currency that is the same as the settlement currency of the reference index (USD).
<b>T-Day</b>	the date of submission of the order for the conclusion of the transaction
<b>Tpt.</b>	Act CXX of 2001 on the capital market
<b>Client Account</b>	an account held for a client for the sole purpose of executing orders placed against the balance of an investment service, a commodity exchange service and a payment based on an obligation contained in a security.

## **I. Basic information related to the investment fund**

### **1. Basic data of the investment fund**

#### **1.1. Name of the investment fund**

VIG SocialTrend ESG Részvény Befektetési Alap

*English name: VIG SocialTrend ESG Equity Investment Fund*

*Czech name: VIG Akciový ESG Fond Sociálních trendů*

#### **1.2. Short name of the investment fund**

VIG SocialTrend ESG Equity Fund

#### **1.3. Headquarters of the investment fund**

1091 Budapest, Üllői út 1.

#### **1.4. Date of registration and registration number of the investment fund**

Date of registration of the Fund: 29 February 2024

Fund registration number: 1111-883

#### **1.5. Name of the investment fund manager**

VIG Asset Management Hungary Closed Company Limited by Shares

#### **1.6. Name of the Custodian**

Erste Bank Hungary Zrt.

#### **1.7. Name of the Distributor**

VIG Asset Management Hungary Closed Company Limited by Shares

further distributors:

Conseq Investment Management, a. s.

#### **1.8. Form of operation of the investment fund (public) range of potential investors (professional or retail)**

The investment fund is public.

Scope of potential investors: both professional and retail.

#### **1.9. Type of the investment fund (open-ended or close-ended)**

The investment fund is open-ended.

Potential investors: both professional and retail.

#### **1.10. Maturity of the investment fund (indefinite or definite), in the case of a definite maturity, indication of the date of maturity**

The investment fund has an indefinite term.

#### **1.11. Indication of whether the investment fund is a harmonized fund under the UCITS Directive or the AIFMD**

The investment fund is harmonized under the UCITS Directive.

#### **1.12. Number and marking of the series issued by the investment fund, indication of the characteristics in which each series differ from each other**

The Fund has 8 series.

Series	Difference
VIG SocialTrend ESG Equity Investment Fund (series A, USD)	currency, fund management fee rate
VIG SocialTrend ESG Equity Investment Fund (series B, HUF)	currency, fund management fee rate
VIG SocialTrend ESG Equity Investment Fund (series C, CZK)	currency, fund management fee rate, hedged series
VIG SocialTrend ESG Equity Investment Fund (series CI, CZK)	fund management fee rate, hedged series, hedged series
VIG SocialTrend ESG Equity Investment Fund (series E, EUR)	currency, fund management fee rate
VIG SocialTrend ESG Equity Investment Fund (series EI, EUR)	currency, fund management fee rate
VIG SocialTrend ESG Equity Investment Fund (series I, HUF)	currency, fund management fee rate
VIG SocialTrend ESG Equity Investment Fund (series UI, USD)	currency, fund management fee rate

### 1.13. Type of investment fund's primary asset category (securities or real estate fund)

The investment fund is securities fund.

### 1.14. Indication of whether the promise to preserve the capital of the investment fund or the return is provided by a bank guarantee or suretyship (capital or return guarantee) or is supported by a detailed investment policy of the investment fund (capital or return protection); an indication of the point detailing the conditions in the code of conduct

Not applicable.

## 2. Other basic information related to the investment fund

Scope of distributors:

The Fund Manager distributes all series of Units of the Fund. The series of the Fund's Units can be distributed by additional distributors listed in Section 1.7. of the Fund Rules according to their own Business Rules, within the frames of their distribution contract entered into with the Fund Manager.

Distributors shall determine the conditions for the distribution of the Fund in their own Business Rules, but these conditions may not contradict the provisions of the Fund Rules.

Distribution abroad:

Following the notification procedure of the Fund, the Investment unit series of the Fund become accessible even abroad. These Fund rules contain the special conditions for distribution abroad, which are highlighted in the relevant items.

### List of legal provisions applicable to investment fund management, marketing and distribution of units, as well as legal provisions determining the legal relationship between the fund and the investor

#### Acts

- Act XVI of 2014 on collective investment forms and their managers, and on the amendment of certain financial laws (Collective Investment Act)
- Act V of 2013 on the Civil Code (Civil Code)

- Act XLVII of 2008 on the Prohibition of Unfair Business-to-Consumer Commercial Practices
- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities
- Act LIII. of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing
- Act XXV of 2005 on Financial Service Contracts made through Distance Marketing
- Act CXX of 2001 on Capital Markets (Capital Market Act)
- Act CLX of 1997 on Consumer Protection

#### Government Decrees

- 78/2014. (III. 14.) on the rules of investing and borrowing of collective investment forms
- 79/2014. (III. 14.) on the organizational, conflict of interests, business and risk management requirements applicable to the UCITS Fund Manager
- Government Decree 82/2010 (III.25.) on calculating and announcing deposit interest rates and returns
- Government Decree 153/2009. (VII. 23.) on certain issues necessary to increase efficiency of customer protection in the financial sector
- Government Decree 22/2008 (II.7.) on the mandatory elements of the business terms at business organizations providing investment services, auxiliary investment services and commodity exchange services;
- Government Decree 284/2001 (XII.26.) on the Mode of the Generation and Forwarding of Dematerialized Securities and the Relevant Rules on Safety, as well as on the Opening and the Keeping of the Security Account, the Central Securities Account and the Customer Account
- Govt Decree 205/2023. (V. 31.) on the alternative application during the state of emergency of Act LII of 2018 on the Social Contribution Tax
- Government Decree No. 89/2023 (March 22) on Economic and Financial Measures
- Govt Decree 156/2023. (IV. 27.) on the investment rules of certain investment Funds

#### Decrees by the Minister of Finances/Minister of National Economy

- NGM Decree 16/2017. (VI. 30.) on the product approval process to be followed by the investment undertaking
- Decree No. 6/2002 (II.20.) of the Ministry of Finances on the notification obligation of investment service providers, organizations engaged in clearing house operations and the stock exchange

#### Supervisory Decrees

- Decree 46/2018. (XII. 17.) of the National Bank of Hungary on the detailed rules of form and method of complaint management by individual financial organizations
- Decree No. 45/2018 (XII. 17.) MNB on the rules of the implementation of the Act on the



prevention and combating of money laundering and terrorist financing as apply to service providers supervised by the MNB and the detailed rules on the minimum requirements applying to the development and operation of the screening system stipulated in the act on the implementation of restrictive measures imposed by the European Union and the UN Security Council

#### European Union Regulations

- Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS Directive)
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (MiFID II Policy)
- Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
- SFDR Regulation (Sustainable Finance Disclosure Regulation) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
- Taxonomy regulation: Regulation (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 establishing a framework for the promotion of sustainable investment and amending Regulation (EU) 2019/2088
- Guideline 34-39-992 of the European Securities and Markets Authority (ESMA) of 5 November 2020 on performance fees in UCITS and certain types of AIFs
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The above list is not exhaustive, so in addition to the above, there are legal provisions in force that regulate the internal processes of fund management and distribution activities, as well as other obligations arising from the exercise of data reporting, data provision and supervisory authority powers.

### **3. Description of main legal consequences of the investment, including information on jurisdiction, applicable law and the existence or absence of any legal instrument providing for the recognition and enforcement of judgments given in the country where the AIF is established**

Units are units issued by an open-ended fund, i.e. they can be purchased (bought) or sold (redeemed) by the Investors during the continuous distribution during the term of the Fund. The condition for this is that the Investor has a securities account with a Distributor of the Fund. As the Fund does not pay returns, the Investor may realize profit on the difference between the purchase and redemption prices. The purchase and redemption order will be executed on the basis of the current net asset value (as determined in accordance with these Fund Rules).

Opening and maintenance of the securities account and execution of purchase and redemption orders are governed by the provisions of the Distributors' Business Rules and the legislation of the country specified therein.

At the time of issuing these Fund Rules, these transactions are governed by the Hungarian law in accordance with the relevant Business Rules of the Fund Manager, which is the same as the law applicable to this Fund.

## **II. Information related to the investment fund unit (for each series)**

### **5. ISIN ID of the investment fund unit**

<b>Series</b>	<b>ISIN</b>
VIG SocialTrend ESG Equity Investment Fund (Series A, USD)	HU0000733019
VIG SocialTrend ESG Equity Investment Fund (Series B, HUF)	HU0000733035
VIG SocialTrend ESG Equity Investment Fund (Series C, CZK)	HU0000733050
VIG SocialTrend ESG Equity Investment Fund (Series CI, CZK)	HU0000733068
VIG SocialTrend ESG Equity Investment Fund (Series E, EUR)	HU0000733076
VIG SocialTrend ESG Equity Investment Fund (Series EI, EUR)	HU0000733084
VIG SocialTrend ESG Equity Investment Fund (Series I, HUF)	HU0000733043
VIG SocialTrend ESG Equity Investment Fund (Series UI, USD)	HU0000733027

### **6. Face value of the investment fund unit**

<b>Series</b>	<b>Face value</b>
VIG InnovationTrend ESG Equity Investment Fund (Series A, USD)	1 USD
VIG InnovationTrend ESG Equity Investment Fund (Series B, HUF)	1 HUF
VIG InnovationTrend ESG Equity Investment Fund (Series C, CZK)	1 CZK
VIG InnovationTrend ESG Equity Investment Fund (Series CI, CZK)	1 CZK
VIG InnovationTrend ESG Equity Investment Fund (Series E, EUR)	1 EUR
VIG InnovationTrend ESG Equity Investment Fund (Series EI, EUR)	1 EUR
VIG InnovationTrend ESG Equity Investment Fund (Series I, HUF)	1 HUF
VIG InnovationTrend ESG Equity Investment Fund (Series UI, USD)	1 USD

### **7. Currency of the investment fund unit**

<b>Series</b>	<b>Currency</b>
VIG InnovationTrend ESG Equity Investment Fund (Series A, USD)	USD, i.e. American dollar
VIG InnovationTrend ESG Equity Investment Fund (Series B, HUF)	HUF, i.e. Hungarian Forint
VIG InnovationTrend ESG Equity Investment Fund (Series C, CZK)	CZK, i.e. Czech Koruna
VIG InnovationTrend ESG Equity Investment Fund (Series CI, CZK)	CZK, i.e. Czech Koruna
VIG InnovationTrend ESG Equity Investment Fund (Series E, EUR)	EUR, i.e. euro
VIG InnovationTrend ESG Equity Investment Fund (Series EI, EUR)	EUR, i.e. euro
VIG InnovationTrend ESG Equity Investment Fund (Series I, HUF)	HUF, i.e. Hungarian Forint
VIG InnovationTrend ESG Equity Investment Fund (Series UI, USD)	USD, i.e. American dollar

### **8. Method of producing the unit, information on the issue and sale**

Units are produced in dematerialized form, they are not physically produced (printed). The issuance (creation) of the units is performed by KELER Központi Értéktár Zrt. based on the commission of the Fund Manager. The Distributor may sell the Fund's units in accordance with its own Business Rules. Units issued by the investment fund can be purchased by the Investors during the continuous distribution.

### **9. Method of verifying and registering the ownership of the unit**

In order to prove the ownership of the units and the method of their registration, volume Six of the Civil

Code and provisions set forth in § 138 - § 146 of the Tpt. shall apply.

According to the provisions of Tpt., the acquisition and transfer of dematerialized securities may take place only by debiting or crediting a securities account. Pursuant to the Civil Code, the transfer of the dematerialized security also requires a contract of transfer or other title. Ownership of the Units is confirmed by an account statement issued by the Investor's securities account manager.

Unless proven otherwise, the holder of the securities shall be deemed to be the person in whose account the securities are registered.

**10. The investor's rights under the unit, a description of how the AIFMD ensures fair treatment of investors and, if an investor receives or acquires the right for preferential treatment, a description of the preferential treatment, identification of the types of investors receiving preferential treatment and - where applicable - description of their legal and economic relationship with the AIF or the AIFMD; other information on the subject**

Holders of the units are entitled:

- to redeem their investment units at daily asset value at the distribution site under the terms and conditions specified in the Fund rules of the Fund;
- to receive the prevailing version of the Fund rules, the Prospectus and the Distributor's Business Regulation in the offices of the Distributor;
- to receive the annual and semi-annual reports of the Funds in the offices of the Distributor;
- to inquire about the composition of the profit of the Funds;

Holders of the units have all the additional rights set out in these Fund Rules, the Prospectus, as well as in the law.

The Fund Manager does not differentiate between Investors, all Investors have the same rights. The Fund Manager also ensures fair treatment of investors by handling the purchase and redemption orders of all Investors under the same conditions, and in the manner specified in these Fund Rules. Accordingly, no investor of the Fund will be granted preferential treatment compared to the other investors.

### **III. Policy and objectives of the investment fund**

**11. Description of the investment objectives and specialization of the investment fund, including financial objectives (e.g. capital increase or income, geographical or industry specification)**

The purpose of the investment fund is to create an equity fund that can profit from long-term demographic changes and the related changes in consumer habits. The Fund aims to achieve long-term capital growth by investing in global companies that can benefit from the growth and aging of the population, the social and economic changes associated with a healthy lifestyle, urbanisation, the expansion of the emerging markets' middle class and the global economic trends stemming from these social changes, as well as the changing consumption habits driven by such demographic changes.

**12. Investment strategy, methods of implementation of the objectives of the investment fund**

The Fund aims to achieve its objectives through equity-type instruments, primarily exchange-traded funds

(ETFs), equities and open-ended public investment funds. The Fund takes a forward-looking approach and actively seeks companies in industries that can benefit from the long-term global demographic changes and related changes in consumer habits. Investments are made in companies that have strong fundamentals and are well positioned for long-term value creation and competitive advantage due to demographic and social changes. Trends related to demographic and social changes are long-term processes that go beyond normal economic cycles and are generally global and affect the entire world. Consequently, the Fund is not subject to any geographical restrictions. Since the Fund aims to profit from long-term growth and has significant exposure to the equity market, we recommend the Fund to investors who want to invest in the longer term and have a relatively high willingness to take risk.

The Fund records its assets in USD.

Due to the fund's strategy, it may invest in assets denominated in more than one currency. The Fund may hedge some or all of its currency risk by taking forward foreign currency positions against the target currency (USD). It is the discretionary right of the Fund Manager to decide, in light of trends in the market, whether to reduce the currency risk of positions denominated in currencies other than the target currency by entering into hedging transactions. In addition, the use of stock and index futures is permitted for the effective building of the Fund's portfolio.

The Fund holds at least 80% of its assets in securities not issued in Hungary.

The Fund has no benchmark index.

In the case of the VIG SocialTrend ESG Equity Investment Fund, the Fund Manager informs investors that the portfolio is marketed as a financial product falling into the category promoting environmental or social characteristics, or their combination, as defined by the SFDR Regulation (EU 2019/2088). However, it does not categorize itself as a financial product aiming for sustainable investment objectives.

The Fund integrates ESG principles into investment decision-making. Our goal is to identify long-term winners using ESG criteria, focusing on sustainable operations that can achieve enduring profitability.

- **Exclusion list:** The Fund adheres to the exclusion list determined by the Fund Manager. Accordingly, the Fund does not invest in industries with significant harm, including companies with substantial exposure to coal, manufacturers and sellers of controversial weapons, tobacco companies, and companies severely violating the principles of the UN Global Compact (UN GC). The thresholds for exposure to prohibited industries are specified in the Fund Manager's exclusion policy. For government issuers, bonds from countries violating the UN Global Compact are included in the exclusion policy.
- **ESG data source:** For ESG analysis and performance evaluation, we rely on internationally embedded data providers and apply their ESG rating methodology. Among data providers, the Fund Manager uses the MSCI ESG rating, which can be substituted with a similar internationally embedded provider.
- **Measurement of sustainability considerations:** ESG criteria encompass environmental, social, and corporate governance aspects, collectively constituting the minimum requirements for sustainable corporate operations. Our approach emphasizes dual materiality, considering both the material impact of corporate operations on the environment and society and the material impact of ESG risks on corporate value. These measurements are fundamental elements of the MSCI methodology, resulting in the comprehensive ESG rating.

