

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 January, markets were still trying to decide whether or not the economic scenario outlined by the Federal Reserve would materialize. Since last November, the Fed has been saying that the economy will be soft landing, despite a 5.25% interest rate and several macroeconomic data points pointing to a recession in the US economy. Investors who positive about the future are looking at how much AI will reform the US economy and what fundamental changes it will bring to the economy. But there are those who believe that the Fed has raised interest rates too high in an attempt to curb inflation and that a recession is inevitable. But if it starts to cut rates because of a potential recession and inflation starts to rise again, the Fed will be backed into a corner. In 2024, the Fed's decisions will be even more influenced by macro data and markets could be more volatile than usual.

The Hungarian National Bank cut its key rate by another 75 basis points to 10.00%. Inflation also continued to fall in November, to 5.5% according to KSH data, and could fall below 5% in January. In December, the National Bank had indicated that it could cut the key rate by up to 100 basis points, but it stuck to 75 basis points due to the weakening forint. Interestingly, after the lower-than-expected rate decision, the forint strengthened and traded below 385 against the euro at the end of the month.

The Fund returned around 2% in January, outperforming its benchmark by almost 1%. The Fund remained overweight during the month, mainly through regional stocks (Poland and Hungary) and Greece. Underweights were mainly in Thailand, Indonesia and Korea, although the Korean underweight was reduced towards the end of the month. The Fund's outperformance was mainly due to the strong performance of Greek and Hungarian equities, while the Korean underweight also contributed to relative performance. Early in the month the Fund realized profits on Polish equities, but returned to overweight in the second half of the month. The Fund also made a profit on the Greek position, halving the size of the overweight. The Fund started the month with a small overweight.

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:	HU0000729561
Start:	07/18/2022
Currency:	USD
Net Asset Value of the whole Fund:	15,964,369,218 HUF
Net Asset Value of UI series:	54,511 USD
Net Asset Value per unit:	1.105977 USD

DISTRIBUTORS

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	65.13 %
International equities	37.37 %
Hungarian equities	1.86 %
T-bills	1.08 %
Liabilities	-8.25 %
Current account	2.82 %
Receivables	0.01 %
Market value of open derivative positions	0.00 %
Total	100,00 %
Derivative products	7.92 %
Net corrected leverage	107.11 %

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

UI series USD MONTHLY report - 2024 JANUARY (made on: 01/31/2024)

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-0.58 %	-1.44 %
From launch	6.76 %	7.00 %
1 month	-0.58 %	-1.44 %
3 months	15.22 %	15.89 %
2023	13.55 %	15.48 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 07/18/2022 - 01/31/2024



— VIG Emerging Market ESG Equity Investment Fund UI series
— Benchmark

RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	16.32 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	16.66 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	17.78 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	17.78 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 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		11.64 %
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF		7.79 %
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF		7.47 %
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF		5.77 %
Xtrackers MSCI Taiwan UCITS ET	investment note	Xtrackers MSCI Taiwan UCITS ETF		5.21 %
Lyxor MSCI Brazil UCITS ETF	investment note	Lyxor MSCI Brazil UCITS ETF		4.48 %
iShares MSCI India UCITS ETF	investment note	iShares MSCI India UCITS ETF		4.00 %
S&P500 EMINI FUT Mar24 Buy	derivative	Raiffeisen Hun	03/15/2024	3.80 %
Apple Computer	share	Apple Computer Inc		3.37 %
NVIDIA Corp	share	NVIDIA Corporation		3.37 %

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