

# VIG MoneyMaxx Emerging Market Total Return Investment Fund

R series HUF MONTHLY report - 2023 NOVEMBER (made on: 11/30/2023)

## 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

Investors have turned their attention back to the economic data after the turbulence caused by the Hamas-Israel war. The most watched data, US core and headline inflation, gave cause for optimism as they came in lower than expected. The Fed's Open Market Committee ultimately left policy rates unchanged, as expected. In a press conference after the decision, Fed President Jerome Powell said that they were not yet backing down in the fight against inflation and did not rule out the possibility of a December rate hike, adding that the decision would be data dependent. Commentators said that overall he was trying to strike a tightening tone, but many in the market see the end of the tightening cycle. After that, the Fed made a number of statements. They highlighted the strong third quarter GDP growth to watch, they also acknowledged the slowdown in the labor market, which gave buyers of interest rate sensitive stocks another ammunition. The GDP data is the rear-view mirror, but looking ahead, the market is already increasingly believing in a rate cut, which would be a drastic, albeit not unprecedented, reversal of the Fed's monetary policy so far. The Hungarian National Bank cut its base rate by another 75 basis points to 11.50%. The good news is that inflation has, after a long period of time, dropped to single digits. MNB Vice President Barnabás Virág said inflation is moving towards the regional average, but the uncertain yield environment calls for a cautious monetary policy. Inflation is expected to fall below 7 percent by December and the cycle of interest rate cuts is expected to continue at the 75 basis point pace. By the end of the year, interest rates could fall below 11 percent, and even below 10 percent by next February.

In the Fund, we were mainly active in equity allocation during the month. We increased the proportion of S&P put options to take advantage of the fall in volatility. We remain bullish on Greek equities and increased its weight. In the bond book, we continue to hold high developed market interest rate risk, the market has started off with momentum, and the good performance should continue until the end of the year. During the month, the weight of our remaining Ukrainian bond exposure increased following capital withdrawals, which we corrected by selling.

## 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 9.5%
ISIN code:	HU0000712278
Start:	07/16/2013
Currency:	HUF
Net Asset Value of the whole Fund:	13,080,817,010 HUF
Net Asset Value of R series:	1,598,848,384 HUF
Net Asset Value per unit:	1.207637 HUF

## DISTRIBUTORS

Raiffeisen Bank 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	37.15 %
Corporate bonds	20.94 %
T-bills	11.19 %
Collective securities	10.01 %
Hungarian equities	2.94 %
International equities	1.81 %
Current account	13.86 %
Market value of open derivative positions	1.75 %
Receivables	0.65 %
Liabilities	-0.27 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	123.62 %
Net corrected leverage	131.69 %

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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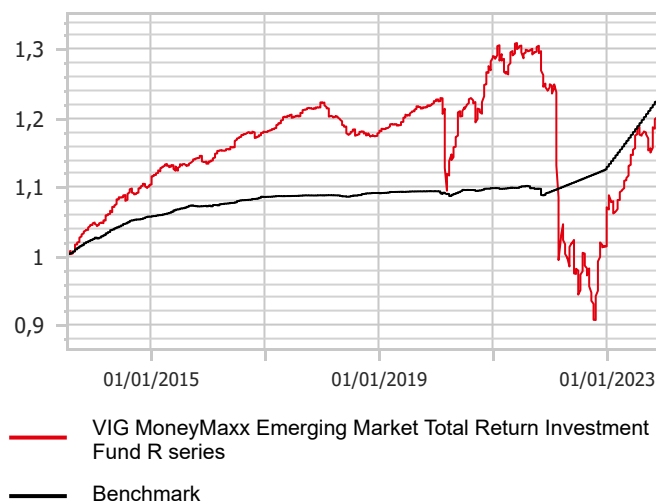


## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	19.17 %	9.11 %
From launch	1.84 %	2.00 %
1 month	3.94 %	0.78 %
3 months	1.81 %	2.40 %
2022	-18.26 %	3.04 %
2021	-3.32 %	-0.60 %
2020	4.93 %	0.41 %
2019	4.02 %	0.23 %
2018	-3.30 %	0.31 %
2017	3.08 %	0.20 %
2016	3.70 %	1.22 %
2015	3.25 %	1.50 %
2014	5.32 %	3.31 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 07/16/2013 - 11/30/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	7.20 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	0.35 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	12.14 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	10.56 %
WAM (Weighted Average Maturity)	3.50 years
WAL (Weighted Average Life)	4.27 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/28/2024	15.32 %
EUR/HUF 23.12.05 Forward Sell	derivative	ING Bank Hun	12/05/2023	11.61 %
PLN/HUF 23.12.13 Forward Sell	derivative	Unicredit Hun	12/13/2023	11.34 %
MSCI EmgMkt Dec23 Buy	derivative	Raiffeisen Hun	12/15/2023	6.29 %
USD/HUF 24.01.22 Forward Sell	derivative	Unicredit Hun	01/22/2024	5.84 %
ROMGB 2036/04/28 4,25%	interest-bearing	Romanian State	04/28/2036	5.77 %
US 10YR NOTE (CBT)Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.54 %
US LONG BOND(CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	4.95 %
OTPHB 2,875 07/15/29 visszahívható 2024	interest-bearing	National Building Society and Commercial Bank Plc. (OTP Bank Plc.)	07/15/2024	4.65 %
LONG GILT FUTURE Mar24 Buy	derivative	Raiffeisen Hun	03/26/2024	4.55 %

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