The Fund does not aim to achieve the promotion of environmental characteristics in line with the framework of the Taxonomy Regulation for environmental objectives mentioned in Article 9(a) and (b).

The Fund intends to promote environmental, social, and corporate characteristics through the tools applied during the implementation of the investment strategy (detailed in the preceding section).

The Fund does not strive to invest in economically sustainable activities according to the Taxonomy Regulation. Essentially, 0% of the Fund's investments are directed towards economically sustainable activities according to the Taxonomy Regulation. However, the possibility cannot be ruled out that the Fund may invest in economically sustainable activities according to the Taxonomy Regulation.

As of the disclosure date of this management regulation, reliable data for calculating the proportion of investments in environmentally sustainable economic activities defined in Article 3 of the Taxonomy Regulation were not fully available for the selected enterprises serving as the basis for the financial product's investments. Therefore, comprehensive information is currently not available on the proportion of the financial product's investments in environmentally sustainable economic activities according to the Taxonomy Regulation.

The Fund does not aim to achieve the promotion of environmental characteristics in line with the framework of the Taxonomy Regulation for environmental objectives mentioned in Article 9(a) and (b). The Fund intends to promote environmental, social, and corporate characteristics through the tools applied during the implementation of the investment strategy (detailed in the preceding section). The Fund does not strive to invest in economically sustainable activities according to the Taxonomy Regulation. Essentially, 0% of the Fund's investments are directed towards economically sustainable activities according to the Taxonomy Regulation. However, the possibility cannot be ruled out that the Fund may invest in economically sustainable activities according to the Taxonomy Regulation.

As of the disclosure date of this management regulation, reliable data for calculating the proportion of investments in environmentally sustainable economic activities defined in Article 3 of the Taxonomy Regulation were not fully available for the selected enterprises serving as the basis for the financial product's investments. Therefore, comprehensive information is currently not available on the proportion of the financial product's investments in environmentally sustainable economic activities according to the Taxonomy Regulation.

### **ESG Criteria for Equity Book**

The Fund's goal is to promote environmental and social considerations, thereby favoring sustainable corporate operations. It aims to achieve this objective in every industry by adopting a best-in-class approach, partnering with the best ESG performers. The Fund's objective is to have a minimum A rating for the aggregated ESG assessment across the entire Fund.

ESG considerations are on the verge of rapid development, and the applied ESG analysis may evolve based on market best practices in response to tightening regulations. Additionally, our investment universe includes emerging markets and smaller companies, where ESG data availability may be limited or difficult to verify. In such cases, we strive to supplement missing information with our own ESG analysis. Therefore, the Fund targets a minimum 80% coverage ratio for corporate issuers in the aggregated ESG reports, and for non-analyzed corporate issuers, it conducts its own ESG analysis.

The Fund Manager measures and considers the environmental and social burden along the main adverse impacts (PAI indicators) outlined in the SFDR regulation and detailed by the Regulatory Technical Standards (RTS) in the investment decision-making process. Special attention is paid to violations of the principles of the UN Global Compact, particularly concerning greenhouse gas emissions, water emissions, the proportion of hazardous and radioactive waste, and social and labor issues. In promoting ESG considerations, the Fund pays particular attention to corporate controversies, which, if indicative of serious impacts, require separate examination.

The principle of avoiding significant harm applies exclusively to investments serving as the basis for the financial product that consider EU criteria for environmentally sustainable economic activities. Other investments serving as the basis for the rest of the financial product do not take into account EU criteria for environmentally sustainable economic activities.

### **13. Indication of asset categories, in which the investment fund may invest, with a specific indication as to whether the investment fund is authorized to use derivatives**

The primary investment vehicles for the Fund are equity-type securities (collective investment securities and equities). In addition to domestic and international government securities, the Fund may also hold domestic and international equities in its portfolio, and may enter into deposit and repo transactions, as

well as use derivatives. The Fund uses derivatives for hedging purposes and for the efficient management of the portfolio, in order to achieve its investment goals. The exposure to derivative transactions concluded for the purpose of the efficient management of the portfolio may not exceed 30% of the Fund's net asset value.

#### **14. The maximum, minimum or planned ratio of each portfolio item**

Assets that can be held by the Fund, their planned proportions as a percentage of the Fund's net asset value:

<b>ASSET CATEGORY</b>	<b>PLANNED RATIO</b>
Government securities issued by EU, OECD or G20 countries	0-20%
Repo and reverse repo.	0-20%
Bank deposit, account money	0-40%
Shares listed on regulated markets	0-100%
Collective investment securities and ETFs	0-80%
Derivative stock and stock-index transactions for the efficient management of the portfolio	0-30%
Derivative currency transactions for hedging purposes	0-100%
Assets denominated in a currency other than the target currency.	0-100%

**15. Any restrictions on the investment policy and any techniques, instruments or borrowing rights that may be used to manage the investment fund, including leverage application, limitation, re-use agreements for guarantees and assets and the maximum level of leverage that may be used, indicating that in the case of AIF, the annual and half-yearly reports shall include the information set out in Annex 6, Part XI.**

The Fund intends to promote the development of the domestic securities market, while expecting significant returns from the securities lending business. The Fund has an opportunity to buy and sell securities under loan transactions in accordance with the relevant legal framework (Government Decree 78/2014 (III. 14.)).

In the case of securities lending or borrowing, the value of the transaction may not exceed 25% of the Fund's net asset value. Guarantee of the return of the lent securities: provision of an adequate amount of collateral consisting of government securities so that the market value of such collateral ("collateral value") may not be less than 120% of the market value of the borrowed/lent securities at the time of the transaction. Should the value of the collateral, at any time during the existence of the lending transaction, drop below the 110% of the market value of the borrowed/lent securities, this shall give rise to an obligation to supplement or top up the collateral in the form of government securities, up to 120% of the market value of the borrowed/lent securities.

Transactions between funds and portfolios managed by the Fund Manager

The portfolios managed by the Fund Manager (including affiliated companies) and the Funds may also enter into transactions with each other, in which case the Fund Manager shall act in accordance with the special provisions of its internal regulations in order to exclude potential conflicts of interest. Such transactions shall be initiated by the Fund Manager only if the transaction does not harm the interests of the parties to the transaction and complies with the principle of best execution for both parties. The Fund Manager always performs transactions between the managed portfolios and funds at a fair price and documents the price on a transaction-by-transaction basis.

General investment restrictions applicable to the Fund

*Based on Section 14 of Government Decree 78/2014:*

- (1) The Fund Manager may not invest the Fund's own equity in Units issued by the Fund.
- (2) The Fund Manager may not purchase securities for the Fund issued by the Fund itself;
  - a)
  - b) securities issued by the Fund Manager's affiliates, with the exception of publicly traded securities, including securities to be listed on a stock exchange.
- (3) The Fund may not purchase financial assets owned by the Fund Manager or sell financial assets to the Fund Manager.
- (4) In the case of transactions between the affiliated companies of the Fund Manager and other forms of collective investment managed by the Fund Manager, as well as between each other's portfolios, the market price valid at the time of concluding the transaction must be documented by the Fund.

Investment restrictions compared to the assets of the investment fund

*Pursuant to Sections 8 to 11 of Government Decree 78/2014:*

- (1) An UCITS may invest up to 10% of its assets in transferable securities or money market instruments issued by the same issuer,
  - a) may invest 10 percent to transferable securities or financial market assets issued by the same issuer
  - b) and may invest 20 percent to the deposits of the same credit institution.
- (2) The UCITS 'counterparty risk exposure to another party under an OTC derivative transaction may not



exceed 5% of its assets or, if the other party to the transaction is a credit institution as defined in Section 2 (1) (f), 10% of its assets.

- (3) The total value of the transferable securities and money market instruments of issuers in which the value of the investments made by the UCITS individually exceeds 5% of the assets of the UCITS may not exceed 40% of the assets of the UCITS. This does not apply to deposits placed with credit institutions subject to prudential supervision or to OTC derivatives transactions with credit institutions subject to prudential supervision.
- (4) Notwithstanding the specific limits on issuers set out in paragraph 1, a UCITS's aggregate exposures to an institution arising from investments in transferable securities or money market instruments issued by that institution, deposits placed with that institution and OTC derivative transactions with that institution. exposure may not exceed 20% of the assets of the UCITS.
- (5) A limit of 35% may be applied to the limit set out in paragraph 1 (a) where the issuer or guarantor of the transferable securities or money market instruments is a Member State, its local authority, a third country or a public international body with one or more EEA States as members. These securities and money market instruments shall not be taken into account for the purposes of applying the 40% limit referred to in paragraph (3).
- (6) In contrast to the limit specified in point a) of paragraph (1), a limit of 25 percent may be applied in the case of mortgage bonds issued by a mortgage lender domiciled in Hungary and in the case of bonds issued before 8 July 2022 by a credit institution domiciled in an EEA State that is under state supervision and was established by force of law to protect the interests of the bondholders, provided that the proceeds from the issuance of the bonds are required by law to be invested in assets that are suitable for satisfying the claims on the bonds throughout the entire holding period and that, in the event of the issuer's liquidation, must be used in the first place for the repayment of the principal and the payment of any accrued interest, or in the case of bonds that are classed as covered bonds under the instrument of the EEA State's law that transposes Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU. Where a UCITS invests more than 5% of its assets in securities issued by an issuer covered by this paragraph, the total value of those investments may not exceed 80% of the assets of the UCITS. These securities and money market instruments shall not be taken into account for the purposes of applying the 40% limit referred to in paragraph (3). The limits laid down in paragraphs (1) to (6) may not be combined, so investments in transferable securities and money market instruments issued by the same issuer and in deposits and derivatives held with such an undertaking may not exceed 35% of the assets of the UCITS.
- (7) Companies which belong to a group of companies for the purposes of preparing consolidated accounts or in accordance with accepted international accounting rules shall be considered as one person for the purposes of calculating the limits referred to in this section, provided that the total value of the investments made to the transferable securities and money market assets of the same holding may not exceed 20% of the assets of the UCITS.
- (8) Contrary to that specified in paragraph 1 a), a 20% limit shall apply where the UCITS 'investment policy aims to reflect the composition of an equity or bond index where the composition of the index is sufficiently diversified to be an appropriate benchmark in the market to which it relates, and the development of its value shall be published in a manner that can be followed by the public.
- (9) Instead of the limit set out in paragraph 9, a limit of 35% may be applied to an issuer where it is strongly relevant for the regulated markets and indices concerned.
- (10) Unlike for limits indicated in points (1) to (8), the UCITS - with the permission of the Inspectorate - may invest even 100% of its assets into various transferable securities and money market assets issued or guaranteed by an EEA member state, any of their local governments, third countries, or an international organization one or more member states are members of. The Inspectorate may approve derogation, if the investors of the UCITS have the same level of protection as the investors of AIFMD applying the limits as per Section 8, and the UCITS has securities from at least six different issuance, and invests no more than 30% of its assets to securities belonging to a given series.

- (11) The UCITS's fund rules, reports and all other commercial communications shall draw attention to the authorization referred to in paragraph (11), and shall identify the states, local authorities or international organizations issuing or guaranteeing the securities, in the securities of which the UCITS invested more than 35% of its assets.
- (12) A maximum of 20 per cent of the assets of a UCITS may be invested in the collective investment securities of a given UCITS regulated in Section 2 (1) (e) of the Decree or in another collective investment undertaking.
- (13) The total value of the units and other collective investment securities of a non-UCITS investment fund may not exceed 30% of the assets of the UCITS.
- (14) Where a UCITS invests in securities issued by another form of collective investment undertaking which is managed, directly or by proxy, by the fund manager of the given UCITS or by another investment fund manager closely associated with it, including when the UCITS subcontracts that collective investment undertaking, no sale or redemption commission may be charged to that UCITS in connection with the investment or its liquidation.
- (15) If the UCITS invests at least 20% of its assets in other forms of collective investment, it must disclose in its prospectus the maximum amount of management fees for other forms of collective investment intended for investment purposes in addition to its own management fee. The annual report of the UCITS shall also disclose, - in addition to its own management fee - the maximum amount of investment fund management fees charged to other forms of collective investment that are actually invested.

**Investment limits from the side of the permissible assets**

*Pursuant to Section 12 of Government Decree 78/2014:*

- (1) A UCITS may not acquire a qualifying influence in any issuer or an influence giving rise to a public bid obligation in a public limited-liability company.
- (2) In addition to the provisions set forth in paragraph (1), the UCITS may acquire up to 10% of the non-voting shares of an issuer,
  - a) up to 10% of an issuer's debt securities,
  - b) up to 25% of the collective investment undertaking of another UCITS or of the collective investment undertaking of another collective investment undertaking,
  - c) up to 10 per cent of the money market assets of an issuing institution.
  - d)
- (3) The limits set out in paragraph (2) may be disregarded at the time of the acquisition, if the gross value of the debt securities or money market instruments or the net asset value of the securities to be marketed cannot be determined at that time.
- (4) Limitations specified in Paragraphs (1) and (2) need not to be taken into account:
  - a) in the case of transferable securities and money market instruments marketed or guaranteed by an EEA State or its municipality,
  - b) in the case of transferable securities and money market instruments marketed or guaranteed by a third country,
  - c) in the case of transferable securities and money market instruments issued by public international organizations of which one or more EEA States are members,
  - d) in respect of shares of a company incorporated in a third country which invests primarily in securities of issuers domiciled in that State, where such ownership is the only possible way for the UCITS to invest in securities of issuers located in that State under the law of that State.
- (5) The derogation provided for in paragraph 4 (d) shall apply only if the investment policy of the third-country undertaking complies with the UCITS investment limits and the regulation of exceeding them.

The Fund may raise leverage only within the limits permitted by law: The total netted risk exposure of the investment fund may not exceed twice the net asset value of the investment fund, i.e. the maximum leverage of the Fund 2. The Fund's investment policy does not contain any further restrictions.

## **16. Currency exposure of the portfolio**

Proportion of assets denominated in a currency other than the base currency: 0-100%

## **17. If the promise of capital or return is supported by the investment policy of the investment fund, a description of the underlying planned transactions**

Not applicable.

## **18. Borrowing rules**

The Fund may borrow up to 10 per cent of its assets for a term of less than 3 months. The Fund is entitled to provide collateral for borrowing. The Fund may not issue bonds or other debt securities. For the purpose of *Government Decree 78/2014*, the option for deferred payment for no more than 15 days ensured by the distributor for the payment obligation of the Fund is not considered as borrowing.

The Fund may not lend money or provide surety. This prohibition does not apply to the purchase of financial instruments that have not yet been fully paid.

The Fund may not enter into uncovered sales transactions.

The Fund is entitled to provide collateral for its derivative transactions.

## **19. States, municipalities or international organizations issuing or guaranteeing securities in the securities of which the fund invests more than 35% of its assets**

The Hungarian State based on the license issued by the National Bank of Hungary pursuant to Section 10 (1) of *Government Decree 78/2014*.

## **20. Presentation of the mapped index and the maximum size of the deviation of each security from its weight in the index**

Not applicable.

## **21. Investment policy of the investment fund in which it intends to invest more than 20% of the assets of the investment fund investing in the investment fund**

Not applicable.

## **22. Name of the target UCITS and/or its sub-fund**

Not applicable.

## **23. Other information on the subject, e.g. information on the establishment of the underlying funds, if the AIF is a fund of funds**

In compliance with Section 2 (1) of *Government Decree 78/2014*, Annex 2 to these Fund Rules contains a list of stock exchanges and trading platforms on which the Fund may invest in transferable securities and money market instruments listed or traded on a third country market.

## **24. Information relate to derivative transactions**

Pursuant to the provisions of the *Kbftv* relating to investment unit series, the Fund Manager may divide certain assets of the Fund between several investment unit series in the case of any foreign exchange risk hedging transactions whose purpose is to reduce the currency risk of the given series of the Fund against the Fund's target currency.

### **24.1. In the case of the use of derivatives, information that the use of derivatives is possible for hedging purposes or for investment purposes**

In order to achieve its investment objectives, the Fund uses derivatives for hedging purposes and for efficient portfolio management. Exposure of derivatives entered into for the purpose of efficient portfolio management shall not exceed 30% of the fund's net asset value.

