

INVESTMENT POLICY OF THE FUND

The objective of the investment fund is to make the Polish bond market accessible to the investors, and to function as a relatively stable, medium-risk investment form bringing steady real yields to our Clients on middle term already, without having to tie down their money for a fixed period of time. The Fund mainly invests in Polish government securities issued in zloty, however, the portfolio manager has some room to complement the portfolio with other bond-type investments. Our goal is to achieve the highest yield while taking the lowest risk. To make investment decisions we use the tools of both fundamental and technical analysis, and we take into consideration the investor sentiment on the markets at all times. The portfolio manager seeks out potential investment opportunities based on the macro-economical expectations, the expected yield curve, the return expected on the curve and the market volatility, and selects investments that are considered to be safe and bring relatively high yields in exchange for the risks taken. The Fund strives for complete exchange risk coverage of foreign currency exposure for the target currency.

MARKET SUMMARY

Polish bonds performed weak in May: yields increased by 15 basis points on the 3-year maturity, by 28 basis points on the 5-year maturity, and by 15 basis points on the 10-year maturity. In early May, for the first time since autumn 2023, there was a change in the base rate. The Monetary Council implemented a 50 basis point rate cut, which was in line with market expectations, bringing the base rate to 5.25%. However, central bank governor Glapiński maintained a hawkish stance, stating that although inflation has decreased, the risks have not entirely disappeared—especially food prices and service inflation remain problematic. The first round of the Polish presidential election also took place in May, making the emphasis on central bank independence and policy strictness particularly important. Rafał Trzaskowski and Karol Nawrocki emerged as the leading candidates, but since neither secured an outright majority of 50%, a second round is scheduled for early June. Turning to economic data, preliminary figures show that inflation came in below market expectations of 4.3%, with prices rising by 4.1% year-on-year in May. This figure was significantly supported by falling global fuel prices. First -quarter GDP growth was strong, with the Polish economy expanding by 3.2% year-on-year, placing it among the top-performing EU countries. The Purchasing Managers' Index (PMI) fell to 47.1 in May from 50.2 in April, once again dropping below the 50-point threshold. The decline is mainly attributed to a decrease in new orders and a slowdown in production. Industrial production in April grew by 1.2%. As for public finances, the government generated a deficit of 15,141 million PLN in the fourth month of the year, which brought the 12-month rolling budget deficit to 7.1% of GDP.

We kept our slight overweight position in Polish bonds, as we still expect some deterioration in global data, low oil prices should contain inflation risks, EU economy is slowing down, and at the same time Polish inflation will be closer to 4% in the next months, before resetting closer to 3% later this year, which should support Polish bonds. Elevated rate cut expectations and Polish presidential elections pose risks.

GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% TBSP Index
ISIN code:	HU0000705256
Start:	05/11/2007
Currency:	HUF
Net Asset Value of the whole Fund:	17,270,797,811 HUF
Net Asset Value of A series:	340,575,851 HUF
Net Asset Value per unit:	2.083592 HUF

DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, Erste Investment Plc., MBH Befektetési Bank Zrt, Raiffeisen Bank cPlc., UniCredit Bank Hungary cPlc., VIG Investment Fund Management Hungary

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	61.10 %
Corporate bonds	38.47 %
Current account	0.64 %
Liabilities	-0.40 %
Receivables	0.22 %
Market value of open derivative positions	-0.02 %
Total	100.00 %
Derivative products	2.57 %
Net corrected leverage	100.00 %
Assets with over 10% weight	

POLGB 2034/10/25/34 5% (Polish State)

POLGB 2029/07/25 4,75% (Polish State)

BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)

POLGB 2032/04/25 1,75% (Polish State)

RISK PROFILE

1	2	3	4	5	6	7
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← Lower risk Higher risk →

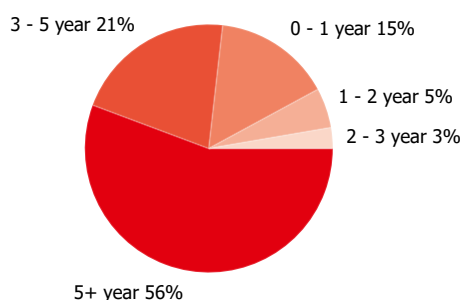
VIG Polish Bond Investment Fund

A series HUF MONTHLY report - 2025 MAY (made on: 05/31/2025)

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
YTD	3.20 %	3.52 %
From launch	4.15 %	6.83 %
1 month	0.15 %	0.25 %
3 months	1.82 %	2.02 %
2024	11.07 %	12.87 %
2023	16.28 %	16.35 %
2022	-8.27 %	0.94 %
2021	-9.83 %	-8.59 %
2020	7.66 %	8.75 %
2019	6.92 %	7.79 %
2018	4.20 %	5.33 %
2017	9.53 %	10.82 %
2016	-4.68 %	-4.08 %
2015	-0.35 %	1.10 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 05/11/2007 - 05/31/2025



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	6.93 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	6.87 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	10.15 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	9.58 %
WAM (Weighted Average Maturity)	4.56 years
WAL (Weighted Average Life)	5.45 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
POLGB 2034/10/25/34 5%	interest-bearing	Polish State	10/25/2034	25.47 %
POLGB 2029/07/25 4,75%	interest-bearing	Polish State	07/25/2029	18.04 %
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025	13.86 %
POLGB 2032/04/25 1,75%	interest-bearing	Polish State	04/25/2032	11.64 %
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030	6.85 %
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027	5.22 %
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031	4.97 %
BGOSK 2033/07/21 2,25%	interest-bearing	Bank Gospodarstwa Krajowego	07/21/2033	3.57 %
POLGB 2033/10/25 6%	interest-bearing	Polish State	10/25/2033	2.98 %
BGOSK 2028/03/12 1,75%	interest-bearing	Bank Gospodarstwa Krajowego	03/12/2028	2.65 %

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 | alapkezezo@am.vig | www.vigam.hu