

# VIG MoneyMaxx Emerging Market Total Return Investment Fund

C series CZK MONTHLY report - 2024 FEBRUARY (made on: 02/29/2024)



## 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 the US, the most important market event remains the Federal Reserve's interest rate meeting and the subsequent press conference. Investors will be trying to guess when the Fed will cut rates for the first time and how many rate cuts there will be in 2024. 2023 has ended with the idea that this year the economy will either land hard, meaning a recession, or soft, meaning the economy will slow but there will be no recession. At the rate-setting meeting, it was decided not to cut interest rates just yet as inflation is falling, but there are signs that inflation could rise again in the future. According to the central bank president, "it would be inappropriate to lower interest rates before there is greater certainty that inflation is on a sustainable path towards the 2% target".

The Hungarian National Bank cut its key interest rate by 100 basis points to 9.00% in January. The decision was not unanimous, but according to the bank's vice-president Barnabas Virág, a large majority supported the higher rate cut. The decision was heavily influenced by the fact that inflation has fallen faster than market and central bank expectations, and that although global political risks remain, but these have not led to an increase in energy prices. The Hungarian economy is experiencing strong and widespread disinflation. Consumer prices rose by 3.8% year-on-year in January, bringing inflation within the central bank's tolerance band. According to the Vice-President's forecast, the key interest rate will be lowered to 6-7% by the end of the first half of the year. Following the rate decision, the forint weakened against the euro, rising above the 390 level.

The Fund posted a positive return in February: currency and equity positions contributed positively to performance, while higher interest rate risk weighed on returns in a rising yield environment. During the month we increased the Fund's exposure to Polish interest rates at the expense of US bonds. We gradually increased our short forint positions against both regional and developed market currencies: these positions are now close to 20%. Our short CHFBL position also performed well. We pushed the equity exposure above 20% and increased the weighting of emerging Asian markets outside China.

## 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%
ISIN code:	HU0000716048
Start:	03/17/2016
Currency:	CZK
Net Asset Value of the whole Fund:	13,529,922,157 HUF
Net Asset Value of C series:	571,846 CZK
Net Asset Value per unit:	0.889529 CZK

## DISTRIBUTORS

ERSTE Group Bank AG Austria, Patria Finance, a.s.

## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	41.48 %
Corporate bonds	23.31 %
Collective securities	9.13 %
T-bills	7.67 %
Hungarian equities	3.41 %
Current account	15.24 %
Receivables	3.22 %
Liabilities	-2.92 %
Market value of open derivative positions	-0.53 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	109.06 %
Net corrected leverage	136.91 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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## RISK PROFILE

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← Lower risk Higher risk →

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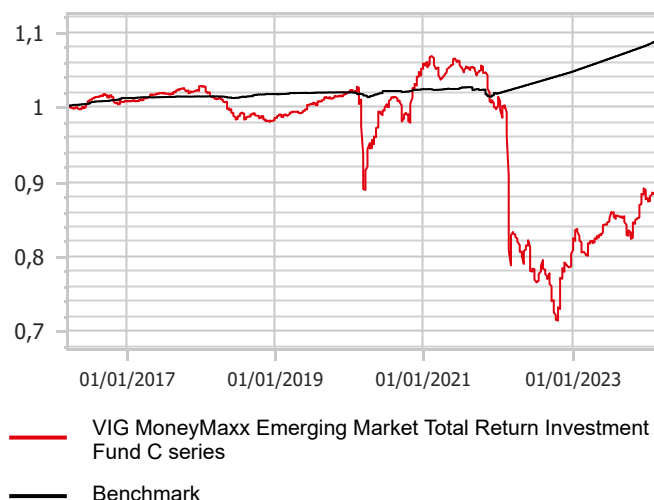
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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	0.15 %	0.68 %
From launch	-1.46 %	1.07 %
1 month	0.41 %	0.32 %
3 months	3.74 %	0.94 %
2023	13.40 %	3.35 %
2022	-21.40 %	2.83 %
2021	-5.14 %	-0.60 %
2020	3.17 %	0.41 %
2019	3.80 %	0.23 %
2018	-3.91 %	0.31 %
2017	1.47 %	0.20 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 03/17/2016 - 02/29/2024



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	5.64 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	0.11 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	11.88 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	10.47 %
WAM (Weighted Average Maturity)	3.68 years
WAL (Weighted Average Life)	4.59 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
US 5YR NOTE (CBT) Jun24 Buy	derivative	Raiffeisen Hun	06/28/2024	15.49 %
EUR/HUF 24.05.06 Forward Sell	derivative	ING Bank Hun	05/06/2024	11.65 %
MSCI EmgMkt Mar24 Buy	derivative	Raiffeisen Hun	03/15/2024	6.55 %
POLGB 2033/10/25 6%	interest-bearing	Polish State	10/25/2033	6.49 %
US LONG BOND(CBT) Jun24 Buy	derivative	Raiffeisen Hun	06/18/2024	5.12 %
CHF/BRL 24.04.08 Forward Sell	derivative	OTP Bank	04/08/2024	5.04 %
CHF/BRL 24.04.08 Forward Sell	derivative	OTP Bank	04/08/2024	5.04 %
OTPHB 2,875 07/15/29 visszahívható 2024	interest-bearing	OTP Bank Nyrt.	07/15/2024	4.80 %
LONG GILT FUTURE Jun24 Buy	derivative	Raiffeisen Hun	06/26/2024	4.67 %
2026H	interest-bearing	Államadósság Kezelő Központ	10/21/2026	4.38 %

### 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