The Fund also enters into hedge transactions to reduce its currency exposure to the target currency of the C series.

#### **24.2. Potential scope of derivative products and/or derivative transactions**

The Fund may enter into derivative transactions for the following assets:

- a) securities
- b) securities-based standardized exchange-traded derivatives
- c) interest rate
- d) currency
- e) commodity market products, provided that the derivative transaction cannot be completed by physical delivery

Derivatives can be options, exchange-traded futures, over-the-counter foreign exchange futures, and interest rate derivatives.

#### **24.3. Indication of the legal provision, under which the investment fund applied a derogation option**

Not applicable.

#### **24.4. Investment restrictions relate to the derivate transactions**

*Pursuant to Section 7 of Government Decree 78/2014.*

The Fund Manager minimises the currency risk of the Fund's C and CI series against the target currency by means of foreign exchange futures allocated only to these series (for a CZK-denominated series, this means CZK/USD hedging transactions). The gain or loss on the concluded futures transaction on a given day, adjusted by the gain or loss of the previous day, is a part of the net asset value on the given day of the series to be hedged.

- (1) *The Fund Manager minimises the currency risk of the Fund's C and CI series against the target currency by means of foreign exchange futures allocated only to these series (for a CZK-denominated series, this means CZK/USD hedging transactions). The gain or loss on the concluded futures transaction on a given day, adjusted by the gain or loss of the previous day, is a part of the net asset value on the given day of the series to be hedged.* If the UCITS manager also wishes to enter into derivative transactions for the UCITS it manages, the UCITS manager must have in place a risk management process that allows it to monitor and measure the risk of the positions in the derivative transactions and its contribution to the overall risk of the UCITS at any time; and use a procedure to accurately and independently measure the value of OTC derivatives.
- (2) The UCITS fund manager shall regularly provide the Inspectorate with information on the types of derivatives, the risks, the quantitative limits, and the methods chosen to estimate the risks associated with the derivative transactions for each UCITS it manages. The Inspectorate shall make this information available to the European Systemic Risk Board and the European Securities and Markets Authority in aggregate form.
- (3) In order to manage the portfolio efficiently, the UCITS may - subject to the conditions and limits set by the Inspectorate - use techniques and instruments relating to transferable securities and money market instruments. The condition for concluding derivative transactions is that they serve the purpose of efficient portfolio management. The use of derivatives shall not infringe the investment rules and limits laid down in this Regulation or in the UCITS management rules.
- (4) The total (net) exposure of the UCITS to derivative transactions may not exceed the net asset value of the UCITS. The calculation of the exposure shall take into account the current market value of the underlying assets, the risk of the other party to the transaction (counterparty risk), the expected future market movements and the time available to close the transactions.
- (5) The UCITS's exposure to each of the assets underlying the derivative transactions, taking into account the netted risk exposure to derivatives for that asset, shall not exceed the investment limits set out in

this Regulation for that asset. For the purposes of this rule, index-linked derivatives need not be taken into account, but it should be taken into account if a transferable security or money market instrument contains a derivative asset.

#### **24.5. Netting rules for positions in each asset**

Netting rules for positions in each asset of the Fund are as follows:

The Fund Manager may offset the non-derivative long (short) position of the Fund in a foreign currency or investment instrument against its short (long) derivative position based on the same currency or investment instrument, as well as the long and short derivative positions in the same underlying asset against each other.

Existing positions in the same underlying security may be netted if the following conditions are met simultaneously:

- the issuers of the securities, the nominal interest rate, the maturity date are the same, and
- the securities are denominated in the same currency.

The position in a convertible security may not be offset against the opposite position in a security to which the security is convertible.

For the purpose of complying with the limit on the Fund's total netted risk exposure, any currency-risk hedging transactions intended to reduce the currency risk of the Fund's C series in accordance with the Fund's investment policy may be disregarded.

#### **24.6. Management of positions in indices and other complex assets**

Rules of managing positions in indices and other complex assets are the following: Index products may be broken down into individual shares based on the composition of the contract multiplier and the index, which may be netted with any identical shares in the portfolio or with derivatives on the same stocks. Complex derivatives can be considered broken down into elements when applying netting rules.

#### **24.7. The source of price information to use for evaluation**

Gains and losses on open positions at the relevant date are measured as the difference between the current published or, in the absence thereof, the last officially published settlement price and the strike price. In the lack of this, the Valuation Policy of the Fund Manager shall prevail, which the Custodian shall take into account when valuing the assets.

The Fund's assets should be valued using market pricing whenever possible. In the absence of this, the Fund's assets are valued in accordance with the legal regulations in force at the time.

#### **24.8. If the characteristics of the derivative transaction in which the investment fund invests differ from the general characteristics of the derivative transactions specified by law, a warning to that effect, specifying the characteristics and risk of the particular derivative transaction**

Not applicable.

#### **24.9. Other information related to the given topic**

Not applicable.

#### **25. Special provisions related to the real estate fund**

Not applicable.

#### **25.1. Indication of whether the real estate fund invests in properties to be selected for yield or for value-adding purposes**

Not applicable.

**25.2. Indication of the function of the property (residential, commercial, industrial, etc.) in which the real estate fund invests**

Not applicable.

**25.3. Indication of the countries in which the real estate fund invests**

Not applicable.

**25.4. The maximum value as an amount of a real estate or property right related to real estate**

Not applicable.

**25.5. The maximum value compared to the total assets of a real estate or property right related to real estate**

Not applicable.

**25.6. Maximum share of properties under construction**

Not applicable.

**25.7. Risks imposed on the real estate fund**

Not applicable.

**25.8. The way risks imposed on the real estate fund are managed, the risk management strategy and the main principles of its implementation**

Not applicable.

**25.9. Detailed presentation of the properties to be contributed in the case of a contribution made in connection with the placing on the market prior to the registration of the fund**

Not applicable.

## **IV. Risks**

### **26. Description of risk factors**

**The risks arising from investing in the Fund's units and any potential losses arising therefrom shall be borne solely by the Investors.**

Investing in the Fund's units is risky due to the nature of the money and capital markets. As the bearers of losses due to investment risk are entirely the Investors, it is the responsibility of the Investor to assess, weigh and assume the investment risks. In the following, we would like to draw your attention - on non-exclusive basis - to the risk factors arising from investments in the Fund's units.

#### Detailed rules of suspending continuous distribution of the investment fund units

In the event of suspension of the Fund's continuous distribution, the Fund's investors will not be able to redeem their existing units or purchase new units from the Fund during the period of suspension. The rules for the continuous distribution of investment units and the suspension of continuous distribution are contained in Section 43 of the Fund Rules.

#### Political and economical environment

The current political stability and situation of the target countries in which the Fund invests may change from time to time. Governments of individual countries may make decisions that may adversely affect the value of the investments made by the Fund in these countries during the operation of the Fund and the

exchange rates of the currencies used to record these investments against HUF. The policies and measures of Hungarian and foreign governments, as well as the national banks of individual target countries, can have a significant impact on the return on the Fund's assets and business in general, including the performance of companies whose securities may be included in the Fund's portfolio from time to time. The economic growth, external economic position, exchange rate policy, size of the budget deficit and interest rate level of the target countries affect the net asset value of the Fund and may therefore adversely affect it.

#### Inflation, interest rates

As debt and other interest-bearing securities may also be included in the Fund's securities portfolio, the return they provide will have a significant impact on the Fund's performance. However, the yield on these instruments always depends on market interest rates, which in turn are partly in line with inflation expectations. Changes in interest rates may also have an adverse effect on the Fund's net asset value.

#### Issuers of securities

Issuers of the securities held in the fund's portfolio - in unfavorable cases - may produce bad economical results, become subjects to bankruptcy or liquidation procedure - which may negatively impact the fund's portfolio and the investors in form of missing returns, exchange rate loss or low market value.

#### Tax risk

The personal income tax regulations applicable to investment units and the rules on the taxation of investment funds are subject to change in the future. The Fund is exposed to the effects of possible changes in tax policy (e.g. tax increases or the introduction of new types of tax).

#### Liquidity risk

Although the international investment environment is basically increasing the liquidity situation of the securities markets as a result of general globalization, the liquidity of the Hungarian securities market has not yet reached the level of the developed capital markets. Sale of certain elements of the portfolio - mainly in case of longer term equities - may face difficulty, or is only possible at an unfavorable rate. Liquidity risk may also be a limiting factor when investing the Fund's available cash funds. In addition, the price of securities may be increasingly affected by highly volatile market demand and supply, which affects the price of the Units through the net asset value of the Fund. The lack of liquidity may have an adverse effect on the Fund, the extent of which will always depend on the current capital market situation.

#### Pricing risk

When an investor places an order for investment units, he does not know yet what will be their price at the execution of the order.

#### Derivative transactions

The Fund Manager is entitled to make deals on behalf of the Fund for investment units only to achieve goals determined in the Management Rules. Derivative deals by nature carry higher risk, which risks can be reduced with the adequate investment techniques, but cannot be fully eliminated.

#### Exchange rate risk

Relative exchange rate of the individual currencies changes as a consequence of the actual demand and offer situation. As a result, value of the assets of the concerned funds expressed in various currencies may change upon conversion to the base currency, depending on the exchange rate fluctuation between the base currency and the currency in question. As a result, Investors buying the Investment units must in certain cases face the risk of exchange rate fluctuation of the currencies forming the portfolio of the funds against Fund's base currency.

### Volatility of share prices

International and domestic securities markets are sometimes subject to large exchange rate fluctuations, which may adversely affect the Fund's net asset value. The return on equities may increase the Fund's return in an extraordinary manner, but, despite the most careful analysis, there may be a potential loss in equity that could adversely affect the Fund's profitability. The Fund Manager may mitigate the adverse effects by using hedging transactions.

### Counterparty risk

There is a risk that in case of derivative or other deals, the counterparty fails or unable to to meet its obligations during the transaction.

### Risk of the Fund's termination

The public open-ended investment fund must be liquidated by the fund manager if the fund's own capital does not reach twenty million HUF on average over three months.

### Sustainability risk

Sustainability risk is an environmental, social or governance-related event or circumstance the occurrence or existence of which may have an actual or potential material adverse effect on the value of the investment. Sustainability risks include climate risk, transition risk or additional costs associated with fossil fuels.

Integration of Sustainability Risks into Investment Decisions:  
(*information according to Article 6(1)(a) of the SFDR Regulation*):

The Fund Manager evaluates potential investment instruments during the management of the Fund's assets based on its own internal methodology. This evaluation includes relevant risks and their management. The Fund Manager outlines its sustainable investment principles in its Sustainability Policy (<https://www.vigam.hu/fenntarthatosag/>), which mandates the disclosure of relevant risks along long-term sustainable development goals and consideration in investment decisions. Responsible portfolio managers review the results of sustainability risk assessments for potential investment instruments as part of asset management decisions. Sustainability risks are considered alongside other investment risks, weighing expected returns and their sustainability. If the Fund Manager's Sustainability Policy establishes exclusion criteria that deem a targeted investment instrument as non-preferred, investments can only be made within the limits specified in the Sustainability Policy. If the Fund's investment policy defines a sustainability risk profile that excludes the acceptance of sustainability risks beyond a certain threshold or explicitly aims to promote sustainability, the sustainability risk of a specific instrument or its contribution to the total portfolio's sustainability risk is always taken into account in asset management decisions. This may, in certain cases, fully or partially restrict the extent of actual investments in specific assets.

For the VIG SocialTrend ESG Equity Investment Fund, the Fund Manager informs investors that the portfolio is marketed as a financial product falling within the category defined by the SFDR Regulation (EU 2019/2088) that promotes environmental or social characteristics, or a combination thereof. However, it does not categorize itself as targeting financial products with sustainable investment objectives. The Fund integrates ESG principles into investment decision-making. Our goal is to identify long-term winners using ESG criteria, contributing to sustainable operations that can achieve lasting profits.

- **Exclusion List:** The Fund adheres to the exclusion list defined by the Fund Manager. This means the Fund does not invest in industries causing significant harm, including companies with substantial exposure to coal, those involved in controversial weapons manufacturing and sales, tobacco companies, and companies seriously violating the UN Global Compact (UN GC).



Thresholds for exposure to prohibited industries are defined in the Fund Manager's exclusion policy. For sovereign issuers, state bonds of countries violating the principles of the UN Global Compact are included in the excluded issuers according to the exclusion policy.

- **ESG Data Source:** International embedded data providers are relied upon for ESG analysis and performance evaluation, applying the ESG rating methodology they use. The Fund Manager relies on the MSCI ESG rating among data providers, but it can be replaced by a similar internationally embedded provider.

- **Measurement of Sustainability Criteria:** ESG criteria include environmental, social, and governance aspects, collectively forming the minimum requirements for sustainable corporate operation. The Fund considers dual materiality, assessing the material impact of corporate operations on the environment and society, as well as the material impact of ESG risks on corporate value. These measurements are fundamental elements of the MSCI methodology, culminating in the comprehensive ESG rating.

### **Equity Book ESG Criteria:**

The Fund aims to promote environmental and social considerations, prioritizing sustainable corporate operation. It seeks to achieve this goal in every industry by aligning with the best ESG performers, employing a best-in-class approach. The Fund's objective is to achieve at least an A rating for the aggregated ESG rating across the entire Fund. ESG considerations are rapidly evolving, and the Fund may further develop its applied ESG analysis based on market best practices in response to tightening regulations. Additionally, our investment universe includes emerging markets and smaller companies, where ESG data availability may be limited or challenging to verify. In such cases, we strive to supplement missing information with our own ESG analysis. Therefore, the Fund targets a minimum 80% coverage ratio in ESG reports for corporate issuers, and for non-analyzed issuers, it conducts its own ESG analysis.

The results of the assessment of the probable impacts of sustainability risks on the yield of the offered financial product:

*(support for compliance according to Article 6(1)(b) of the SFDR Regulation)*

Financial products offered by the Fund Manager, including the VIG SocialTrend ESG Equity Investment Fund, may be affected by sustainability risks (e.g., transition risks related to electric vehicles, circular economy). These effects typically manifest over longer investment horizons, potentially exceeding 10 years, and can significantly influence the performance of the respective financial product, potentially impairing its performance. For example, a company operating in a sector that prioritizes environmental considerations may face a market disadvantage if it fails to transition from a "traditional" model to a more modern and environmentally sustainable approach in a timely manner. This impact is usually observed in the market perception and, consequently, the market value of the company, which the Fund Manager considers in its asset selection decisions.

In the case of the VIG SocialTrend ESG Equity Investment Fund, the consideration of ESG criteria, as outlined in the investment policy, may mitigate the impact of sustainability risks on returns compared to funds that do not explicitly follow an innovation-focused approach. Experience suggests that funds incorporating ESG considerations suffer lower yield losses in market downturns. Therefore, it is expected that the VIG SocialTrend ESG Equity Investment Fund may outperform other non-ESG funds in certain situations. However, during market upswings, the opposite is likely since the incorporation of technological innovations takes time and involves higher investment costs. Therefore, the Fund's

performance may temporarily lag behind non-ESG funds. Nevertheless, as the transition to sustainable technology occurs, the Fund may catch up and even surpass the performance of funds not considering sustainability risks.

### **26.1. Management of the Fund's liquidity risk, redemption rights and redemption agreements with investors**

The Fund Manager applies a liquidity management system to the Fund in order to monitor the liquidity risk of the Fund and to ensure that the liquidity profile of the Fund's investments is in line with the Fund's liabilities.

The Fund Manager regularly performs stress tests under both normal and extraordinary liquidity conditions, which allows it to assess and monitor the liquidity risk of the Fund. The agreement with the Investors for the purchase and redemption order is concluded exclusively by the Distributor. The Fund is an open-ended investment fund, so the Investors may purchase the Fund's Units during continuous distribution in accordance with the rules contained in these Fund Rules, and the order contract concluded with the Distributor, as well as the Distributor's Business Rules, and they may redeem the units.

