

# VIG Alfa Absolute Return Investment Fund

U series USD MONTHLY report - 2024 OCTOBER (made on: 10/31/2024)

## INVESTMENT POLICY OF THE FUND

The aim of the fund is to achieve a substantial yield for investors by taking high risks and making active use of derivative positions. The Fund applies special investment strategies used by hedge funds to establish its strategy. The fund is willing to buy or sell all available investment instruments - domestic and foreign bonds (treasury bonds, discounted treasury bills, bonds issued by the National Bank of Hungary, as well as low-risk bank and corporate bonds expected to bring higher yields than the state securities) Equities and other securities, indices and currencies - provided it sees the opportunity to make substantial gains – up to the maximum limit allowed by the law, which allows double leverage for the Fund. In its investment decisionmaking mechanism, the Fund considers fundamental pricing, technical and behavioral psychological factors To ensure liquidity the Fund aims to hold government securities issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary.

## MARKET SUMMARY

The US economy was hit by several headwinds in October. Macro data during the month, such as productivity growth and the downward trend in inflation, confirmed the robustness of the US economy. Better-than-expected unemployment and services data led to a strengthening of the dollar, breaking the previous weakening trend. The overall economic picture is beginning to resemble the coveted soft-landing narrative, which should give rise to optimism in markets. The equity market was driven most by the semiconductor and artificial intelligence sectors, with smaller market capitalization companies tending to move sideways. Oil prices rose earlier in the month on fears of escalation in the Middle East and have since moderated. In the bond markets, yields rose to multi-month highs as both presidential candidates are expected to add to already high government debt. Investors are now mostly looking forward to the presidential election on November 5th, and the subsequent Fed rate decision, of which the outcome will strongly determine the economic outlook. Overall, the euro area economy is growing slowly but steadily, driven mainly by a recovery in external demand. The weakening of the euro against the dollar is also helping export-oriented European companies. Economic growth has been higher in the Central-Eastern European region and Southern Europe, while the German and Baltic economies have tended to stagnate. This disparity is due to different sectoral compositions, with Southern Europe helped by the tourism boom and Central and Eastern Europe by the general catching-up. In the Western region in particular, industrial production has declined, partly due to the global slowdown and high energy prices.

In October, Alfa Fund took advantage of the oversold regional equity and Hungarian bond markets in the run-up to the US presidential election to slightly increase its exposure to regional equities and start buying Hungarian government bonds at around 7% for the first time in a long time. However, we are more negative on the weakening of the forint than we are on the Hungarian equity and bond markets and have reopened a weakening position in the forint at around 400. We will keep our weighting in money market assets high in the coming period, but we do not rule out buying very cheap assets that become oversold in the event of high market volatility.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	Hurdle rate, annual 3.5%
ISIN code:	HU0000715990
Start:	03/17/2016
Currency:	USD
Net Asset Value of the whole Fund:	54,139,358,791 HUF
Net Asset Value of U series:	9,759,106 USD
Net Asset Value per unit:	1.311891 USD

## DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Conseq Investment Management, a.s., Equilor Befektetési Zrt, ERSTE Group Bank AG Austria, Erste Investment Plc., MBH Bank Nyrt., MBH Befektetési Bank Zrt, MKB Bank Nyrt. 0789, OTP Bank Nyrt., Raiffeisen Bank cPlc., SC Aegon ASIGURARI DE VIATA SA, UniCredit Bank Hungary cPlc., VIG Asset Management Hungary Plc.

## 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
Government bonds	32.66 %
Corporate bonds	25.54 %
International equities	7.60 %
Collective securities	6.77 %
Hungarian equities	6.49 %
Deposit	19.27 %
Current account	2.53 %
Liabilities	-1.41 %
Receivables	0.82 %
Market value of open derivative positions	-0.27 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	50.36 %
Net corrected leverage	101.59 %
<b>Assets with over 10% weight</b>	
ROMANI EUR 2033/09/18 6,375% (Romanian State)	

## RISK PROFILE

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

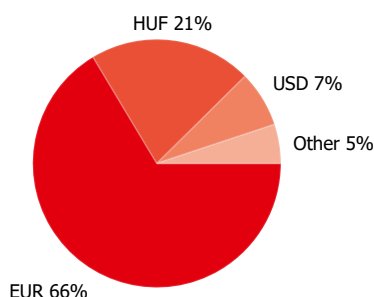
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## NET YIELD PERFORMANCE OF THE SERIES

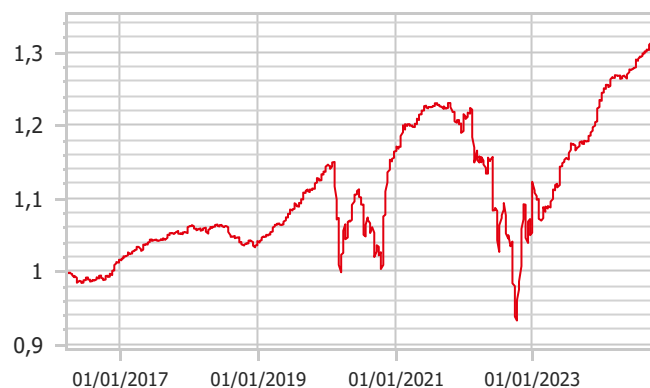
Interval	Yield of note	Benchmark yield
YTD	6.20 %	2.98 %
From launch	3.20 %	0.64 %
1 month	0.11 %	0.30 %
3 months	1.24 %	0.88 %
2023	17.25 %	0.00 %
2022	-11.40 %	0.90 %
2021	2.99 %	-0.60 %
2020	1.65 %	0.41 %
2019	9.74 %	0.23 %
2018	-1.66 %	0.31 %
2017	3.93 %	0.20 %

### Currency exposure:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 03/17/2016 - 10/31/2024



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	2.73 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.20 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	10.31 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	9.72 %
WAM (Weighted Average Maturity)	2.97 years
WAL (Weighted Average Life)	3.89 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
HUF deposit	deposit	ING Bank Hun	11/07/2024	18.47 %
ROMANI EUR 2033/09/18 6,375%	interest-bearing	Romanian State	09/18/2033	18.15 %
MNB241107	zero coupon	Hungarian National Bank Plc.	11/07/2024	9.04 %
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Closed-End Funds		5.08 %
ROMANI EUR 2029/09/27 6,625%	interest-bearing	Romanian State	09/27/2029	4.97 %
ROMANI EUR 2042/04/13 2,875%	interest-bearing	Romanian State	04/13/2042	4.08 %
EUR/HUF 25.02.05 Forward Sell	derivative	ING Bank Hun	02/05/2025	3.02 %
TVLRO 8 7/8 04/27/27	interest-bearing	Banca Transilvania SA	04/27/2027	2.75 %
NOVALJ 10,75% 11/28/32 visszahívható2027	interest-bearing	NOVA LJUBLJANSKA BANKA D.D.	11/28/2032	2.46 %
RAIFFEISEN	share	Raiffeisen Bank International AG		2.27 %

### 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