

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

May saw mixed movements in the Polish bond market. The short and long ends of the yield curve moved higher, but yields at the four to five-year maturity remained mostly unchanged. One-year yields rose by 25 basis points, but 10-year yields also managed to end the month 15 basis points higher. According to preliminary data, inflation in May was revised down to 13% from April's 14.7%, and also came in below market expectations. Inflation has not been this low since April last year, mainly due to a slowdown in food prices. On a monthly basis, the slowdown in inflation is also visible, as the month-on-month indicator was 0% compared to April. The Polish central bank kept the base rate at 6.75% for the eighth consecutive month at its rate decision meeting in early April. Inflation is not that far from the single-digit range, so it is possible that a rate cut could start before October, however, new fiscal loosening introduced by the government may decrease the room for monetary easing. The Polish economy's performance in the first quarter was down 0.3% year-on-year, but GDP growth was 3.8% on a quarterly basis. A Bloomberg poll in May put annual growth at 0.7% this year and the economy could expand by 2.8% next year. The purchasing managers' index rose in May, with the manufacturing index rising to 47 from 46.6 the previous month. The index is thus still below the 50 mark, as output and new orders are still falling due to the uncertain economic environment and high inflation. Industrial production fell 6.4% in April, below market expectations of -3.4%. As for public finances, the state generated a surplus of PLN 2,001.7 million in April, reducing the 12-month rolling budget deficit to 0.99% of GDP. We hold a neutral allocation during the month, as global environment is supportive, but local news offset it, Polish government bonds are expensive based on valuation metrics. However, due to the investment clock underweight in bonds is not supported, as a result we have a slightly constructive view about Polish government bonds.

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:	14,371,881,919 HUF
Net Asset Value of A series:	167,225,096 HUF
Net Asset Value per unit:	1.590191 HUF

DISTRIBUTORS

CIB Bank Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt., VIG Befektetési Alapkezelő Magyarország Zrt.

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	50.06 %
Corporate bonds	45.57 %
Receivables	28.70 %
Liabilities	-28.03 %
Current account	3.01 %
Market value of open derivative positions	0.71 %
Total	100.00 %
Derivative products	17.81 %
Net corrected leverage	99.97 %

Assets with over 10% weight

POLGB 2027/05/25 3,75% (Lengyel Állam)
POLGB 2032/04/25 1,75% (Lengyel Állam)
BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)

RISK PROFILE

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

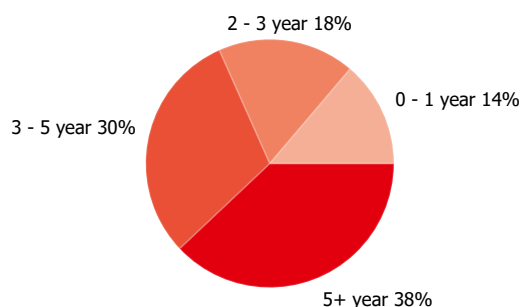
VIG Polish Bond Investment Fund

A series HUF MONTHLY report - 2023 MAY (made on: 05/31/2023)

NET YIELD PERFORMANCE OF THE SERIES

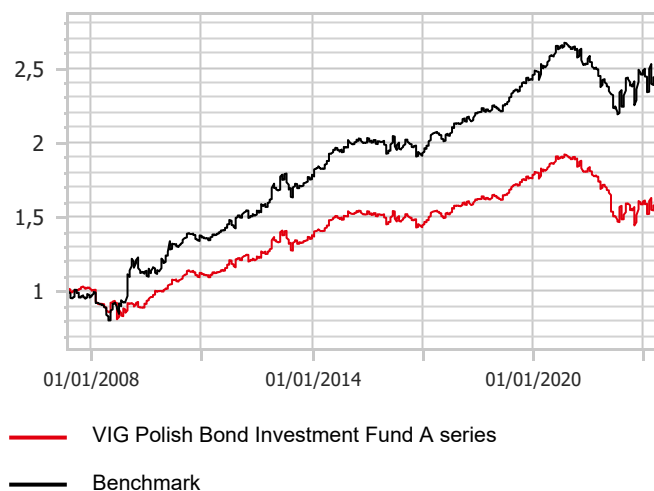
Interval	Yield of note	Benchmark yield
From start	2.93 %	5.76 %
1 month	0.88 %	0.84 %
3 months	4.53 %	4.77 %
2022	-8.27 %	0.94 %
2021	-9.83 %	-8.59 %
2020	7.66 %	8.75 %
2019	6.92 %	7.79 %
2018	4.20 %	5.33 %
2017	9.53 %	10.82 %
2016	-4.68 %	-4.08 %
2015	-0.35 %	1.10 %
2014	11.85 %	12.94 %
2013	-0.50 %	2.13 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 05/11/2007 - 05/31/2023



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	13.67 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	13.39 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	18.07 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	19.64 %
WAM (Weighted Average Maturity)	4.02 years
WAL (Weighted Average Life)	4.72 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
POLGB 2027/05/25 3,75%	interest-bearing	Lengyel Állam	05/25/2027	21.89 %
POLGB 2032/04/25 1,75%	interest-bearing	Lengyel Állam	04/25/2032	21.41 %
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025	13.04 %
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030	6.29 %
POLAND EUR2024/01/15 3%	interest-bearing	Lengyel Állam	01/15/2024	5.34 %
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031	5.10 %
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027	4.83 %
BSTDBK 2.52 10/19/23	interest-bearing	BLACK SEA TRADE AND DEVELOPEMENT BANK	10/19/2023	4.02 %
BGOSK 2033/07/21 2,25%	interest-bearing	Bank Gospodarstwa Krajowego	07/21/2033	3.28 %
OTP HB 7.35% 03/04/26	interest-bearing	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	03/04/2026	2.81 %

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