The order execution confirmation contains the basic information of the purchase and redemption order for the units:

- Identification data of the Fund Manager
- Identification data of the Investor
- Date and time of receiving the order
- Date of executing the order
- Identification data of the Fund
- Invested/redeemed amount
- Amount of the distribution commission

## **V. Evaluation of assets**

### **27. Determination of net asset value, place and time of publication, procedure to be followed in case of incorrect net asset value calculation**

Calculation and publication of the Fund's net asset value is done pursuant to *Sections 62 and 124-126 of Kbtv*.

The net asset value of the Fund and the net asset value per Unit must be determined for each series of units on each distribution day and published on the Fund Manager's (<https://www.vigam.hu>) website and made available to Investors on the Distributor's website.

The net asset value of the Fund is calculated taking into account the market price of the securities in the Fund's portfolio, as well as the value of liquid assets and the costs and liabilities charged to the Fund.

Net asset value calculations are performed by the Custodian for each trading day. The Custodian assesses the assets and liabilities and determines the aggregate value of the Fund and the net asset value per collective investment security in accordance with the law and the Fund's management

regulations. The net asset value for the current day (T day) is calculated and published on the distribution day (T + 1 day) following the current day (T day). During the calculation, the Custodian performs the valuation using the current day (T day) and the latest possible market exchange rate information.

The Custodian determines the net asset value per Unit of the Fund for the relevant day (T day) by dividing the net asset value of the Fund for the current day (T day) without the issuance of the Unit on the current day (T day) by the number of Units in circulation on the previous day (T-1 day), and rounds the value thus obtained to 6 decimal places, according to the general rules of rounding. The Custodian shall, on a net pro rata basis, charge the Fund on a pro rata basis and incrementally charge the Fund for each longer period in calculating the Net Asset Value. Unforeseen costs will be charged to the Fund when they become due. The Fund Manager will publish on its website for each distribution day the net asset value of the Fund and the net asset value per Unit from the beginning of the first distribution day following the registration of the Fund. The Fund Manager shall make the Net Asset Value of the Fund and the Net Asset Value per Unit available to Investors at the distribution points.

**Process of calculating the Fund’s net asset value**

+	Value of financial assets (current account, bank deposit)
+	Market value of money and capital market instruments
+	Amount of receivables related to securities transactions and distribution
-	Amount of liabilities related to securities transactions and distribution
+	Other receivables (dividends, foreign currency exchange, etc.)
-	Other liabilities (deferred fees, currency exchange, commission fees, etc.)
-	Fixed costs (audit fee, publication fee)
=	Gross Asset Value
-	Variable costs per Asset Value (management fee, custody fee, lead distributor fee)
-	Variable costs per T-1 day Net Asset Value (annual Supervisory Fee)
=	Asset Value before distribution
+/-	Amount of distribution on T-day
=	Net Asset Value

In the event of an error in the calculation of the Fund's net asset value, the incorrect net asset value shall be corrected with retroactive effect to the date of the error when the error is discovered, if the error exceeds one thousandth of the investment fund's net asset value. During the correction, the net asset value for each day that was subsequently affected by the discovered error shall be adjusted to the extent

in effect at the time the identified error occurred. The revised net asset value shall be published. If the net asset value of the Fund is determined incorrectly in excess of the above margin of error and the client or the Fund suffers damage as a result, they will receive compensation, unless the amount of the damage does not reach HUF 1,000 per client. In no case shall the compensation be borne by the Fund, it shall be borne by the Fund Manager or the Custodian - in proportion to their agreement.

In the event of an incorrect Net Asset Value, the revised Net Asset Value of the Investment Fund and the adjusted Net Asset Value per Unit shall be published on the Fund Manager's (<https://www.vigam.hu>) website and made available to Investors on the Distributor's website at the time of publication of the next Net Asset Value.

## **28. Valuation of the elements of the portfolio, a description of the valuation procedure and the pricing method used in valuing the assets, including the methods used in valuing hard-to-value assets in accordance with Article 38**

The valuation of the elements of the portfolio is performed by the Custodian according to the following rules:

1. *Current account of the given Fund:* the closing balance of the assets on the account (s) earned but not settled, increased by time-proportionate interest, for the current day is credited.
2. *Time deposit:* in the case of time deposits, the closing stock of the amount of the deposit for the current day, increased by the earned but not settled time-proportional interest.
3. *Credit-based securities:*
  - a) Hungarian government securities first issued by auction with a maturity of less than one year, including securities with a state surety, must be valued at the purchase price until they are issued.
  - b) For HUF-denominated Hungarian government securities with a residual maturity of less than 3 months, including government-guaranteed securities, at the present value calculated using the 3-month reference yield published by ÁKK on the relevant day and the last preceding business day, and the net price calculated for the current day the market value shall be determined as the amount of interest accrued up to the relevant date.
  - c) *All other Hungarian government securities* must be valued using the central rate (bid-ask average) published by ÁKK on the date corresponding to the relevant day (in the absence thereof, the most recent prior). The return calculated from the average of the buying and selling rates published by ÁKK for the relevant day (in the absence thereof, the most recent before that) shall be considered as the basis for the valuation, and the net and gross exchange rates for the current day shall be calculated.  
In the lack of this, the provisions of point (d) shall apply.
  - d) *Other discount securities* shall be valued at the present value calculated using the yields calculated on the basis of the most recent exchange rate listed below. *In the case of other interest-bearing securities*, the most recent of the following net exchange rates shall be taken into account in the valuation with interest accrued up to the relevant date. If several latest exchange rate data are published from these for the same day, the selection of the data provider

must be coordinated with the Fund Manager. In the case of bilateral quotations, the central rate (bid-ask average) applies. If one side of a bilateral quotation is missing for a given day, no middle exchange rate can be calculated for that day. In this case, the latest calculable middle rate shall apply.

Exchange rate for the relevant day (or the last one before that in the lack thereof), as published by or on behalf of a representative securities market data provider (*Bloomberg, Reuters, professional organizations or media websites, stock quotes, supervisory disclosures, official websites of national banks, ÁKK's homepage.*) including the prices published on these data providers or in the quoted quotation systems. When using exchange rates, the difference between the value date of the quotation and the current day must be taken into account, therefore the valuation is based on the yield calculated from the quoted price, and the exchange rates corresponding to the current day must be calculated using this yield.

If no price is available for a given security, or if the price determined on the basis of the above order does not, in the opinion of the Fund Manager, adequately reflect the reasonably approximate value of the given asset, it shall make a proposal to the Custodian to determine the fair value.

The Fund Manager's proposal should be based on publicly available or other properly documented information about the asset. The best estimate of the Fund Manager will be used by the Custodian in its sole discretion during the valuation process. The value estimated in this way may be used for valuation for a maximum of 30 days, after which the Custodian shall re-evaluate the asset after taking into account the proposal of the Fund Manager.

#### 4. *Shares:*

Shares must be valued at the most recent price listed below. If more than one latest exchange rate data are available from these for the same day, then also the follow order must be taken into account. In the case of a listing, if a share has not yet been listed, the share is valued at cost.

- i. The closing stock exchange price of the typical stock exchange of the security on the valuation day.
- ii. The closing price of a secondary stock exchange or other regulated market on the valuation date.
- iii. The latest middle exchange price of the typical securities market (Bloomberg, Reuters, website of professional organizations or media) prior to the valuation, also available to the Custodian.
- iv. Middle exchange rate of investment firms' quotations.
- v. The exchange rate of the Fund's last trade for a given security.

#### 5. *Units:*

- a) The units of an open-ended investment fund shall be taken into account at the net asset value of the last unit published by the fund manager.
- b) In the case of a unit of a closed-ended investment fund,
  - if there has been a stock exchange quotation within the last 5 trading days, the lower of the last stock exchange closing price and the last published net asset value shall be taken into account;
  - in the lack of this, the last published net asset value shall be taken into account.

#### 6. *Evaluation of foreign investments:*

The value in foreign currency of assets denominated in a currency other than the Fund's valuation currency (the base currency in which the Fund's net asset value is calculated) shall be converted into

the Fund's valuation currency using the latest published official middle rate published on the relevant date. In all cases, the conversion into the valuation currency of the fund takes place at the central rates of the National Bank of Hungary and at the cross rates formed from them.

**7. Collateral repo and reverse repo transactions:**

- a) The value of a repo transaction is the market value of the collateral security determined in accordance with the relevant valuation rules and the time-proportionate (linear) part of the price difference of the transaction calculated for the valuation date.
- b) In the case of reverse repo transactions, the transaction shall be valued in two parts. The underlying security shall be valued at the market value determined in accordance with the general valuation rules applicable to the security. The payment obligation arising from the transaction - above the sale price - must be debited to the given Fund on a time-proportionate, linear basis.

**8. If a subscription or redemption order in excess of 10% of the net asset value of the Fund is placed on a Dealing Day, the Custodian may, at the request of the Fund Manager, decide to**

- take into account during the T-day valuation the assets involved in the T-day transactions at the average transaction prices entered into by the fund, or
- deviate from the valuation principles set out above for securities that would be significantly distorted due to liquidity or other significant circumstances.

This is to ensure that the difference between the average transaction prices and the closing prices of the same assets, which has become necessary due to the significant cash flow in relation to the size of the fund, or an instrument that is distorted due to unforeseen circumstances does not adversely affect the fund's investors.

The Fund Manager determines the valuation principles for the valuation of any hard-to-value assets in accordance with the legal regulations in force at the time. The process of reviewing individual valuations may include model-based pricing. The individual valuation method or value of these assets may be proposed by the Fund Manager to the Custodian, who will use it at its own discretion during the valuation process. The Fund Manager may make proposals to the Custodian regarding the custom method of valuation or value of these assets, who may use that at its discretion during the valuation procedure.

**9.** The Fund Manager considers the provisions of the MNB's Executive Circular No. 65675-20/2020 to be the guiding principles for the fair and prudent valuation of hard-to-value assets. Non-real property assets for which no market data more recent than 30 days is available to determine the price, or in respect of which there is a risk that they may become illiquid or the issuer/counterparty may become insolvent, are to be treated as 'hard to value'.

The value of hard-to-value assets is calculated by multiplying the discount factor, determined by the Valuation Committee on a monthly or more frequent basis, by the available price, if any. The Valuation Committee calculates the discount factor in accordance with the provisions of the Executive Circular No. 65675-20/2020 issued by the MNB. Accordingly, the following principles shall be applied in determining the value of assets that are hard to value or are illiquid, for the purpose of calculating the net asset value:

- the Fund Manager shall regularly review the valuation of such assets, subject to approval by the Head of Risk Management and the Valuation Committee;
- in the regular review, the Fund Manager shall take into account all

available information on the asset and also assess the risk of illiquidity and default;

- where such a risk arises, the Fund Manager shall incorporate it into the valuation in proportion to the estimated probability of its occurrence;
- in the event of a price in a market in a market with limited availability, i.e. not accessible to a significant proportion of market participants, the Fund Manager shall apply a discount to compensate for the distorting effect
- in the event that an asset is illiquid and is unlikely to become marketable in the future, or the issuer becomes insolvent, the Fund Manager shall assess the possibility of writing off the asset in full;
- if new relevant information about the asset becomes public or accessible to the Fund Manager, the Fund Manager shall revalue the asset;
- the interval between two valuations shall not exceed 30 days;
- the Fund Manager shall also consult with the Custodian, while providing the relevant documentation, regarding the asset value determined based on the above principles, and only the value approved by the Custodian may be taken into consideration for the purpose of determining the net asset value.

## **29. Evaluation of derivative transactions**

### **1. *Option trades:***

Standardized stock options are valued at the last stock exchange closing price. If a stock exchange closing price not older than 30 days is not available, it shall be calculated using a method that takes into account both the intrinsic value and the time value of the option. Failing this, or in the case of non-exchange transactions, the option should be valued at intrinsic value only, i.e. the value of the option in this case is the difference between the option's strike price and the last closing price of the underlying product or zero, whichever is higher.

### **2. *Exchange traded futures.***

Gains and losses on open positions at the relevant date are measured as the difference between the current published or, in the absence thereof, the last officially published settlement price and the strike price.

### **3. *Over-the-counter foreign exchange futures:***

Gains and losses on open positions at the relevant date are valued at forward rates calculated on the basis of interbank interest rates quoted in the currencies of the instrument. Interest to be used in the calculation shall be calculated as the day-weighted average of the interbank interest rates at the two maturities closest to the remaining term of the futures contract.

### **4. *(Interest rate swap):***

To evaluate an IRS transaction, the Fund Manager calculates the fixed and floating rates of the transaction individually using discount factors calculated from the market swap curve.

**30. Other information related to the given topic**  
Not applicable.

## **VI. Information concerning the yield**

**31. Conditions and procedure for determining and paying the yield**  
Not applicable.

**32. Yield payment days**  
Not applicable.

**33. Other information related to the given topic**  
The Fund will not pay yield on the debit of the capital increase, the entire capital increase will be reinvested in accordance with the Fund's investment policy. Investors may realize the capital increase as the difference between the purchase and redemption prices of the Units they own as an exchange gain.

## **VII. Promise for protection of the capital of the investment fund and/or for the return and guarantees for its fulfilment**

**34. A promise to preserve capital and promise related to the return**

**34.1. Bank guarantee or surety insurance (capital or yield guarantee) ensuring the delivery of the promise to preserve capital and promise related to the yield**  
Not applicable.

**34.2. Investment policy in support of the promise of capital protection and of the yield (capital or yield protection)**  
Not applicable.

**35. Other information related to the given topic**  
Not applicable.

## **VIII. Fees and charges**

**36. Fees and charges levied on the investment fund and the manner in which they are charged to the fund**

**36.1. Amount of fees and expenses to be paid by the investment fund to the fund management company, description of their calculation, method of debiting and settling them**

The Fund Manager charges an annual fund management fee for the management of the Fund's assets, the amount of which in proportion to the current day's asset value of the Fund's series is as follows:



Series	Fund management fee rate
VIG SocialTrend ESG Equity Investment Fund (Series A, HUF)	2,5%
VIG SocialTrend ESG Equity Investment Fund (Series B, EUR)	2,5%
VIG SocialTrend ESG Equity Investment Fund (Series I, HUF)	2,5%
VIG SocialTrend ESG Equity Investment Fund (Series EI, EUR)	1%
VIG SocialTrend ESG Equity Investment Fund (Series PI, PLN)	2,5%
VIG SocialTrend ESG Equity Investment Fund (Series C, CZK)	1%
VIG SocialTrend ESG Equity Investment Fund (Series U, USD)	1%
VIG SocialTrend ESG Equity Investment Fund (Series UI, USD)	1%

The Fund Manager may deviate from the amount of the fee specified in these Fund Rules in a direction more favorable for the Investors. The amount of the fee is projected on the Asset Value for the given day (T day) - calculated in the manner specified in the calculation table of the Net Asset Value in Section 27 of the Fund Rules. The fund management fee is charged daily by the Fund Manager. Part of the fund management fee is paid by the fund as a maintenance commission for the sales activity, but this does not increase the total amount of the fund management fee.

**36.2. If it is paid directly by the investment fund, the amount of fees and expenses to be paid by the investment fund to the custodian, a description of their calculation, how they are debited to the fund and how they are paid**

In carrying out custody services in relation to the Fund, the Custodian will charge a custody fee, a transaction fee and a safekeeping fee for the performance of the tasks involved in the safekeeping of the securities in the Fund's portfolio, the clearing and settlement of securities, the monitoring of investment limits and the verification of asset value.

The amount of the safekeeping fee applied by the Custodian depends on the place of issue of the securities held by the Fund. A flat fee, comprising the custody fee and safekeeping fee, is accrued from the net asset value of the Fund on a daily basis. The flat fee is based on the asset value established on the day preceding the day in question (Day T-1) and is set at a maximum rate of 0.15% per annum.

The Custodian will invoice the actual amounts to be charged to the Fund, depending on the place of issue of the securities, on a monthly basis, based on the Fund's cleared positions at the end of each month. The amount of the fees and expenses passed on by the Custodian cannot be calculated in advance and are payable at the same time as the custody fee.

The Custodian will charge a transaction fee for the clearing of securities, which will be charged daily on the trade date of the relevant transactions and will depend on the place of issue of the security that is the subject of the transaction. The fee is payable monthly against an invoice to be issued by the Custodian.

