

# VIG MoneyMaxx Emerging Market Total Return Investment Fund

U series USD MONTHLY report - 2023 DECEMBER (made on: 12/31/2023)



## 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

The main event in December was the central bank's interest rate decision meeting. It is now accepted view that inflation has been contained and the year-on-year figure has been falling for months, but the big question was how the Fed would respond. At the post-meeting press briefing, investors got an answer to that question, wrapped in as a Christmas present. Based on Fed Chairman Jerome Powell's statements, investors can take it for granted that the cycle of rate hikes is over and the higher-for-longer principle on interest rates is also over. While the Chairman hinted that interest rate policy will continue to be determined by macro data, investors read between the lines that not only will there be no more rate hikes, but that there will be rate cuts in 2024. As a result, market participants have started to raise their target rates for next year. There are, of course, analysts who believe that early rate cuts are a throwback to the 1970s, when the Fed started cutting rates early and inflation started to rise again. The Hungarian National Bank cut its base rate by another 75 basis points to 10.75%, and inflation also fell further in November, now at 7.9%, and according to the Hungarian Central Statistical Office, it could fall below 7% in December. The only change in the MNB's communication was that they no longer consider it out of the question that they could cut rates by as much as 100 basis points next time. Vice President Barnabas Virág said that the rate cut would become data-dependent and that if justified, they would not rule out cutting rates by more than 75 basis points. Meanwhile, the forint remained relatively stable against the euro, it did not move significantly from around 380 level.

## 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 1.6%
ISIN code:	HU0000716022
Start:	03/17/2016
Currency:	USD
Net Asset Value of the whole Fund:	13,599,284,831 HUF
Net Asset Value of U series:	359,338 USD
Net Asset Value per unit:	0.934999 USD

## DISTRIBUTORS

CIB BANK ZRT, Equilor Befektetési Zrt, ERSTE Group Bank AG Austria, Erste Investment Plc., OTP Bank Nyrt., Raiffeisen Bank cPlc., 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	37.35 %
Corporate bonds	20.73 %
T-bills	9.94 %
Collective securities	9.85 %
Hungarian equities	3.04 %
International equities	1.85 %
Current account	16.29 %
Market value of open derivative positions	1.21 %
Liabilities	-0.28 %
Receivables	0.03 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	108.11 %
Net corrected leverage	128.35 %

### 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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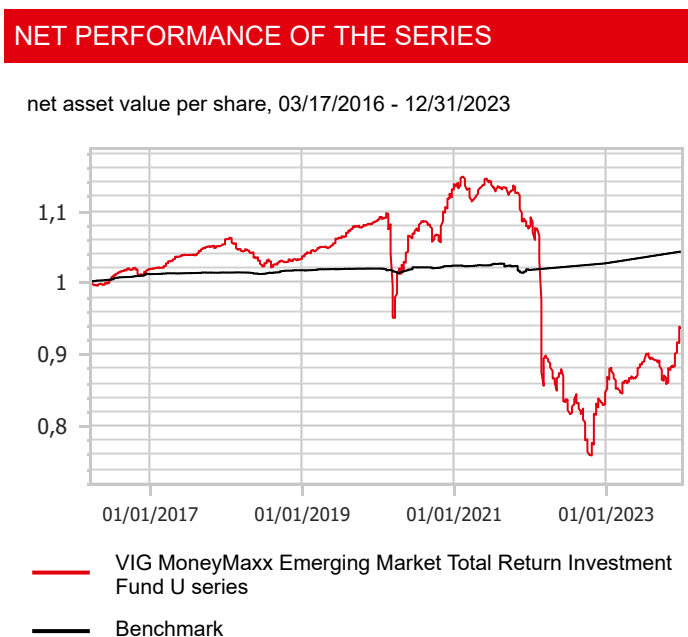
← Lower risk Higher risk →

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NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
YTD	13.24 %	1.61 %
From launch	-0.86 %	0.54 %
1 month	5.22 %	0.13 %
3 months	7.11 %	0.40 %
2023	13.24 %	1.61 %
2022	-23.17 %	0.90 %
2021	-4.83 %	-0.60 %
2020	4.03 %	0.41 %
2019	5.19 %	0.23 %
2018	-2.00 %	0.31 %
2017	3.52 %	0.20 %



### RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	7.01 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	0.04 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	11.54 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	10.23 %
WAM (Weighted Average Maturity)	3.51 years
WAL (Weighted Average Life)	4.30 years

### TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/28/2024	14.96 %
EUR/HUF 24.05.06 Forward Sell	derivative	ING Bank Hun	05/06/2024	11.26 %
MSCI EmgMkt Mar24 Buy	derivative	Raiffeisen Hun	03/15/2024	6.32 %
ROMGB 2036/04/28 4,25%	interest-bearing	Romanian State	04/28/2036	6.00 %
USD/HUF 24.01.22 Forward Sell	derivative	Unicredit Hun	01/22/2024	5.60 %
US 10YR NOTE (CBT)Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.46 %
US LONG BOND(CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.09 %
LONG GILT FUTURE Mar24 Buy	derivative	Raiffeisen Hun	03/26/2024	4.65 %
OTPHB 2,875 07/15/29 visszahívható 2024	interest-bearing	National Building Society and Commercial Bank Plc. (OTP Bank Plc.)	07/15/2024	4.55 %
2026H	interest-bearing	Government Debt Management Agency Pte. Ltd.	10/21/2026	4.33 %

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