

# VIG MoneyMaxx Emerging Market Total Return Investment Fund

I series HUF MONTHLY report - 2024 MAY (made on: 05/31/2024)



## 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, inflation and unemployment remain the most important market indicators. At its May meeting, the US Federal Reserve left its key interest rate unchanged and Fed Chairman Jerome Powell said at the press conference that there was a high probability that there will be no more rate hikes in the future. Monthly unemployment data was weaker than expected, supporting the Fed chairman's decision, but year-on-year inflation did not fall. The question that has been asked repeatedly is what the Fed will do if inflation stabilizes at a higher than expected level but unemployment starts to rise, threatening a possible recession. The US national debt is increasing from month to month, so it would be in the interest of fiscal policy makers to keep the Fed funds rates low, thereby reducing the amount of interest paid on the debt, but if inflation does not fall and new rate cut cycle is initiated, the US economy could easily enter a stagflationary environment.

In Hungary, the Hungarian National Bank cut its key interest rate by a further 50 basis points to 7.25% in May. The decision was unanimous, with the bank's deputy governor, Barnabás Virág, saying that the key rate could fall to 6.75%-7.00% by mid-year if macroeconomic data remain favorable. However, inflation has started to rise again, albeit slightly, which will limit the National Bank's room for maneuver. The forint strengthened to a three-month high against the euro during the month, but started to weaken after the rate cut, approaching the 390 level by the end of the month.

## 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 7%                 |
| ISIN code:                         | HU0000716014                           |
| Start:                             | 03/08/2016                             |
| Currency:                          | HUF                                    |
| Net Asset Value of the whole Fund: | 12,637,588,021 HUF                     |
| Net Asset Value of I series:       | 4,175,859,531 HUF                      |
| Net Asset Value per unit:          | 1.102706 HUF                           |

## DISTRIBUTORS

Equilor Befektetési Zrt, 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 |
|--------|--------|------|------|------|------|------|

## ASSET ALLOCATION OF THE FUND

| Asset                                     | Weight          |
|---|-----------------|
| Government bonds                          | 42.76 %         |
| Corporate bonds                           | 24.88 %         |
| Collective securities                     | 9.86 %          |
| Hungarian equities                        | 4.28 %          |
| T-bills                                   | 2.36 %          |
| International equities                    | 1.85 %          |
| Current account                           | 13.32 %         |
| Market value of open derivative positions | 0.69 %          |
| Receivables                               | 0.47 %          |
| Liabilities                               | -0.46 %         |
| <b>Total</b>                              | <b>100,00 %</b> |
| Derivative products                       | 102.66 %        |
| Net corrected leverage                    | 134.22 %        |

Assets with over 10% weight

POLGB 2033/10/25 6% (Polish State)

## RISK PROFILE

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

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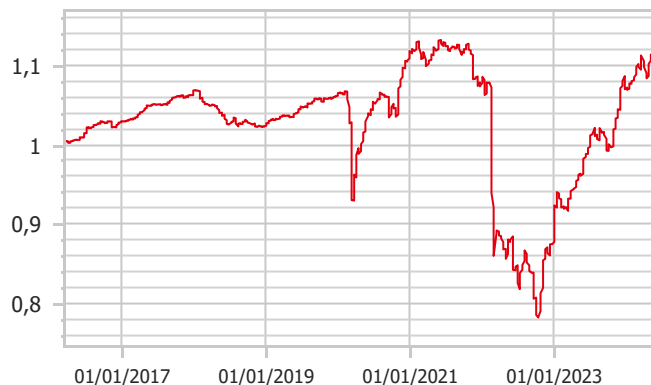


## NET YIELD PERFORMANCE OF THE SERIES

| Interval    | Yield of note | Benchmark yield |
|-------------|---------------|-----------------|
| YTD         | 1.82 %        | 2.99 %          |
| From launch | 1.20 %        | 2.10 %          |
| 1 month     | 1.46 %        | 0.59 %          |
| 3 months    | 1.15 %        | 1.77 %          |
| 2023        | 23.90 %       | 9.93 %          |
| 2022        | -18.55 %      | 3.04 %          |
| 2021        | -3.31 %       | -0.60 %         |
| 2020        | 4.59 %        | 0.41 %          |
| 2019        | 3.73 %        | 0.23 %          |
| 2018        | -3.63 %       | 0.31 %          |
| 2017        | 3.28 %        | 0.20 %          |

## NET PERFORMANCE OF THE SERIES

net asset value per share, 03/08/2016 - 05/31/2024



## RISK INDICATORS

|   |            |
|---|------------|
| Annualized standard deviation of the fund's weekly yields- based on 1 year      | 6.26 %     |
| Annualized standard deviation of the benchmark's weekly yields- based on 1 year | 0.28 %     |
| Annualized standard deviation of the fund's weekly yields- based on 3 year      | 12.32 %    |
| Annualized standard deviation of the fund's weekly yields- based on 5 year      | 10.75 %    |
| WAM (Weighted Average Maturity)   | 4.16 years |
| WAL (Weighted Average Life)   | 5.19 years |

## TOP 10 POSITIONS

| Asset                                   | Type             | Counterparty / issuer           | Maturity   |         |
|---|------------------|---------------------------------|------------|---------|
| US 5YR NOTE (CBT) Sep24 Buy             | derivative       | Raiffeisen Hun                  | 09/30/2024 | 15.05 % |
| POLGB 2033/10/25 6%                     | interest-bearing | Polish State                    | 10/25/2033 | 10.69 % |
| 2035A                                   | interest-bearing | Államadósság Kezelő Központ     | 10/24/2035 | 5.42 %  |
| US LONG BOND(CBT) Sep24 Buy             | derivative       | Raiffeisen Hun                  | 09/19/2024 | 5.28 %  |
| OTPHB 2,875 07/15/29 visszahívható 2024 | interest-bearing | OTP Bank Nyrt.                  | 07/15/2024 | 5.20 %  |
| USD/TRY 24.07.24 Forward Sell           | derivative       | ING Bank Hun                    | 07/24/2024 | 5.12 %  |
| LONG GILT FUTURE Sep24 Buy              | derivative       | Raiffeisen Hun                  | 09/26/2024 | 4.87 %  |
| MFB 2025/06/24 1,375% EUR               | interest-bearing | Hungarian Investment Bank cPlc. | 06/24/2025 | 4.53 %  |
| MOL 2027/10/08 1,5%                     | interest-bearing | MOL Plc.                        | 10/08/2027 | 4.15 %  |
| MVMHU 2027/11/18 0,875% EUR             | interest-bearing | MVM Energetika ZRt.             | 11/18/2027 | 4.07 %  |

## 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