**36.3. If it is paid directly by the investment fund, the amount of fees and expenses to be paid by the investment fund to other parties, third persons, a description of their calculation, how they are debited to the fund and how they are paid**

The Fund pays a lead distributor fee to the Fund Manager for the lead distributor activity related to the

distribution of the Fund, who coordinates the distribution activity, aggregates the distribution of the Fund and settles the securities and cash movements related to the distribution. For this activity 0.05% per annum of the Fund's assets on a given day (Day T) will be paid.

For the audit activities related to the Fund, the Auditor will charge an audit fee. The amount of the fee is determined annually, the amount of the annual fee depends on the degree of responsibility, the required professional knowledge and the time spent on the work. The audit fee is paid by the Fund against an invoice, in the amount and on the dates specified in the audit contract. The maximum audit fee of the Fund is 0.05% per annum of the value of the Fund's assets as on the previous day (day T-1).

The Inspectorate charges an annual supervisory fee in accordance with applicable law, which is also borne by the Fund. Its annual rate is 0.35 thousandths of the Fund's average annual net asset value at the date of entry into force of the fund rules.

The current custody, sub-custodian custody, transaction and other fees in the case of Hungarian securities are charged by KELER Központi Értéktár Zrt., and in the case of foreign securities the fees charged by the Custodian's sub-custodians and account managers are passed on to the Fund. The amount of these fees depends on the type and number of transactions concluded by the Fund, the value of each transaction and the method of their settlement.

**37. Other possible costs or fees to be charged to the investment fund and investors (maximum amount of the latter), except for the costs referred to in point 36**

The Fund Manager shall also pass on to the Fund other direct costs incurred in the Fund's transactions, if and unless they are settled directly by the Fund with the service provider, in particular investment service fees, bank charges, settlement costs, costs related to the management of the Fund's accounts, as well as marketing and other costs related to disclosure and information to existing and potential Investors, as well as other direct costs related to the operation of the Fund, which should be included here. The maximum amount of other fees charged to the Fund for a business year is HUF 2,000,000.

The Fund Manager has concluded a contract with the MSCI administrator for the use of the benchmark; it charges the fee for the use of the benchmark on to the Fund. The maximum fee charged each quarter is the forint equivalent of USD 2,500 translated at the official rate of the central bank of Hungary (MNB) as at the end of the quarter.

Investors will be charged other fees and expenses as a result of the purchase, holding or redemption of units:

- The Distributor chosen by the Investor shall charge the distribution commissions established by the fee regulations of this Distributor during the continuous distribution of the Fund's Units. The distribution commission rate is maximum 5% of the order amount.
- The financial institution chosen by the Investor may charge various fees and commissions for the services related to the units, such as securities account management fees and commissions, securities transfer fee, transfer fee, cash withdrawal fee, etc. These fees are determined by the fee regulations of the given financial institution, the Fund Manager does not have any relevant information.

Fees potentially arising from the provisions of MNB Decree 14/2015 (V.13.) shall not be passed on by the Fund Manager to the Fund or the investors thereof.

**38. If the investment fund invests at least 20% of its assets in other forms of collective investment, the maximum level of management fees for other forms of collective investment intended for investment purposes**

Not applicable.

### **39. Terms and conditions for switching between sub-funds**

Not applicable.

### **40. Other information related to the given topic**

The costs are itemized in the semi-annual and annual reports. When determining the net asset value, the Fund Manager will gradually charge the given Fund for each longer period, if possible, with accruals. The Fund Manager seeks to ensure that the annual operating costs, excluding investment service fees, do not exceed 2% of the average annual capital of the Fund. (Success fees are not considered operating costs.)

## **IX. Continuous distribution of the investment fund units**

### **41. Purchase of investment fund units**

#### **41.1. Acceptance, settlement, execution of purchase orders, deadline for their acceptance within the day**

During the period of continuous distribution, the Investors may acquire the Units by concluding an assignment agreement with the Distributor for the purchase of the Units. The deadline for the acceptance of Investors' orders for same-day execution ('cut-off times') and the rules regarding the provision of the purchase price by the Investors to the Distributor are, with regard to both domestic distribution and foreign distribution, governed by the respective agreement between the two parties. The business hours and the terms of business of the various Distributors may differ, and Investors should enquire about these from the respective Distributor.

#### **41.2. Distribution settlement date for purchase orders**

The trade date is the day on which an order is executed based on the net asset value and net asset value per investment unit valid on that day, i.e. on which the number of investment units that the given Investor will receive when the purchase order is settled is calculated.

The Fund determines the net asset value for each **Hungarian** working day; this rule may only be departed from in the cases and in the manner specified in the law; in other words, besides these latter exceptions, every working day in Hungary is a distribution (trading) day, with the Investors permitted to place purchase orders on any such day.

Purchase orders for Investment Units are executed by 16:00 hours on the trade day (day T); any orders received after that time are executed on day T+1. In other words, the trade date for orders received before the above cut-off time shall be day T, and shall be executed at the price prevailing on day T, whereas orders received after that cut-off time **shall be executed** on the following day (T+1), at the price prevailing on that day.

In the case of **foreign distribution**, the trade date shall also be as described above, i.e. orders received by the above cut-off time shall be executed on that day.

#### **41.3. Distribution execution date for purchase orders**

The settlement date is the day on which the order is actually fulfilled, i.e. when the securities purchased by the Investor are credited on his/her securities account and when the amount of the purchase order is credited on the Fund's account.

<b>Series</b>	<b>Delivery of money</b>	<b>Delivery of securities</b>
Series "A"	T+2	T+2
Series "B"	T+2	T+2
Series "C"	T+2	T+2
Series "CI"	T+2	T+2
Series "E"	T+2	T+2
Series "EI"	T+2	T+2
Series "I"	T+2	T+2
Series "UI"	T+2	T+2

In the case of **foreign distribution**, the monetary settlement of a series distributed in another country will differ from the value in the table above due to the time lag in the wire-transfer dates, meaning that the Fund will receive the money from the subscription 1 day later. Therefore, the payment in these cases will reach the Fund's account on day T+3. Furthermore, there may be trading days in Hungary that are non-trading days abroad (due to public holidays there), in which case the settlement of the order may be delayed by the number of intervening non-working days in that country.

## **42. Redemption of investment fund units**

### **42.1. Acceptance, settlement, execution of redemption orders, deadline for their acceptance within the day**

During the period of continuous distribution, the Investors may redeem the Units by concluding an assignment agreement with the Distributor for the redemption of the Units. The deadline for the acceptance of the Investors' order and the rules for the provision of redeemable units by the Investor to the Distributor, both in terms of domestic and foreign distribution, shall be governed by the agreement between the two parties. The business hours and the terms of business of the various Distributors may differ, and Investors should enquire about these at the respective Distributor.

### **42.2. Distribution settlement date for redemption orders**

The distribution settlement day is the day on which the given order is settled on the basis of the net asset value valid on a day and the net asset value per unit, i.e. the amount received by the Investor upon the execution of his redemption order is calculated.

The Fund determines the net asset value for each Hungarian business day, it may deviate from it only in the cases and in the manner specified by the law, i.e. with the above exceptions every **Hungarian** business day is a distribution (distribution settlement) day on which the Investors can place a redemption order. Redemption orders for Units are settled on the distribution day, i.e. distribution settlement day (T day) by 16:00, in the case of orders reaching or exceeding HUF 100 million by 12:00 on the T day, after which the orders placed will already be settled on the T+1 day. This means that orders placed before the above deadline will be settled on the T-day, i.e. at the exchange rate valid on the T day, while orders submitted after the deadline will be settled on the T+1 day.

Also in the case of foreign distribution, the distribution settlement days specified above shall apply, i.e. orders accepted in accordance with the above deadline shall be settled.

### **42.3. Distribution execution date for redemption orders**

The distribution settlement date is the day on which the amount of the investor's order is credited and the

redeemed units are credited to the Fund's account. In case of redemption orders, the distribution execution date of the Units is set out in the table below for each series, the data in the table being understood as distribution days:

<b>Series</b>	<b>Delivery of money</b>	<b>Delivery of securities</b>
Series "A"	T+3	T+3
Series "B"	T+3	T+3
Series "C"	T+3	T+3
Series "CI"	T+3	T+3
Series "E"	T+3	T+3
Series "EI"	T+3	T+3
Series "I"	T+3	T+3
Series "UI"	T+3	T+3

With regard to the opportunity provided for under Section 128(1) of Act XVI of 2014 on collective investment forms and their managers (Hungarian abbreviation: Kbfv), that is, the opportunity to treat assets that have become illiquid separately from other assets, the Fund Manager shall decide on whether to take this opportunity for specific assets on a case-by-case basis. Investment units that an Investor wishes to redeem (sell back to the Distributor) shall be redeemed in accordance with the agreement between the two parties, and shall be subject to the cut-off times for redemption. Upon receipt of the funds for the redeemed Investment Units, the cash withdrawal fee or transfer fee specified in the Distributor's latest terms of business shall be charged to the Investor.

In the case of **foreign distribution**, the monetary settlement of a series redeemed in another country will differ from the value in the table above due to the time lag in the payment dates, meaning that the Fund will launch the payment of the amount of the redemption to the Distributor, but the Distributor will receive it only after the additional time that is required for the cross-border transfer has passed, i.e. 1 day later. Therefore, the payment in these cases will reach the Distributor's account on day T+4. Furthermore, there may be trading days in Hungary that are non-trading days abroad (due to public holidays there), in which case the settlement of the order may be delayed by the number of intervening non-working days in that country.

#### **43. Detailed rules of continuous distribution of the investment fund units**

Continuous distribution by the Fund may be suspended for a maximum of 3 business days. The Fund Manager shall inform the Investors about the suspension by means of an extraordinary announcement.

The continuous management of the Fund may be suspended by the Fund Manager or the Inspectorate for the benefit of Investors. The Fund Manager shall inform the Investors and the Inspectorate about the suspension by means of an extraordinary announcement.

The Fund Manager provides for the possibility of withdrawing a submitted order in accordance with Section 108(4) of the Kbfv, if the trade date or the settlement date falls on a day of suspension or interruption of the sale or the redemption; the trade date and the settlement date shall then respectively be the first trading day and the first settlement day thereafter, on which the suspension of trading matching the direction of the order ceases.

For the suspension or discontinuation of continuous distribution provisions of Kbfv. on the suspension or interruption, in particular Section 76 (2) (b), Section 95 (2), Section 108 (1) and (4), and Sections 113-

116.

**43.1. Amount of the maximum distribution**

Not applicable.

**43.2. The procedure after the maximum amount of distribution is reached, exact conditions for restarting the sale**

Not applicable.

**44. Determination of the Units's purchase and/or redemption price**

The purchase or redemption price of one Unit is the net asset value per Unit, which is rounded to 6 decimal places for each distribution day.

**44.1. Method and frequency of calculation of the above prices**

On every T+1 distribution settlement day, the Fund Manager is obliged to calculate the net asset value per one Unit valid for the T distribution settlement day (distribution rate).

**44.2. Maximum amount of distribution commissions charged in connection with the purchase and redemption of units and indication of whether this is due, in whole or in part, to the investment fund, the distributor or the investment fund manager**

During the continuous distribution of the Fund's Units, the Distributor may charge the following distribution (purchase/redemption) commissions. The distribution commission charged by the Distributor to the Investors is due upon the execution of the orders. The Distributor may also set a minimum fee for the amount of the commission, the value of which may not be higher than HUF 15,000 in the case of a series of HUF currencies; for foreign currency series, 1300 CZK, 50 EUR and 65 USD, respectively, depending on the currency.

*Purchase commission*

The purchase commission as a percentage of the amount to be invested is maximum 5.00%.

*Redemption commission*

Upon redemption of the Units, the Distributor may charge a redemption commission as a percentage of the amount to be redeemed, which may not exceed 3.50%.

The Distributor may set the purchase and redemption commissions as determined in the Table of Fees and Costs, i.e. as more favorable for the Investor. The distribution commission is due to the Distributor.

**If a unit owner issues a redemption order within 10 trading days (T + 10) from the date of the purchase of the same fund, then the Distributor will charge a 2% penalty fee in addition to the normal exit and switching charges which goes to the Fund. The time interval required to set the penalty charge shall be taken into account using the FIFO principle.**

**45. Indication of the regulated markets where the units are listed or traded**

Not applicable.

**46. Indication of the states (distribution areas) where the units are traded**

**Hungary**

After passporting the Fund, the series of the Fund's Units are also distributed in the member states of the European Union.

**47. Other information related to the given topic**

## Conversion of Units

During the continuous distribution period of the Units, Investors have the opportunity to convert their existing Units into units of another open-ended investment fund of the same currency managed by the Fund Manager. Conversion is only possible in case of Distributors whose Business Rules provide for this type of transaction. Transferring or blocking the units to be converted on behalf of the Investor to the Distributor shall be performed on the basis of an agreement between the two parties, taking into account the observance of the terms of conversion.

Deadline of conversion orders for Units is 4 p.m. on the T day, in the case of orders reaching or exceeding HUF 100 million by 12:00 on the T day, after which the orders placed will be considered as orders posted on the T+1 day. Orders received before the above deadline have a distribution settlement date of the T day, orders placed after the deadline have a settlement date of T + 1 day. The fund manager at its sole discretion may accept orders received after the deadlines on the T-day trading settlement day, depending on the liquidity situation of each fund. In its Business Rules, the Distributor may close the deadlines for taking T-day orders earlier than the above deadline.

Conversion orders given by the Investors in an irrevocable form on the day of the order (T day) are executed by the Distributor on the basis of the net asset value per Unit valid on the T day. The conversion price of one Unit is the net asset value per Unit, which is rounded to 6 decimal places for each distribution day.

**In the case of conversion orders, the Distributor may specify a minimum amount in its Business Rules, which minimum amount may be different for each Distributor. The Distributor does not execute orders below the minimum amount.**

In case of a conversion order, the Investor converts the Units to be converted into Units marked for the purpose of conversion, without any cash settlement. The redemption date of the Units is determined by the redemption date valid for the redemption of the Units to be converted, which is included in the table below for the VIG Emerging Markets ESG Equity Fund series, the data in the table being for distribution days.

Series	Delivery of securities
Series "A"	T+3
Series "B"	T+3
Series "C"	T+3
Series "CI"	T+3
Series "E"	T+3
Series "EI"	T+3
Series "I"	T+3
Series "UI"	T+3

During the continuous distribution of the Fund's Units, the Distributor may charge the following conversion commissions. The conversion commission charged by the Distributor to the Investors is due upon the execution of the orders. The Distributor may also set a minimum value for the amount of the commission, the value of which may not be higher than HUF 15,000 in the case of a series of HUF currencies; for foreign currency series, 1300 CZK, 50 EUR and 65 USD, respectively, depending on the currency.

In the case of foreign distribution, the execution dates for the currency conversion do not differ from the

days specified in the table.

*Conversion commission*

Upon conversion of the Units, the Distributor may charge a conversion commission as a percentage of the amount to be converted, which may not exceed 3.50%-.

The Distributor may set the conversion commission as determined in the Table of Fees and Costs, i.e. as more favorable for the Investor. The distribution commission is due to the Distributor.

**If a unit owner issues a redemption or conversion order within 10 trading days (T + 10) from the date of the purchase or conversion of the same fund, then the Distributor will charge a 2% penalty fee in addition to the normal exit and switching charges which goes to the Fund. The time interval required to set the penalty charge shall be taken into account using the FIFO principle.**

**X. Additional information related to the investment fund**

**48. Past performance of the investment fund - such information may be included in or attached to the management policy**

Past performance cannot be relied on as a guide to future performance. The Fund's performance figures are not yet available for a full calendar year, and thus we cannot provide our investors with useful information on historical performance.

**49. If it is possible to include units in the case of the given fund, the conditions of this**

Not applicable.

**50. Circumstances leading to the termination of the investment fund, the effect of the termination on the rights of the investors**

Rules on the termination of the Fund, on the sale of the Fund's assets and on the payment of assets are set out in Sections 75-79 of the Kbtv.

