

INVESTMENT POLICY OF THE FUND

The aim of the Fund is to share in the performance of companies benefiting from the growth of developing economies, through share price increases or dividend payments of listed companies, either directly (through investments in individual stocks) or indirectly (through ETFs or mutual Funds), while taking environmental, social and governance (ESG) criteria into account. The Fund does not directly invest in shares of Chinese companies within the emerging market universe. The geographical distribution is partly determined by the MSCI Emerging Markets Ex China Index, in which, besides a significant Asian (ex China) focus, European and Latin American companies are also heavily represented, and partly by the MSCI World with Emerging Markets (EM) Exposure Index, in which American and European companies represent the greatest weight. The use of stock and index futures is permitted in order to hedge and effectively build the Fund's portfolio. In selecting the stocks, the Fund pays special attention to the ESG compliance of individual companies; therefore, besides analysing financial factors, portfolio managers also consider environmental, social and governance factors in the investment decision process. The Fund Manager seeks to build a portfolio in which the positive ESG characteristics of companies prevail, i.e. companies with high ESG scores are overrepresented in the portfolio as compared to companies with low ESG scores.

The environmental criterion covers the elements where a business interacts with the environment. This includes, for example, the energy usage, waste management, and emission of pollutants of corporations, as well as the preservation of natural resources. Social criteria include all relations of a corporation with external partners, customers and internal employees. Corporate governance criteria include the legal conditions affecting the reliable operation of a corporation.

Due to the strategy of the Fund, it may also invest in assets denominated in foreign currency. The Fund may hedge some or all of its foreign currency risk using forward currency positions against the target currency, i.e. the settlement currency of the benchmark (USD). The Fund Manager has a discretionary right to reduce the foreign currency risk of positions denominated in a currency other than the target currency, depending on market developments, by entering into hedge transactions. In addition, the use of equity and index futures is permitted in order to effectively build the Fund's portfolio. The Fund records its assets in Hungarian forint (HUF).

MARKET SUMMARY

In the US, inflation and unemployment remain the most important market indicators. At its May meeting, the US Federal Reserve left its key interest rate unchanged and Fed Chairman Jerome Powell said at the press conference that there was a high probability that there will be no more rate hikes in the future. Monthly unemployment data was weaker than expected, supporting the Fed chairman's decision, but year-on-year inflation did not fall. The question that has been asked repeatedly is what the Fed will do if inflation stabilizes at a higher than expected level but unemployment starts to rise, threatening a possible recession. The US national debt is increasing from month to month, so it would be in the interest of fiscal policy makers to keep the Fed funds rates low, thereby reducing the amount of interest paid on the debt, but if inflation does not fall and new rate cut cycle is initiated, the US economy could easily enter a stagflationary environment.

In Hungary, the Hungarian National Bank cut its key interest rate by a further 50 basis points to 7.25% in May. The decision was unanimous, with the bank's deputy governor, Barnabás Virág, saying that the key rate could fall to 6.75%-7.00% by mid-year if macroeconomic data remain favorable. However, inflation has started to rise again, albeit slightly, which will limit the National Bank's room for maneuver. The forint strengthened to a three-month high against the euro during the month, but started to weaken after the rate cut, approaching the 390 level by the end of the month.

The Fund returned 1% in May, in line with its benchmark. The Fund started the month underweight, but at the beginning of the month the improving technical picture led to an overweighting of the Fund, mainly through a rebalancing towards the major Asian countries (India, Taiwan, South Korea) and the CEE region, while maintaining an overweight in Turkey. On the other hand, the Fund remains underweight in Thailand, Malaysia and Indonesia. The neutral performance was due to the fact that while the Taiwan and Turkish positions performed well, the Korean overweight and the overall underweight at the beginning of the month hurt the performance. The Fund started the new month with an overweight against the benchmark.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	70% MSCI Emerging Markets ex China Net Return USD Index + 30% MSCI World with EM Exposure Net Total Return Index
ISIN code:	HU0000723671
Start:	06/16/2020
Currency:	PLN
Net Asset Value of the whole Fund:	19,209,246,784 HUF
Net Asset Value of P series:	14,776 PLN
Net Asset Value per unit:	1.136620 PLN

DISTRIBUTORS

ERSTE Group Bank AG Austria

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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ASSET ALLOCATION OF THE FUND

Asset	Weight
Collective securities	58.64 %
International equities	34.25 %
T-bills	2.68 %
Hungarian equities	1.54 %
Current account	2.86 %
Receivables	0.22 %
Liabilities	-0.19 %
Market value of open derivative positions	0.01 %
Total	100,00 %
Derivative products	9.99 %
Net corrected leverage	110.02 %

Assets with over 10% weight

Lyxor MSCI Emerging Markets Ex China UCITS ETF

RISK PROFILE

1	2	3	4	5	6	7
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← Lower risk Higher risk →

VIG Emerging Market ESG Equity Investment Fund

P series PLN MONTHLY report - 2024 MAY (made on: 05/31/2024)

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	6.39 %	7.01 %
From launch	3.29 %	5.68 %
1 month	0.02 %	0.23 %
3 months	1.57 %	2.68 %
2023	0.28 %	3.24 %
2022	-18.69 %	-15.48 %
2021	4.11 %	5.02 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 06/16/2020 - 05/31/2024



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	12.23 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	12.88 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	15.43 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	15.47 %
WAM (Weighted Average Maturity)	0.01 years
WAL (Weighted Average Life)	0.01 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Lyxor MSCI Emerging Markets Ex China UCITS ETF	investment note	Lyxor MSCI EM Ex China UCITS ETF	10.36 %
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF	7.01 %
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	6.66 %
Xtrackers MSCI Taiwan UCITS ET	investment note	Xtrackers MSCI Taiwan UCITS ETF	6.14 %
NVIDIA Corp	share	NVIDIA Corporation	5.96 %
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	5.49 %
iShares MSCI India UCITS ETF	investment note	iShares MSCI India UCITS ETF	4.77 %
iShares MSCI Emerging Markets ex China ETF	investment note	iShares MSCI Emerging Markets ex China ETF	4.24 %
Lyxor MSCI Brazil UCITS ETF	investment note	Lyxor MSCI Brazil UCITS ETF	4.24 %
S&P500 EMINI FUT Jun24 Buy	derivative	Raiffeisen Hun	06/21/2024 3.96 %

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbtv. requirements. It contains the following elements based on the last net asset value of the reporting month: presentation of the assets of the fund regarding asset type of portfolio investment and regarding other categories detailed in its investment policy; list of assets (issuers) representing more than 10% of the portfolio; net asset value of the fund, including the cumulated and the calculated value per unit share. Investors are kindly advised, that past performance of the fund does not guarantee future performance. The returns presented are to be considered without applicable taxes, distribution fees and commissions, fees related to account keeping and other costs in relation with holding an investment fund unit. Information presented in the Portfolio Report are for information purposes only, not intended to serve as investment advice, or any other offer. Investors are kindly advised to carefully read the Key Investors Document and Prospectus of the fund, in order to understand the risks of investing into the fund, and to be able to make an informed investor decision. The referred documents are available at the distribution locations and on the official website of VIG Fund Management Zrt. VIG Investment Fund Management Hungary | 1091 Budapest, Üllői út 1. | +36 1 477 4814 | alapkezelo@am.vig | www.vigam.hu