

## 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

In July Polish bond market had a positive performance, yields decreased along the yield curve. Two-year yields decreased by 40 basis points, but 10-year yields also managed to end the month almost by 33 basis points lower. According to preliminary data, headline CPI in July decreased to 10.8% from June's 11.5% (Yoy), and also came in below market expectations (consensus was 11%). It was the softest reading since February 2022, mainly due to the slowdown in prices of food particularly in this month, but generally also due to fuel and energy. The Polish central bank kept the base rate at 6.75% but chances are increasing that they will start the rate cut cycle after summer. A Bloomberg poll in July put annual growth at 0.9% this year and the economy could expand by 2.7% next year. The purchasing managers' index declined in July, with the manufacturing index decreasing to 43.5 from 45.1 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 1.4% in May, and it was better than the market expectations of -1.6%. As for public finances, the state generated a surplus of PLN 8,169.24 million in June, increasing the 12-month rolling budget deficit to 1,62% of GDP. Our Fund performed positively in this month both in absolute and relative terms, despite with turned more cautious on Polish government bonds and valuation and rate cut expectations became quite stretched, our carry assets outperformed.

## 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:	HU0000710942
Start:	08/07/2012
Currency:	PLN
Net Asset Value of the whole Fund:	14,238,734,084 HUF
Net Asset Value of I series:	105,238,410 PLN
Net Asset Value per unit:	1.210570 PLN

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## 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	50.27 %
Corporate bonds	46.86 %
Market value of open derivative positions	1.42 %
Current account	0.92 %
Receivables	0.56 %
Liabilities	-0.01 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	23.23 %
Net corrected leverage	101.16 %

### 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

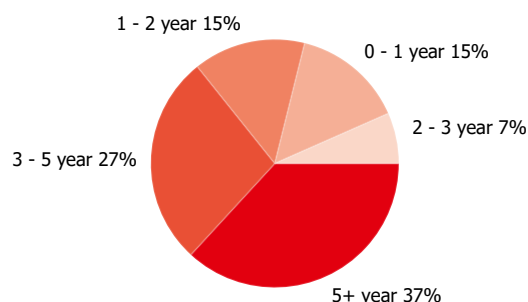
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← Lower risk → Higher risk

## NET YIELD PERFORMANCE OF THE SERIES

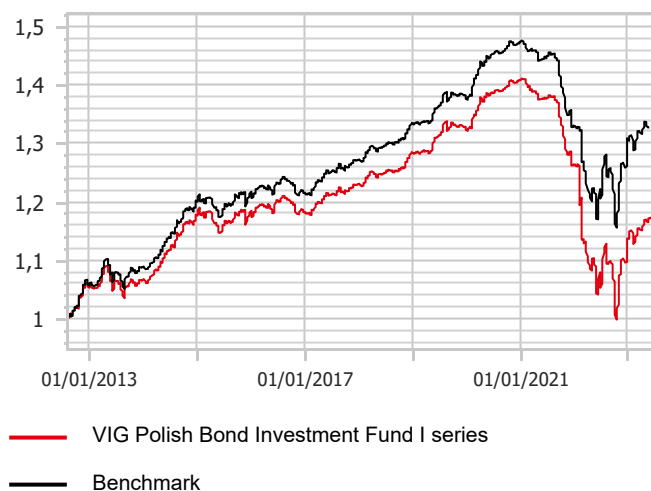
Interval	Yield of note	Benchmark yield
From start	1.76 %	2.94 %
1 month	1.90 %	1.72 %
3 months	3.98 %	3.32 %
2022	-13.09 %	-5.03 %
2021	-10.34 %	-9.74 %
2020	6.00 %	6.42 %
2019	3.73 %	3.94 %
2018	4.17 %	4.67 %
2017	4.17 %	4.77 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 08/07/2012 - 07/31/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	7.89 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	7.61 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	13.72 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	14.61 %
WAM (Weighted Average Maturity)	3.79 years
WAL (Weighted Average Life)	4.47 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
POLGB 2027/05/25 3,75%	interest-bearing	Lengyel Állam	05/25/2027	18.45 %
POLGB 2032/04/25 1,75%	interest-bearing	Lengyel Állam	04/25/2032	16.50 %
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025	14.10 %
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030	6.87 %
POLAND EUR2024/01/15 3%	interest-bearing	Lengyel Állam	01/15/2024	5.62 %
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031	5.41 %
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027	5.37 %
US 10YR NOTE (CBT)Sep23 Buy	derivatív	Raiffeisen Hun	09/20/2023	4.64 %
POLGB 2024/04/25 2,5%	interest-bearing	Lengyel Állam	04/25/2024	4.23 %
BSTD BK 2.52 10/19/23	interest-bearing	BLACK SEA TRADE AND DEVELOPEMENT BANK	10/19/2023	4.18 %

### 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