**51. Any additional information on the basis of which investors can make an informed decision about the investment opportunity offered**

Pursuant to the requirements set forth in Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of "securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, the Fund Manager provides the following information regarding the Fund:

<b>General description of any securities-financing transactions and total return swap transactions used, and an explanation as to why they are used</b>	The Fund does not conclude any total return swap transactions. For a general description of securities-financing transactions (repos and reverse repos, and securities lending and borrowing transactions) used by the Fund, see points 14, 15 and 24 of the Management Regulations. The reason for concluding these transactions is to ensure compliance with the
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	provisions of the investment policy.
<b>Key data to be provided in relation to the individual types of securities-financing transactions and total return swap transactions</b>	
<b>Types of assets that may be used for the transactions</b>	Government securities, or equities listed on a regulated market/stock exchange
<b>Maximum share of assets that can be used for the transactions as a percentage of the Fund's assets under management</b>	100%
<b>Expected share of assets that can be used for the various transactions as a percentage of the Fund's assets under management</b>	0-100%
<b>Criteria for the selection of counterparties (including their legal status, country of origin and required minimum credit rating)</b>	The criteria applicable to counterparties are specified in the Fund Manager's internal regulations. The counterparties are generally credit institutions and other financial institutions headquartered in EU or OECD countries and subject to prudential supervision. With counterparties that have an investment-grade credit rating, the Fund Manager may conclude transactions for higher amounts, and for lower amounts with non-investment grade counterparties.
<b>Eligible collaterals: a description of the eligible collateral, including types of asset, issuer, maturity, liquidity, collateral diversification and the correlation rules</b>	The criteria applicable to eligible collaterals are specified in the Fund Manager's internal regulations. For repo transactions used by the Fund, the collateral is usually Hungarian government securities with a maturity of less than one year, and the terms of the transaction is generally 1-3 days. For a description of the loan transactions used by the Fund, see point 15 of the Management Regulations.
<b>Valuation of collaterals: a description of the collateral valuation method used and the reason for using it, and information on whether daily mark-to-market valuation and daily variation margin are used</b>	Collateral is valued on a daily basis in accordance with the valuation method specified in detail in the Fund's Management Regulations. A daily variation margin is used, as described in detailed in point 15.

<p><b>Risk management: a description of the risks associated with securities-financing transactions, total return swap transactions and collateral management, such as operational, liquidity, counterparty, custody and legal risks and, if relevant, the risk associated with the re-use of collateral.</b></p>	<p>Counterparty risk refers to the risk of non-performance (default) by a counterparty and is limited by the Fund Manager through counterparty limits assigned on the basis of the counterparty's credit rating and specified in the Fund Manager's internal regulations.</p> <p>Credit risk and liquidity risk arise in connection with the provision of collaterals, which is limited by the Fund Manager by restricting admissible collaterals to government securities.</p> <p>The collaterals received are never re-used by the Fund.</p>
<p><b>A detailed description of how the assets used for securities-financing transactions and for total return swap transactions and the collaterals received are held in safekeeping (for example, at the Fund's custodian).</b></p>	<p>The assets used for securities-financing transactions and the collaterals received are held in safekeeping at the Fund's custodian.</p>
<p><b>Details of any restrictions (regulatory or voluntary) on the re-use of collateral.</b></p>	<p>Not applicable</p>
<p><b>Strategy related to the sharing of gains from securities-financing transactions and total return swap transactions: a description of the income achieved on securities-financing transactions and total return swap transactions and returned to the collective investment scheme, as well as the costs and fees incurred by the Fund Manager or third parties (e.g. the lending agent). The prospectus or the information provided to investors (KIID) should also specify the nature of the relationship between the fund manager and these parties.</b></p>	<p>The revenues (yields, fees, interest income) from securities-financing transactions as well as the costs/expenses related to them are incurred entirely by the Fund and are not shared with third parties.</p>

Pursuant to Govt Decree 205/2023. (V. 31.) on the alternative application during the state of emergency of Act LII of 2018 on the Social Contribution Tax, natural persons are subject to an obligation to pay social contribution tax on the amount of their interest income as per Section 65 of Act CXVII of 1995 on Personal Income Tax taken into account as the base for the personal income tax payable on interest income.

According to Article 53 (5) of the Fundamental Law, a decree issued by the Government during a state of emergency, based on the rules pertaining to the state of emergency, loses its effect upon the termination of the state of emergency.

**In compliance with Article 7(1) of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, the Fund Manager provides the following information:**

The Fund considers sustainability risks relevant with respect to the value of its investments, however. Accordingly, it is particularly important as regards the sustainability risk to also consider Principal Adverse Impacts (PAIs) on sustainability factors. With respect to the Fund, the Fund Manager takes into account the adverse impact of its investment decisions on sustainability factors; these can be measured with the principal adverse impact indicators. In the course of the management of the Fund, the Fund Manager integrates the principal adverse impact indicators into its investment decisions indirectly – through the so-called ESG rating –, evaluating them as risk factors. In order to interpret the specific PAI indicators, they have to be put in the appropriate context, and the relevant index numbers – which may differ for each industrial sector – also have to be considered. Because of this, the MSCI ESG methodology takes into consideration the measurement of the major adverse impacts jointly with additional environmental, social and corporate governance factors, in a weighted manner, aggregating the data in the ESG rating. In the course of the management of the Fund, the Fund Manager – in addition to complying with the principles of exclusion – takes the MSCI ESG rating into account.

Detailed Description of Principal Adverse Impacts

Principal Adverse Impact (PAI) The Fund Manager has determined the impacts on sustainability of investment decisions that are likely to have negative consequences as regards sustainability factors. The PAIs that it takes into account in its investment decisions are:

- **Combating climate change**

When selecting the securities to be included in the portfolios it manages, the Fund Manager takes into account whether the issuer of the security is addressing the impact of climate change in its operations, i.e. whether it measures carbon emissions and has a plan to reduce them, and whether these targets meet the criteria set out in the Paris Climate Accords.

- **Preservation of biodiversity**

When selecting securities, the Fund Manager also examines whether the issuer is concerned with environmental protection, i.e. whether it has an internal policy that sets out the measures to be taken to protect biodiversity and whether it provides transparent reports on the company's impact on biodiversity. The Fund Manager pays particular attention to the following considerations associated with preserving biodiversity:

- responsible water usage and waste generation – and the company should have clear goals in place for reducing these
- responsible mining and energy management: In the case of companies engaged in the extraction, transportation and use of natural resources (especially minerals and energy resources), the Fund Manager is concerned with the health of the workers involved in these activities, and with the measures the companies take to mitigate the adverse effects of their activities on biodiversity and to restore the ecosystem once they have completed the activities.
- responsible forest management: In the case of issuers involved in forest management, important considerations are what these companies do to prevent deforestation, whether they ensure the reforestation of areas affected by their activities and whether they comply with the standards set by the trade authorities (e.g. ensuring a traceable supply chain, and specifying who their suppliers are).

- responsible agriculture: For issuers engaged in agriculture, an important criterion is that they should embrace the principles of responsible and sustainable farming, preserving the long-term value of agricultural systems in a way that enables these systems to function in a resource-efficient, economically competitive and environmentally responsible manner (e.g. through the responsible use of pesticides).
- responsible fishing: For companies involved in fishing, it is important that they should comply with the guidelines of the Marine Management Council, thus demonstrating that they are aware of the need for sustainability with regard to fishery resources.
- **Respect for human rights**  
In the course of its investment decisions, the Fund Manager also examines whether the issuer considers respect for human rights to be a fundamental criterion in both its production and sales operations – whether, among other things, it complies with Universal Declaration of Human Rights and with the UN Guiding Principles on Business and Human Rights and observes the rights of indigenous peoples. Respecting and protecting the rights of the child should also be a priority for the issuer.
- **Observance of labour laws**  
The issuer should respect and apply internationally recognised standards under labour law and should act in the spirit of these.
- **Support for health and general well-being**  
The Fund Manager considers it important that the issuer should support the preservation of employee health, as well as the development of education and healthcare.
- **Corporate governance**

During the course of securities selection, the Fund Manager examines whether the issuer has appropriate regulations in place to rule out the possibility of corruption, whether it acts transparently in the publishing of its reports, and whether it applies ESG-based performance objectives in determining executive pay.

Results of the assessment of the expected impact of sustainability risk on the return of the financial product offered: The returns on the financial products offered by the Fund Manager, including the investment funds, may be affected by the various sustainability risks (e.g. climate risk, transition risk or additional expenses associated with fossil fuels). These impacts typically occur over a longer investment horizon, of 10 years or longer, while their results can have a significant impact on the performance of a financial product and may possibly impair its performance. (For example, the increasing importance attributed to environmental considerations may result in a market disadvantage to a company operating in a particular sector unless it switches from the ‘traditional’ way of doing things to a more modern and environmentally sustainable method within an appropriate time). Such impacts are typically reflected in the market perception of and thus also in the market value of the company over the longer term, which is something the Fund Manager takes into account in its asset selection decisions. In the case of the VIG Emerging Market ESG Equity Investment Fund, the inclusion of ESG considerations as specified in the investment policy may mitigate the impact of sustainability risks on the sensitivity of returns compared with other funds that target a similar investment universe (emerging markets).

The Fund Manager’s commitment to the importance of sustainability is laid down in the Fund Manager’s Sustainability Policy. Based on its philosophy of responsible investment, the Fund Manager believes that taking these matters into account should make a positive contribution to returns on investment over the long term. In other words, value can be created for investors by giving extra weight to companies that achieve sustainable growth and by lending less weight to investments that have a poor performance in terms of ESG. In the short term, however, the focus on sustainability may impose additional costs on the companies involved, with a potential negative impact on short-term returns. Within an economic cycle, there may be periods when, due to their industry-specific characteristics, investments promoting

sustainability features tend to underperform.

The degree of sustainability risk may vary from one financial product to another, or may even change substantially in the case of a specific financial product. These risks are monitored by the Fund Manager on an ongoing basis and investors are informed about them in the manner required by law

The consideration of the main adverse impacts on sustainability factors is built into the investment practice on two levels:

1. **Exclusion list:** The Fund Manager complies with the exclusion list defined by it. This means that the Fund does not invest in severely harmful industries that have PAI indicators that can be considered to be negative. This includes companies having significant heating coal exposure, companies engaged in the manufacture and sale of disputed weapons, tobacco companies, and companies that severely violate the UN Global Compact. The Fund Manager's exclusion principles prescribe the threshold values of exposures in industries resulting in exclusion, which exclusion principles are detailed in the Responsible Investment and Sustainability Policy. With regard to sovereign issuers, the state bonds of countries violating the UN Global Compact can be considered among the issuers defined in the exclusion policy.
  - The application of the exclusion list ensures that in its investment decisions, the Fund Manager takes into account the following PAI indicators:
    - Among the climate and other environment-related indicators:
      - PAI 4. Exposure to companies active in the fossil fuel sector
    - Among the indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:
      - PAI 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
      - PAI 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
2. **Consideration of PAI indicators via ESG data:** We rely on internationally embedded data providers for the ESG analysis and performance evaluation, and we apply the ESG rating methodology used by these data providers. Among the data providers, the Fund Manager takes the MSCI's ESG rating as a basis, which can also be substituted by a similar internationally embedded service provider. **Measurement of sustainability criteria:** The ESG criteria include environmental, social and corporate governance factors, which, together, constitute the conditions of sustainable corporate operation. Our approach considers dual materiality important; this considers the material impact of corporate operation on the environment and society, and the effect of the ESG risk on the corporate value, also considered material. These ESG factors include the mandatory PAI indicators prescribed by the RTS, and additional industry-specific criteria. These measurements constitute the fundamental elements of the MSCI's methodology, the comprehensive index number of which is the *ESG rating*.

In accordance with the relevant legal provisions, the Fund Manager provides information regarding the development of the PAI indicators in its interim report.

The Fund Manager defines the manner of taking into account the principal adverse impacts on sustainability factors and the indicators considered in its Responsible Investment and Sustainability Policy. It publishes the key elements of this on its website, together with the due diligence and

responsibility policy applied, available via the following link: <https://www.vigam.hu/fenntarthatosag/>  
The information on the development of the principal adverse impacts on sustainability factors for each year is made available on the Fund Manager's website by 30 June of the next year: <https://www.vigam.hu/>

## **XI. Basic information regarding the participating organizations**

### **52. Basic information related to the investment fund manager (company name, company form, company registration number)**

Name of the Fund Manager: **VIG Asset Management Hungary Closed Company Limited by Shares**  
Company registry number: 01 -10-044261

### **53. Basic information related to the custodian (company name, company form, company registration number), its tasks**

Name of the Custodian: Erste Bank Hungary Zrt.  
Company registration number: 01-10-041054

The Custodian performs the tasks specified in the Kbtv, particularly those described in Sections 62-63, 75 (5), 79 (3) and 124-126.

The Custodian shall perform the functions assigned to it by the Collective Investments Act (Kbtv.), and in particular by Sections 62-63, 75(5), 79(3), and 124-126 thereof.

The Custodian's contractual obligations are as follows:

- a) ensuring that the Fund's cash flows are properly monitored and that payments made by or on behalf of investors during the subscription of units in collective investment undertakings are received;
- b) ensuring that the Fund's cash balance is booked in one or more accounts opened in the name of the Fund in line with the principles laid down in Section 57 of Hungarian Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers ("Bszr.") and maintained by an institution as defined in Section 60(1)(a) to (c) of that Act, or by an institution subject to effective prudential regulation and supervision which have the same effect as Union law and are effectively enforced and in accordance with the principles set out in Article 18(1)(a) to (c) of Directive 2006/73/EC implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- c) ensuring the safe-keeping and custody of financial instruments held in custody and of documents certifying the rights derived from such financial instruments;
- d) managing the account dedicated to the registration of the Fund's securities, the securities account, the payment account, and the customer account;
- e) based on the information or documents provided and available external evidence, ascertaining, with respect to all other assets, whether the assets concerned are owned by the Fund and keeping up-to-date records of the instruments that are established to be owned by the Fund;
- f) executing the Fund Manager's instructions regarding the Fund's financial instruments, unless such instructions conflict with any statutory provision or the Fund's Management Regulations;

- g) carrying out the evaluation of assets and liabilities and determining the Fund's total net asset value and net asset value per collective investment unit;
- h) checking whether the Fund complies with the investment rules set out in the applicable legislation and in the Fund's Management Regulations;
- i) checking whether units in collective investment undertakings are sold, redeemed or canceled in accordance with the applicable legislation and the Fund's Management Regulations;
- j) ensuring that all compensation resulting from transactions involving the Fund's assets and from trade in units in collective investment undertakings is paid to the Fund within a deadline in line with customary market practice;
- k) checking whether the Fund uses its income in accordance with the applicable legislation and the Fund's Management Regulations;
- l) monitoring the Fund's cash flows based on the information provided by the Fund Manager.

**54. Basic information related to the auditor (company name, company form, company registration number), its tasks**

Auditor's name: PricewaterhouseCoopers Könyvvizsgáló Kft.

Company registration number: 01-09-063022

The Auditor performs the tasks specified in the Kbtv, particularly those described in Section 135 (1).

The Auditor's tasks:

- review of the accounting information provided in the Fund's annual report;
- monitor and supervise that the Fund Manager manages the Fund in accordance with the law;
  - inform the Inspectorate on the results of the above audit in cases specified in the Kbtv.

**55. Basic information on the adviser (company name, company form, company registration number) who is remunerated from the assets of the investment fund**

Not applicable.

**56. Basic information related to the distributor (company name, company form, company registration number), its tasks**

**VIG Asset Management Hungary Closed Company Limited by Shares**

*Company registry number: 01 -10-044261*

Distributor's name: Conseq Investment Management, a. s.

Company registry number: B 7153

The Distributor performs the tasks specified in the Kbtv., i.e. in Sections 106-108.

Tasks of the Distributor:

- Participates in the continuous distribution of open-ended investment units and, where applicable, in the primary marketing of investment units (conducting the subscription procedure).
- Makes continuously available on its website the Fund's documents determined in the Kbtv, regular and extraordinary announcements made by the Fund, and upon requests provides the

Investor with one copy of the above free of charge.

