

# VIG MoneyMaxx Emerging Market Total Return Investment Fund

U series USD MONTHLY report - 2024 JANUARY (made on: 01/31/2024)



## 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 January, markets were still trying to decide whether or not the economic scenario outlined by the Federal Reserve would materialize. Since last November, the Fed has been saying that the economy will be soft landing, despite a 5.25% interest rate and several macroeconomic data points pointing to a recession in the US economy. Investors who positive about the future are looking at how much AI will reform the US economy and what fundamental changes it will bring to the economy. But there are those who believe that the Fed has raised interest rates too high in an attempt to curb inflation and that a recession is inevitable. But if it starts to cut rates because of a potential recession and inflation starts to rise again, the Fed will be backed into a corner. In 2024, the Fed's decisions will be even more influenced by macro data and markets could be more volatile than usual.

The Hungarian National Bank cut its key rate by another 75 basis points to 10.00%. Inflation also continued to fall in November, to 5.5% according to KSH data, and could fall below 5% in January. In December, the National Bank had indicated that it could cut the key rate by up to 100 basis points, but it stuck to 75 basis points due to the weakening forint. Interestingly, after the lower-than-expected rate decision, the forint strengthened and traded below 385 against the euro at the end of the month.

The Fund closed January with a return close to zero. The good performance of Central and Southern European equities was offset by the performance of other emerging market equities. Within the bond portfolio, corporate bonds were the best performers while developed market bond longs suffered. During the month we increased our weight in bank bonds and Polish bonds, while reducing our weight in Romanian government bonds. We closed out our long forint positions in the fund, with a 10% short forint position against regional currencies.

## 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 3.5%
ISIN code:	HU0000716022
Start:	03/17/2016
Currency:	USD
Net Asset Value of the whole Fund:	13,465,507,348 HUF
Net Asset Value of U series:	319,326 USD
Net Asset Value per unit:	0.923445 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	37.97 %
Corporate bonds	22.91 %
Collective securities	10.19 %
T-bills	8.67 %
Hungarian equities	3.26 %
Current account	16.65 %
Receivables	0.33 %
Market value of open derivative positions	0.33 %
Liabilities	-0.29 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	110.40 %
Net corrected leverage	129.42 %

### 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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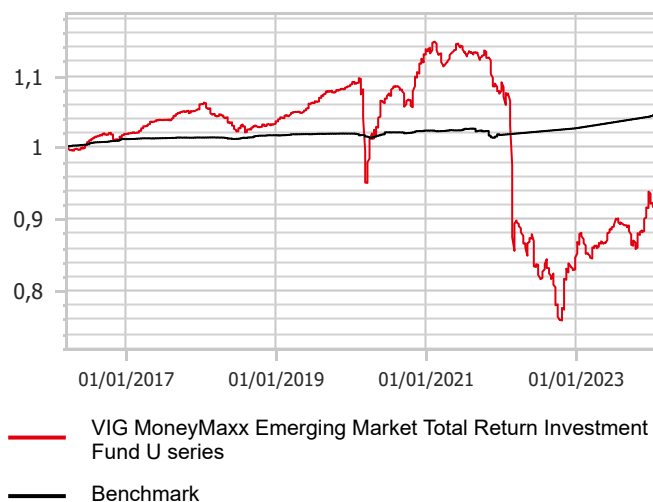
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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	-1.24 %	0.32 %
From launch	-1.01 %	0.57 %
1 month	-1.24 %	0.32 %
3 months	7.07 %	0.58 %
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 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 03/17/2016 - 01/31/2024



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	6.22 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	0.10 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	11.46 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	10.16 %
WAM (Weighted Average Maturity)	3.46 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	15.47 %
EUR/HUF 24.05.06 Forward Sell	derivative	ING Bank Hun	05/06/2024	11.44 %
MSCI EmgMkt Mar24 Buy	derivative	Raiffeisen Hun	03/15/2024	6.22 %
USD/HUF 24.04.23 Forward Sell	derivative	Unicredit Hun	04/23/2024	5.81 %
US 10YR NOTE (CBT)Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.64 %
USD/HUF 24.03.18 Forward Sell	derivative	OTP Bank	03/18/2024	5.29 %
US LONG BOND(CBT) Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.17 %
OTPHB 2,875 07/15/29 visszahívható 2024	interest-bearing	OTP Bank Nyrt.	07/15/2024	4.69 %
LONG GILT FUTURE Mar24 Buy	derivative	Raiffeisen Hun	03/26/2024	4.69 %
2026H	interest-bearing	Államadósság Kezelő Központ	10/21/2026	4.39 %

### 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