

# VIG MoneyMaxx Emerging Market Total Return Investment Fund

P series PLN MONTHLY report - 2023 OCTOBER (made on: 10/31/2023)

## INVESTMENT POLICY OF THE FUND

The aim of the Fund is to create an investment portfolio through asset allocation between and within asset classes that achieves annualised capital growth for investors higher than the benchmark over a 3-year time horizon. The Fund seeks investment opportunities primarily in emerging markets. In order to realise the investment objectives, the asset groups in the Fund's portfolio may be freely varied without having to adhere to any predetermined risk profile. The Fund is a "total return" fund, which can invest in several asset classes, i.e. instead of focusing on just one sub-sector of the money or capital market, it concentrates its investments within a combination of assets that promises the highest possible return at any given time. The Fund does not aim to track a fixed benchmark, nor does it adhere to a fixed equity-to-bond portfolio ratio, but seeks to vary this ratio within broad boundaries, with the composition of the portfolio changing dynamically in order to achieve the Fund's return target. The Fund's investments focus on emerging markets. The Fund primarily allocates its assets between emerging-market local currency government securities, hard currency government and corporate bonds, and equity markets, in accordance with the latest market expectations. The Fund may thus assume interest rate risk, currency risk, credit risk, as well as equity market risk. The Fund may take positions in other regions and markets (e.g. commodity markets) besides the emerging markets. The Fund hedges most of its currency positions, but it may also take open currency positions. In the interest of efficient portfolio design, the Fund may also assume forward and futures positions.

## MARKET SUMMARY

In October, the Hamas-Israel war caused oil prices to rise 10%, but as the chances of the war not turning into a wider Middle East crisis diminished, oil prices fell back to pre-conflict levels. The US Federal Reserve is still communicating a very tight monetary policy, but markets are becoming immune because the accepted view is that a recession will come sooner or later and then the Fed is expected to cut interest rates. Currently, bond markets are pricing in the first rate cut in May by next year, with an 80 basis point cut priced in for 2024. The Hungarian National Bank has decided to cut its base rate by 75 basis points in October, slowing from the previous 100 basis point rate cut. The decision came as some surprise as the consensus had expected only a 50 basis point cut. In the statement released, the MNB indicated that strong disinflation and the reduction in the country's vulnerabilities allow for a continuation of the normalization of monetary conditions by lowering the base rate, while rising external risks justify maintaining a cautious approach and continuing to cut interest rates at a slower pace than before. Vice-President Barnabas Virág said that the decision would be taken in a step-by-step, cautious and data-driven manner, depending on the factors affecting the inflation path and the evolution of the risk environment. The forint strengthened against the euro throughout October, but weakened slightly after the rate decision meeting.

The fund's return was negative in October, mainly weighed down by rising developed market yields. In October, despite the rise in yields, we further increased the fund's interest rate risk by buying French 30-year government bonds. We think it is only a matter of time before US data starts to deteriorate, which could open the way for a rise in developed market bonds. Equity weighting remains below average, although we sold part of our S&P500 put option held as a hedge during the increased market turbulence at the end of the month. We bought Polish equities in the pre-election sell-off wave and increased their weight further after the elections, hedged by selling Mexican equities.

## 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 4.4%
ISIN code:	HU0000712385
Start:	07/29/2013
Currency:	PLN
Net Asset Value of the whole Fund:	13,773,210,658 HUF
Net Asset Value of P series:	422,966 PLN
Net Asset Value per unit:	1.011505 PLN

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka, 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
Government bonds	39.81 %
Corporate bonds	19.74 %
T-bills	12.16 %
Collective securities	8.16 %
Hungarian equities	2.58 %
International equities	1.57 %
Current account	14.97 %
Market value of open derivative positions	1.05 %
Liabilities	-0.07 %
Receivables	0.05 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	119.08 %
Net corrected leverage	129.15 %

Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

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

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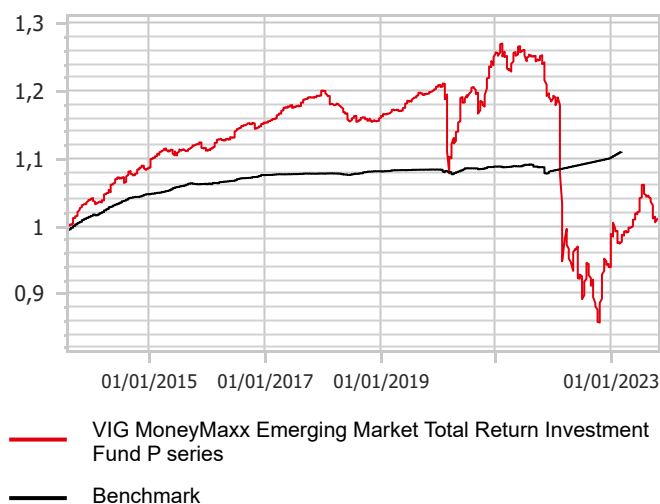


## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From launch	0.11 %	1.29 %
1 month	-1.14 %	0.39 %
3 months	-4.63 %	1.12 %
2022	-20.72 %	1.71 %
2021	-5.29 %	-0.60 %
2020	3.89 %	0.41 %
2019	4.12 %	0.23 %
2018	-3.06 %	0.31 %
2017	3.59 %	0.20 %
2016	3.27 %	1.22 %
2015	2.82 %	1.50 %
2014	4.39 %	3.31 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 07/29/2013 - 10/31/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	8.02 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.18 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	11.97 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	10.37 %
WAM (Weighted Average Maturity)	3.37 years
WAL (Weighted Average Life)	4.02 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Dec23 Buy	derivatív	Raiffeisen Hun	12/29/2023	14.69 %
EUR/HUF 23.12.05 Forward Sell	derivatív	ING Bank Hun	12/05/2023	11.11 %
PLN/HUF 23.12.13 Forward Sell	derivatív	Unicredit Hun	12/13/2023	10.61 %
MSCI EmgMkt Dec23 Buy	derivatív	Raiffeisen Hun	12/15/2023	5.74 %
USD/HUF 24.01.22 Forward Sell	derivatív	Unicredit Hun	01/22/2024	5.73 %
ROMGB 2036/04/28 4,25%	interest-bearing	Román Állam	04/28/2036	5.45 %
US 10YR NOTE (CBT)Dec23 Buy	derivatív	Raiffeisen Hun	12/19/2023	5.25 %
Magyar Államkötvény 2023/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2023	4.59 %
US LONG BOND(CBT) Dec23 Buy	derivatív	Raiffeisen Hun	12/19/2023	4.56 %
OTPHB 2,875 07/15/29 visszahívható 2024	interest-bearing	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	07/15/2024	4.40 %

## 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 | alapkezeslo@am.vig | www.vigam.hu