**57. Basic information related to the real estate appraiser (company name, company form, company registration number)**

Not applicable.

**58. Information related to the Prime Broker**

**58.1. Name of the prime broker**

Not applicable.

**58.2. Description of the essential elements of the AIF's agreement with the prime broker and of the management of the arising conflicts of interest**

Not applicable.

**58.3. A description of any element of a potential agreement with the custodian relating to the possibility of transferring and re-using the assets of the AIF and description of any liability transferred to the prime broker**

Not applicable.

**59. Description of outsourced activities, presentation of possible conflicts of interest**

Name of the institution carrying out outsourced activities: Monolith Systemhouse International s.r.o ill. Monolith Rendszerház Informatikai Kft.

Headquarters of the institution carrying out outsourced activities: 1054 Budapest, Báthory utca 20. 3. em. 4. ajtó

Outsourced activities: System support and development

Name of the institution carrying out outsourced activities: Alfa Vienna Insurance Group Általános Biztosító Zrt.

Headquarters of the institution carrying out outsourced activities: 1091 Budapest, Üllői út 1.

Outsourced activities: IT Service Level Agreement and Cooperation Agreement (Service Level Agreement - Finance, Accounting, Risk Management, HR, Legal, Tax, Vehicles)

Name of the institution carrying out outsourced activities: Alapkezelő Rendszer Kft.

Headquarters of the institution carrying out outsourced activities: 9464 Und, Füles utca 11.

Outsourced activities: Jobs Recording System (ANYR) support and development

Name of the institution carrying out outsourced activities: AutSoft Zrt.-

Headquarters of the institution carrying out outsourced activities: 1117 Budapest, Gábor Dénes utca 4. Infopark Building „C”

Outsourced activities: Online system support and development

**60. In the case of UCITS, a description of the custodian's obligations, a description of any potential conflicts of interest, description of the tasks outsourced by the custodian and a statement that the UCITS fund manager will provide investors with the information detailed in point 53 and this point upon request.**

The Custodian shall act in a fair manner, on high professional level, independently and keeping the interests of the Fund's investors in mind. Obligations of the Custodian are described in Section 5.3. of these Fund Rules. The Custodian is not allowed to perform for the Fund activities that may result in



conflict of interest between the Fund, its investors, the Fund Manager or the Custodian itself, except, if the Custodian separates its activities as custodian from other - potentially conflicting - activities from operational and hierarchical points of view, reveals, manages and tracks its potential incompatibility, while disclosing it to the investors of the Fund.

Pursuant to the custody agreement, the custodian may outsource certain tasks to third parties if the conditions specified in the Kbftv are met. The Custodian's liability is not affected by the fact that it has delegated certain custody functions concerning the Fund's assets to a third party.

The Fund Manager shall make the information detailed in Clauses 53 and 60 of these Fund Rules and in Section 8 of the Fund Prospectus available to investors by publishing the Fund Rules and the Prospectus.

## Annex I

### Template pre-contractual 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. Financial products are classified according to the **EU Taxonomy** as 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.

**Product name:** VIG SocialTrend ESG Equity Investment Fund  
**Legal entity identifier:** 8755007MH190DOXDGIG10

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**   **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



#### What environmental and/or social characteristics are promoted by this financial product?

The investment fund aims to create a stock fund that can capitalize on long-term demographic changes and associated shifts in consumer behavior. The Fund seeks long-term capital growth through investments in global companies that can benefit from population growth and aging, societal and economic changes related to a healthy lifestyle, urbanization, the expansion of the emerging middle class, and global economic processes resulting from social changes and variable consumption habits driven by demographic shifts.

The fund's objective is to promote social factors, with no involvement in environmental promotion. Regarding demographic changes, supporting companies in the healthcare and social services sector can contribute to improving healthcare and increasing societal well-being. Furthermore, investing in companies that respond to trends related to demographic changes (e.g., healthcare technologies) can contribute to promoting innovation. The expansion of the emerging middle class and leveraging global economic trends can contribute to economic development and an improvement in living standards in developing countries. Focusing on urbanization may also facilitate infrastructure development and enhance the quality of urban life.

#### What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Fund is an SFDR Article 8 fund, and thus has no sustainability objective. Accordingly, the filters and metrics of the 'negative' screening are used to measure the extent to which certain environmental and social characteristics promoted by the financial product are being achieved.

- Measuring the principal adverse impacts on sustainability factors (PAI indicators):** In accordance with the applicable regulations, we measure and disclose the 14 mandatory PAI indicators for the Fund and use these as the basis for setting our sustainability indicators. We use metrics such as GHG emission levels (Scope 1, 2, 3 and total); carbon footprint; the share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources; the share of investments in

Sustainability indicators measure the extent to which the environmental or social characteristics promoted by a financial product are successfully achieved.

companies in the fossil fuel sector and the share of water emissions from investee companies in tonnes per million EUR invested, expressed as a weighted average.

Also, particular attention is paid to violations of UN Global Compact principles (PAI 10), involvement in controversial weapons manufacture (PAI 14), exposure to companies active in the fossil fuel sector (PAI 4) and companies involved in the tobacco industry.

- **ESG rating:** In general, environmental and social characteristics are measured by the aggregate ESG indicator. We use MSCI's ESG provider ratings, whose methodology takes into account environmental, social and governance factors together and weighted. Its approach takes into account the various environmental and social characteristics, with different weightings for each industry. Scale of rating: AAA, AA, (leaders), A, BBB, BB (average) and B and CCC (laggards). The Fund does not directly invest in CCC-rated companies and aims to achieve a higher overall ESG rating, but at least an A rating on a quarterly average at the Fund level.

**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, anti-corruption and anti-bribery matters.

• **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?** The Fund has no sustainable investment objective.

• **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

While the Fund does not have a minimum share undertaken of investments with sustainable objectives, it does not exclude the possibility of holding such assets. If these assets are classified sustainable according to its internal methodology, it follows the 'do no significant harm' (DNSH) approach as detailed in the EU Taxonomy. The essence of these principles is that none of the environmental objectives is seriously compromised, thereby ensuring that no significant harm is caused to the environment.

**How have the indicators for adverse impacts on sustainability factors been taken into account?** Not applicable.

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:** These are not taken into account by the Fund.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is 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.*



### Does this financial product consider principal adverse impacts on sustainability factors?



Yes,

The Fund applies the following steps to promote environmental and social characteristics:

**Industry indicators and indicators established along value-based exclusion principles:** according to the exclusion principles applied by the Fund, the portfolio 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.

**Consideration of PAI indicators via ESG rating:** The principal adverse impact indicators (PAIs) can be used to measure the sustainability factors that can have a potential negative effect on the investments. The Fund Managers considers these indicators as risk factors, integrating them into its investment decisions via the ESG rating. In order to interpret the specific PAI indicators, they have to be put in the appropriate context, and the relevant index numbers – which may differ for each industrial sector – also have to be considered. Because of this, the MSCI ESG methodology takes into consideration the measurement of the major adverse impacts jointly with additional environmental, social and corporate governance factors, in a weighted manner, aggregating the above data in the ESG rating. In the course of the management of the Fund, the Fund Manager – in addition to complying with the principles of exclusion – takes the MSCI ESG rating into account.

The consideration of the principal adverse impacts on sustainability factors is built into the investment practice on two levels:

1. Exclusion list: The Fund fully complies with the exclusion list set by the Fund Manager. This means that the Fund Manager does not invest in severely harmful industries that have PAI indicators that can be considered to be negative. This includes companies having significant heating coal exposure, companies engaged in the manufacture and sale of disputed weapons, tobacco companies, and companies that severely violate the UN Global Compact. The Fund Manager's exclusion principles prescribe the threshold values of exposures in industries resulting in exclusion, which exclusion principles are detailed in the Responsible Investment and Sustainability Policy. The extracted version of this Policy is available via the following link: <https://www.vigam.hu/en/sustainability/#general-disclosures> With regard to sovereign issuers, the state bonds of countries violating the UN Global Compact can be considered among the issuers defined in the exclusion policy.

The application of the exclusion list ensures that in its investment decisions, the Fund Manager takes into account the following PAI indicators:

- Among the climate and other environment-related indicators:
    - PAI 4. Exposure to companies active in the fossil fuel sector
  - Among the indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters:
    - PAI 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
    - PAI 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
2. Consideration of PAI indicators: The Fund Manager monitors the PAI indicators for individual companies, individual ETFs and the portfolio as a whole and incorporates its findings into the decision-making process. In its methodology, it relies on factual data but may also take into account estimated figures. The Fund Manager accesses data through external data providers, relying mainly on the MSCI ESG Manager platform at the time of the Fund's inception, but reserves the right to replace it with other providers at its discretion.

In accordance with the relevant legal provisions, the Fund Manager provides information regarding the development of the PAI indicators in its interim report.

The information referred to in Article 11(1) of EU Regulation 2019/2028 is published in the annual report referred to in Article 69 of Directive 2009/65/EC.

No

#### What investment strategy does this financial product follow?

The purpose of the investment fund is to create an equity fund that seeks to benefit from innovation in various industries. The Fund aims to achieve long-term capital growth by investing in global companies that are at the forefront of the use of disruptive technologies and can thus play a leading role in their industries. Disruptive technology refers to innovations or developments that significantly change or disrupt existing industries, business models, products or services.

The Fund aims to achieve its objectives through equity-type instruments, primarily exchange-traded funds (ETFs), equities and open-ended public investment funds. The Fund takes a forward-looking approach and actively seeks companies in industries that show potential for growth through technological innovation. Investments are made in companies that have strong fundamentals and are capable of long-term value creation and achieving competitive advantage through innovation. The investment philosophy is based on the belief that innovation is a key driver of long-term business success and shareholder value. Trends related to technological innovation are long-term processes that extend beyond normal economic cycles and are generally global and affect the entire world. Consequently, the Fund is not subject to any geographical restrictions. Since the Fund aims to profit from long-term growth and has significant exposure to the equity market, we recommend the Fund to investors who want to invest in the longer term and have a relatively high willingness to take risk.

Sustainability considerations are integrated into the investment decision-making process of VIG InnovationTrend Equity Investment Fund in multiple stages, as explained in more detail in the following sections.

#### What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

Sustainability considerations are integrated into the investment decision-making process of VIG InnovationTrend Equity Investment Fund in multiple stages.

- 1) The investment objective of the fund is to create an equity fund that seeks to benefit from innovation in various industries. Consequently, the investment universe is composed of equities of companies that are at the forefront of the application of disruptive technologies and can thus play a leading role in their respective industries. Disruptive technology refers to innovations or developments that significantly change or disrupt existing industries, business models, products or services. Such trends include, for example, big data (artificial intelligence, cyber security, quantum computers), e-mobility (electric cars and related battery technologies), digitisation and related entertainment (metaverse, e-sports) and, last but not least, fintech and robotics industry breakthroughs.
- 2) This narrower universe is further narrowed down by the exclusion principles applied by the Fund Manager (as set out in the exclusion list for SFDR 8 funds), so that the Fund does not invest in companies and issuers with significant exposure to activities that could be considered harmful to the environment or society as a whole, nor does it invest in companies whose activities are considered harmful by international standards.
- 3) In managing the Fund, the Fund Manager takes the MSCI ESG rating into account, in addition to complying with the exclusion principles, and thus only direct individual equity investments that have strong fundamentals and are considered suitable for investment from an ESG perspective are included in the portfolio.
- 4) As part of the risk management process, the sustainability risks are considered together with other investment risks in relation to the level of expected returns and their sustainability.



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

- The Fund applies the exclusion list for SFDR 8 funds as defined by VIG Befektetési Alapkezelő Magyarország Zrt.
- The Fund does not directly invest in CCC-rated companies and aims to achieve a higher overall ESG rating, but at least an A rating on a quarterly average at the Fund level.
- The Fund limits the proportion of exposure to companies without an ESG rating within the portfolio to 20%.
- The Fund does not invest directly in companies with an MSCI ESG Manager Controversies Score of 0 (controversies concerning the potential negative environmental, social, and/or governance impact). The Fund Manager reserves the right to replace the MSCI ESG Manager platform with another provider at its discretion in the future.

● **What is the policy to assess good governance practices of the investee companies?**

The Fund will not hold the securities of any issuer that does not comply with good corporate governance practices. The Fund Manager will assess compliance with the good corporate governance requirement on the basis of the 'G' (Governance) factor of the ESG score, provided by the MSCI ESG Manager for each issuer. The Fund Manager reserves the right to replace the MSCI ESG Manager platform with another provider at its discretion in the future.



**What is the asset allocation planned for this financial product?** In respect of the highest and lowest share of specific portfolio elements, the Fund applies the limits set out in currently effective legal provisions; thus, in particular, in Government Decree No. 78/2014. (III.14.), and does not undertake limitations that are more stringent by comparison. Section 14 of the Management Regulations sets out the possible weight of the various assets.

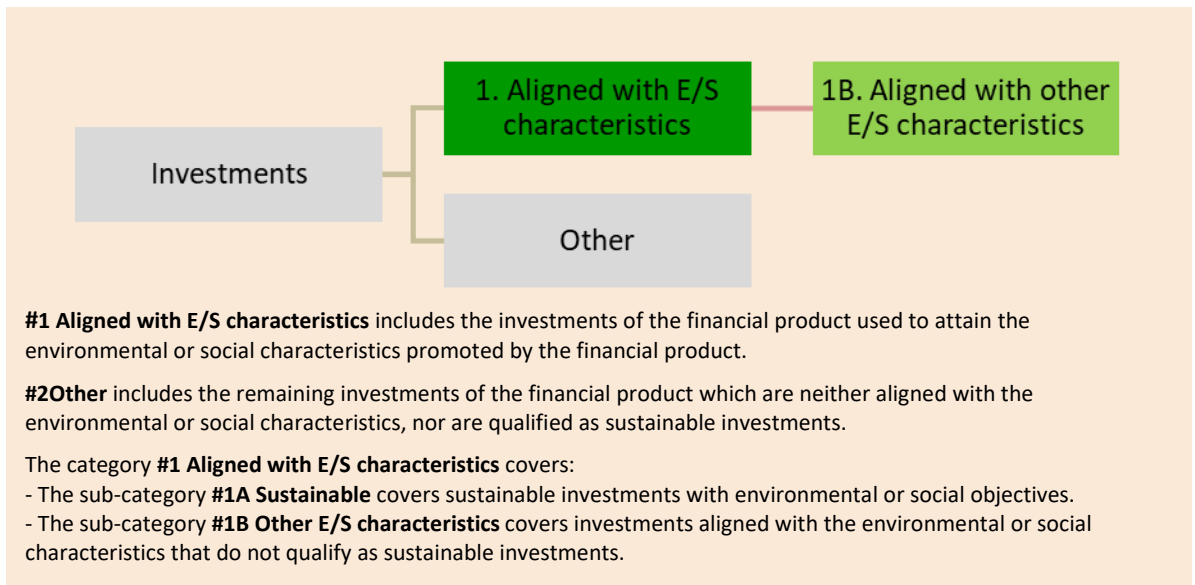
**Asset allocation** describes the share of investments in specific assets.

**How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Fund holds no derivatives that serve to attain environmental or social characteristics.

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



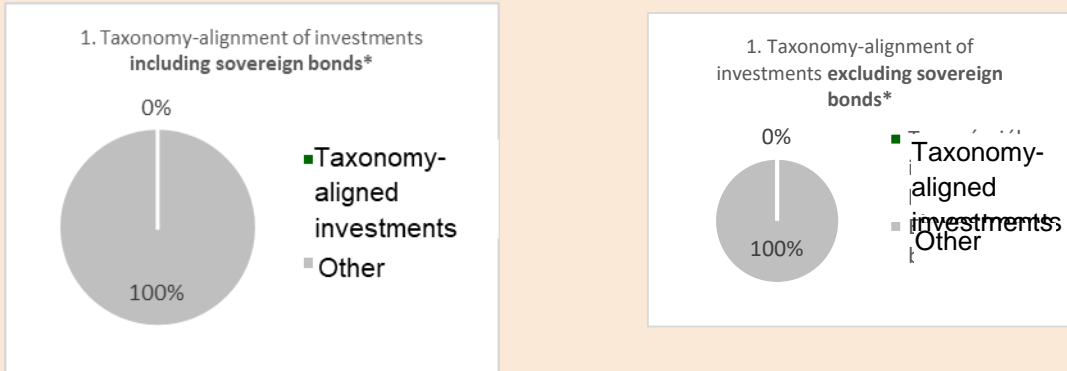
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Investments with an environmental objective are not aligned with the EU Taxonomy.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

- Yes:
- No

The two graphs below show in green the minimum 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 is the minimum share of investments in transitional and enabling activities?

