

VIG Emerging Market ESG Equity Investment Fund

UI series USD MONTHLY report - 2024 JULY (made on: 07/31/2024)

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 July, the US stock market experienced significant volatility. Stocks reached historic highs and then fell back, especially in the technology sector. A strong rotation unfolded, with investors buying winners from previous periods and selling laggards such as smaller capitalization stocks. The main reason for the correction in chipmakers was the new US sanctions imposed on exports to China in the middle of the month. On the macro front, inflation statistics came in better than expected, leading investors to believe a September rate cut as a possibility again. The more favorable inflation trajectory was also reflected in longer yields, with the yield on 10-year US Treasuries falling to around 4.21%. Highlights for Hungarian markets included the Hungarian National Bank's July interest rate decision, which resulted in a 25 basis point cut, as expected, leaving the Hungarian base rate at 6.75%. According to the HNB, the main influence on policymakers was the declining US interest rate expectations, but the June inflation figure of 3.7% was also lower than expected. According to the HNB, there could be another 1-2 rate cuts in 2024, meaning that the Hungarian base rate could fall to as low as 6.25%.

The Fund returned -0.2% during July, outperforming the benchmark index by almost 30 basis points. The Fund was slightly overweight for most of the month, but reduced its risk exposure to a neutral position towards the end of the month. The Fund's regional composition tended to detract from performance, as the largest underweights Thailand, Malaysia and Indonesia also outperformed during the period, while the Polish equity market underperformed, but individual stock selection helped to compensate, mainly due to overweights in Richter and Erste and underweights in several chipmakers. The Fund's regional composition remained broadly unchanged during the month and started August with a neutral position.

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:	22,381,737,302 HUF
Net Asset Value of UI series:	82,532 USD
Net Asset Value per unit:	1.263887 USD

DISTRIBUTORS

Concorde Securities Ltd.

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	59.24 %
International equities	31.52 %
T-bills	2.37 %
Hungarian equities	1.46 %
Receivables	3.91 %
Current account	3.83 %
Liabilities	-2.33 %
Market value of open derivative positions	0.00 %
Total	100.00 %
Derivative products	8.88 %
Net corrected leverage	108.80 %

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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← Higher risk

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NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	13.62 %	13.22 %
From launch	12.19 %	12.67 %
1 month	0.77 %	0.52 %
3 months	8.95 %	8.72 %
2023	13.55 %	15.48 %

NET PERFORMANCE OF THE SERIES

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



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	14.00 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	14.22 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	16.48 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	16.48 %
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	11.72 %
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	7.46 %
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF	7.25 %
S&P500 EMINI FUT Sep24 Buy	derivative	Raiffeisen Hun	09/20/2024 5.90 %
NVIDIA Corp	share	NVIDIA Corporation	4.68 %
iShares MSCI India UCITS ETF	investment note	iShares MSCI India UCITS ETF	4.62 %
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	4.41 %
Xtrackers MSCI Taiwan UCITS ET	investment note	Xtrackers MSCI Taiwan UCITS ETF	4.36 %
iShares MSCI Emerging Markets ex China ETF	investment note	iShares MSCI Emerging Markets ex China ETF	3.92 %
Lyxor MSCI Brazil UCITS ETF	investment note	Lyxor MSCI Brazil UCITS ETF	3.59 %

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 | alapkezelelo@am.vig | www.vigam.hu