The Fund has no minimum share undertaken in respect of investments in transitional and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** The Fund has no minimum share undertaken in respect of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?** The Fund has no minimum share undertaken in respect of socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Financial assets, money market instruments are included under “#2 Other”, for which environmental and social characteristics are not considered relevant. The primary objective of these assets is to ensure the liquidity of the Fund. This includes shares of companies that are not rated by ESG research houses and in respect of which we are unable to verify – even based on the Fund Manager's internal analysis, mainly due to a lack of data – that they are clearly investments promoting environmental and social aspects. This exposure can be no more than 20% in the share register. This also includes the part of the bond register that has no green rating. This can be no more than 50% of the bond register.

Sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

The Fund has no designated index.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The Fund has no benchmark index.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

The Fund has no benchmark index.

- ***How does the designated index differ from a relevant broad market index?***

The Fund has no benchmark index.

- ***Where can the methodology used for the calculation of the designated index be found?***

The Fund has no benchmark index.

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



**Where can I find more product specific information online?**

More product-specific information can be found on the website: <https://www.vigam.hu/en/sustainability/>





## Annex II

Argentina	India	Pakistan (Karachi)
Australia	Indonesia (Jakarta)	Panama (Panama city)
Austria (Vienna)	Iran	Paraguay (Asuncion)
Bahrain	Ireland	Peru (Lima)
Bangladesh (Dhaka)	Ireland (Dublin)	Philippines
Barbados	Israel (Tel Aviv)	Poland (Warsaw)
Belgium (Brussels)	Italy (Milan)	Portugal
Belgrade Stock Exchange	Ivory Coast (Abidjan)	Romania
Bermuda (Hamilton)	Jamaica (Kingston)	Russia
Botswana (Gaborone)	Japan	Seaq intl (London intl)
Brasil (Sao Paulo)	Jordan (Amman)	Singapore
Bulgaria	Canada	Six Swiss Exchange
Cayman	Kazakhstan Stock Exchange	Slovakia (Bratislava)
CBT_Chicago Board of Trade	Kenya (Nairobi)	Slovenia (Ljubljana)
Chicago Board Options Exchange	Korea (Seoul)	South Africa (Johannesburg)
Chile	Kuwait	Spain (Madrid)
China	Latvia	Sri Lanka (Colombo)
CME-Chicago Mercantile Exchange	Lebanon	Swaziland
CMX-Commodity Exchange	LIF-LIFFE	Sweden (Stockholm)
Colombia (Bogota)	Lithuania	Switzerland
Costa Rica (San Jose)	Luxembourg	Taiwan (Taipei)
Croatia	Malawi	Thailand (Bangkok)
Cyprus	Malaysia (Kuala Lumpur)	Trinidad (Port of Spain)
Czech Republic (Prague)	Malta (Valetta)	Tunisia (Tunis)
Denmark (Copenhagen)	Mauritius (Port Louis)	Turkey (Istanbul)
Easdaq	Mesdaq	Uae
Ecuador	Mexico	Ukrainian Stock Exchange
Egypt	MFM- MEFF Renta Variable	United Kingdom (London)
EOP - Euronext Derivatives Paris	Micex main	United States
Estonia	Morocco (Casablanca)	Uruguay (Montevideo)
Euro mn	Namibia (Windhoek)	Venezuela (Caracas)
EUX-Eurex	NASDAQ Capital Market	XETRA
Finland (Helsinki)	Netherlands (Amsterdam)	Zambia
FNX-ICE futures US Currencies	New Zealand (Nzse)	Zimbabwe (Harare)
France (Paris)	Nigeria (Lagos)	
Germany	Norway (Oslo)	
Ghana (Accra)	NYF-ICE Futures US Indices	
Greece (Athens)	NYM - New York Mercantile	
Hong Kong	Exchange	
Hungary (Budapest)	Offshore funds	
ICE-ICE Futures Europe	Omon	
<b>ICF-ICE Futures Europe Financials</b>	<b>OSE-OSAKA Exchange</b>	
	P) ATHEX	(P) BVB Group
	(P) Australian Securities Exchange Limited	(P) CBOE Parent
	(P) BATS Exchange	(P) Chi-X
	(P) BM&FBOVESPA	(P) CME Group
	(P) Bolsas y Mercados Espanoles	(P) Deutsche Borse
		(P) Hanoi Exchange

(P) Hong Kong Exchange (HKEx)	Beirut Stock Exchange	Dusseldorf Stock Exchange
(P) ICE Exchange	Belgrade Stock Exchange	Eastern Caribbean Securities Exchange
(P) JSE Ltd	Berlin Stock Exchange	EDGA Exchange
(P) Korea Exchange	Bermuda Stock Exchange	EDGX Exchange
(P) London Stock Exchange Group	Berne Stock Exchange	Egyptian Exchange
(P) MTS Group	Bilbao Stock Exchange	Electronic Futures Exchange (ELX)
(P) NASDAQ OMX	BlueNext	Energy Exchange Austria
(P) Nordic Derivatives Exchange	Bolsa de Comercio de Buenos Aires	Equiduct Trading
(P) NY SE Euronext	Bolsa de Comercio de Santiago de Chile	Eris Exchange
(P) NYSE Liffe	Bolsa De Valores De Caracas Bolsa de Valores de Colombia	Ethiopia Commodity Exchange Eurex
(P) NYSE-Arca-Amex	Bolsa de Valores de Quito	Euro Global MTS Euro MTF
(P) NYSE-Euronext-Liffe	Bolsa Electronica de Chile	EuroCredit MTS EuroMTS
(P) OLSO BORS ASA	Bolsa Electronica de Valores de Uruguay	European Climate Exchange European Energy Exchange
(P) RTS Exchange	Bolsa Nacional de Valores Costa Rica	European Warrant Exchange EuroTLX
(P) SIX Group	Borsa Italiana	FINRA ADF First North Copenhagen
(P) TMX Group	Boston Options Exchange	First North Helsinki First North Iceland
(P) TSE Group	Botswana Stock Exchange	First North Stockholm Fish Pool
(P) TSX Venture	Bourse Regionale des Valeurs Mobilieres	ASA Frankfurt Stock Exchange
(P) Wiener Borse	BOVESPA	Fukuoka Stock Exchange
*Dhaka Stock Exchange	Bratislava Stock Exchange	Georgia Stock Exchange
*Douala Stock Exchange	Brazilian Mercantile and Futures Exchange	Gestore del Mercato Elettrico Ghana Stock Exchange
*Iraq Stock Exchange	India	Global Board of Trade Green Exchange
Abu Dhabi Securities Exchange	Bucharest Stock Exchange	GreTai Securities Market
ACE Commodities and Derivatives Exchange of India	Budapest Stock Exchange	Enterprise Market GXG Markets
Agricultural Futures Exchange of Thailand	Buenos Aires Mercado De Valores	Hamburg Stock Exchange
AIAF Mercado De Renta Fija Aktie Torget	Bulgarian Stock Exchange	Hanoi Stock Exchange
Alpha Trading Systems	Burgundy Bursa Malaysia	Hanoi UPCOM
Alpha Venture	C2 Options Exchange	Hanover Stock Exchange
Alternate Investment Market	Canadian National Stock Exchange	Hi-MTF
Amman Stock Exchange	Cape Verde Stock Exchange	Ho Chi Minh Stock Exchange
APX Power NL	Casablanca Stock Exchange	Hong Kong Futures Exchange
APX Power UK	Cayman Islands Stock Exchange	Hong Kong Mercantile Exchange
APX-ENDEX	CBOE Futures Exchange	Hong Kong Stock Exchange
ASX 24 (formerly Sydney Futures Exchange)	CBOE Stock Exchange	ICE Futures Canada
ASX PureMatch Athens Derivatives Exchange	Channel Islands Stock Exchange	ICE Futures Europe
Athens Exchange Alternative Market	Chi-X	ICE Futures US
Athens Stock Exchange	Australia Chi-X	Indian Commodity Exchange
Australian Securities Exchange	Canada	Indonesia Commodity and Derivatives Exchange
Bahamas International Securities Exchange	Chi-X Europe	Indonesia Stock Exchange
Bahrain Bourse	Chi-X Japan	Instinet
Bahrain Financial Exchange	Chicago Board of Trade	Canada Cross International
Baku Stock Exchange	Chicago Board Options Exchange	Martime Exchange
Baltic Exchange	Chicago Climate Futures Exchange	International Securities Exchange
Banja Luka Stock Exchange	Chicago Mercantile Exchange	Irish Stock Exchange
Barbados Stock Exchange	Chicago Stock Exchange	Istanbul Stock Exchange
Barcelona Stock Exchange	China Financial Futures Exchange	Japan Securities Dealers Association
BATS Exchange Options Market	Clearing Corporation of India	JASDAQ
BATS Trading Europe	CME Globex	Johannesburg Stock Exchange
Bats Trading US	Colombo Stock Exchange	Kansai Commodity Exchange
BATS Y Exchange	COMEX	Kansas City Board Of Trade
	Continuous Market (SIBE)	Karachi Stock Exchange
	Cyprus Stock Exchange	Kazakhstan Stock Exchange
	Dalian Commodity Exchange	Korea Freeboard
	Damascus Securities Exchange	Korean Futures Exchange
	Dar Es Salaam Stock Exchange	KOSDAQ
	Deutsche Boerse Stock Exchange	KOSPI Stock Market
	Dubai Financial Market	Kuwait Stock Exchange
	Dubai Gold and Commodities Exchange	Lao Securities Exchange
	Dubai Mercantile Exchange	Lima Stock Exchange
		Liquidnet Canada

Ljubljana Stock Exchange London  
 Bullion Market London International  
 London Metal Exchange London Stock  
 Exchange Lusaka Stock Exchange  
 Luxembourg Stock Exchange  
 Macedonian Stock Exchange Madrid  
 Stock Exchange Malawi Stock  
 Exchange Malta Stock Exchange Markit  
 BOAT Mauritius Stock Exchange  
 MBNK - Interregional Stock  
 Exchange of Oil  
 and Gas Industry  
 MEFF Rent Variable  
 Mercado a Termino de Buenos Aires  
 Mercado Abierto Electronico  
 Mercado De Valores Mendoza  
 MEXDER Exchange  
 Mexico Stock Exchange  
 MFAO Olive Oil Exchange  
 MICEX  
 Minneapolis Grain Exchange  
 Moldova Stock Exchange  
 Mongolian Stock Exchange  
 Montenegro Stock Exchange  
 Montreal Climate Exchange  
 Montreal Exchange  
 MTS Austria  
 MTS Belgium  
 MTS Czech Republic  
 MTS Denmark  
 MTS Finland  
 MTS France  
 MTS Germany  
 MTS Greece  
 MTS Ireland  
 MTS Israel  
 MTS Italy  
 MTS Netherlands  
 MTS Portugal  
 MTS Slovenia  
 MTS Spain  
 Multi Commodities Stock Exchange  
 Multi Commodity Exchange of India  
 Munich Stock Exchange Muscat  
 Securities Market N2EX UK Power  
 Market Nagoya Stock Exchange  
 Nairobi Securities Exchange Namibian  
 Stock Exchange NASDAQ Capital  
 Market NASDAQ Dubai NASDAQ  
 Global Market NASDAQ Global Select  
 NASDAQ InterMarket NASDAQ  
 OMX Armenia NASDAQ OMX BX  
 NASDAQ OMX Commodities  
 Exchange  
 NASDAQ OMX Copenhagen  
 NASDAQ OMX Futures Exchange  
 NASDAQ OMX Helsinki NASDAQ  
 OMX Iceland NASDAQ OMX PHLX  
 NASDAQ OMX PSX NASDAQ OMX  
 Riga  
 NASDAQ OMX Stockholm NASDAQ  
 OMX Tallinn NASDAQ OMX Vilnius  
 NASDAQ Options Market NASDAQ  
 OTC  
 National Commodity and Derivatives  
 Exchange India  
 National Spot Exchange of India  
 National Stock Exchange National  
 Stock Exchange of Australia National  
 Stock Exchange of India New EuroMTS  
 New York Mercantile Exchange New  
 York Stock Exchange New Zealand  
 Exchange NEX  
 Nicaragua Bolsa Valores Nigerian  
 Stock Exchange Nile Stock Exchange  
 Nord Pool Spot  
 Nordic Derivatives Exchange Finland  
 Nordic Derivatives Exchange Sweden  
 Nordic Growth Market  
 Norwegian OTC Market  
 NYSE AMEX  
 NYSE Arca  
 NY SE Arca Europe  
 NYSE BondMatch  
 NYSE Euronext Amsterdam  
 NYSE Euronext Brussels  
 NYSE Euronext Lisbon  
 NY SE Euronext Paris  
 NY SE Liffe Amsterdam  
 NYSE Liffe Brussels  
 NYSE Liffe Lisbon  
 NYSE Liffe London  
 NYSE Liffe Paris  
 NYSE Liffe US  
 Omega ATS  
 OMEL Mercado de Electricidad OMIP  
 Operador De Mercado Iberico De  
 Energia One Chicago  
 Osaka Securities Exchange OSLO  
 AXESS OSLO BORS OTC Bulletin  
 Board OTC Markets  
 Pakistan Mercantile Exchange  
 Palestine Securities Exchange  
 Panama Stock Exchange  
 PEX Private Exchange PFTS Stock  
 Exchange Philippine Stock Exchange  
 PLUS Markets Polish Power Exchange  
 Port Moresby Stock Exchange Power  
 Exchange Central Europe Power  
 Exchange India Limited Powernext  
 Prague Stock Exchange PURE Trading  
 Qatar Exchange Quote MTF RASDAQ  
 Market Ringgit Bond Market Rosario  
 Futures Exchange Russian Trading  
 System Rwanda Stock Exchange  
 Sapporo Securities Exchange Sarajevo  
 Stock Exchange Saudi Arabian Stock  
 Exchange SBI Japannext Scoach  
 Switzerland Shanghai Futures Exchange  
 Shanghai Gold Exchange Shanghai  
 Stock Exchange  
 SharesPost Market Shenzhen Stock  
 Exchange Sibiu Monetary Financial  
 and Commodities Exchange Sigma X  
 ATS SIGMA X MTF SIM VSE  
 Singapore Exchange  
 Singapore Mercantile Exchange  
 SIX Swiss Exchange  
 SIX Swiss Exchange Europe  
 Slovak Power Exchange  
 South African Futures Exchange  
 South Pacific Stock Exchange  
 St. Petersburg International  
 Mercantile  
 Exchange  
 St. Petersburg Stock Exchange  
 Stuttgart Stock Exchange  
 Swaziland Stock Exchange T  
 aiwan Futures Exchange T  
 aiwan Stock Exchange T el  
 Aviv Stock Exchange Thailand  
 Futures Exchange The Stock  
 Exchange of Thailand T irana  
 Stock Exchange  
 TMX Select  
 Tokyo AIM  
 Tokyo Commodity Exchange  
 Tokyo Financial Exchange  
 Tokyo Grain Exchange Tokyo  
 Stock Exchange TOM MTF  
 Toronto Stock Exchange  
 TriAct Canada  
 Trinidad and Tobago Stock Exchange  
 TSX Venture Exchange Tunis Stock  
 Exchange Turkish Derivatives Exchange  
 Turquoise  
 Uganda Securities Exchange  
 Ukrainian Stock Exchange  
 United Stock Exchange  
 Valencia Stock Exchange  
 Vienna Stock Exchange  
 Warsaw Stock Exchange  
 XETRA  
 XETRA International Market Zagreb  
 Stock Exchange Zhengzhou Commodity  
 Exchange Zimbabwe Stock Exchange