

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 provided a mixed performance during August. Short term bond yields decreased by 10-40bps pricing in Polish rate cut(s), while mid part of the yield curve remained more or less unchanged, and long end yields increased by 20-30bps: partly based on the yield increase of core bonds, partly pricing in the uncertain impact (on long term inflation expectations) of too quick, too deep potential Polish rate cuts. According to preliminary data, headline CPI in August decreased to 10.1% from July's 10.8% (Yoy), slightly higher than consensus expectations. It was extremely important as single digit headline inflation number was one of the requirements set by governor Glapinski for start of Polish rate cuts. After the inflation print, market participants were bit disappointed about exaggerated rate cuts (already 125-150bps priced in for 2023), and most analyst postponed their expectation about start of rate cut cycle from September to a bit later. The purchasing managers' index decreased in August further, with the manufacturing index decreasing to 43.1 from 43.5 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 by 2.7% in July, while retail sales fell by 4%, both worse than expectations. GDP growth in 2Q 2023 turned more negative and equaled -0.5% y/y against -0.3% y/y in 1Q 2023, also worse than expected by consensus. Economic activity was dragged down by pullback in consumer spending. All in all, economic activity is slowing down faster than expected in the Polish economy, which is also having a positive effect on inflation. The labour market remains tight, unemployment low, core inflation sticky and with new fiscal loosening announced, too. Quick and too deep rate cuts are endangering medium term inflation expectations, which may be anchored at a much higher level, than official target. This month was all about rising core market yields, and negative global environment (rising oil prices) and at the same time about Polish rate cut expectations. Even though most analyst are rather not expecting rate cut already in September, or only 25bps, due to looming elections and slowing growth a rate cut, even a deeper rate cut may be in the cards.

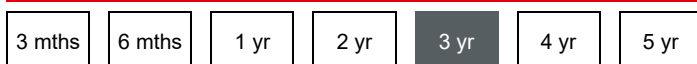
GENERAL INFORMATION

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:	13,757,021,942 HUF
Net Asset Value of I series:	103,207,169 PLN
Net Asset Value per unit:	1.210155 PLN

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

SUGGESTED MINIMUM INVESTMENT PERIOD



ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	48.22 %
Corporate bonds	46.48 %
T-bills	2.77 %
Receivables	5.77 %
Liabilities	-5.48 %
Current account	1.19 %
Market value of open derivative positions	1.06 %
Total	100.00 %
Derivative products	27.04 %
Net corrected leverage	102.10 %

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)

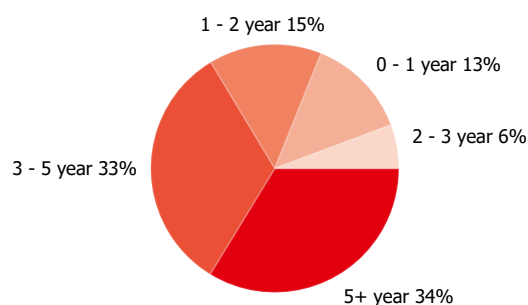
RISK PROFILE



NET YIELD PERFORMANCE OF THE SERIES

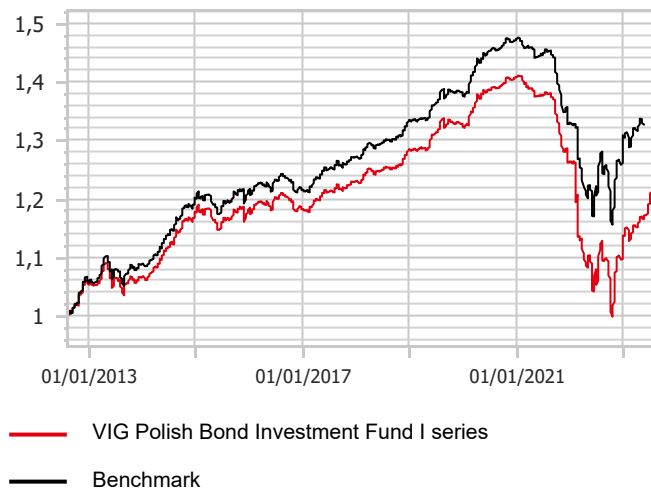
Interval	Yield of note	Benchmark yield
From start	1.74 %	2.93 %
1 month	-0.03 %	0.17 %
3 months	3.64 %	3.30 %
2022	-13.09 %	-5.03 %
2021	-10.34 %	-9.74 %
2020	6.00 %	6.42 %
2019	3.73 %	3.94 %
2018	4.17 %	4.67 %
2017	4.17 %	4.77 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

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



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	7.25 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	6.90 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	13.73 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	14.62 %
WAM (Weighted Average Maturity)	3.73 years
WAL (Weighted Average Life)	4.42 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
POLGB 2027/05/25 3,75%	interest-bearing	Lengyel Állam	05/25/2027	18.67 %
POLGB 2032/04/25 1,75%	interest-bearing	Lengyel Állam	04/25/2032	16.49 %
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025	14.39 %
US 10YR NOTE (CBT)Dec23 Buy	derivativ	Raiffeisen Hun	12/19/2023	8.18 %
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030	6.90 %
POLAND EUR2024/01/15 3%	interest-bearing	Lengyel Állam	01/15/2024	5.75 %
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031	5.50 %
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027	5.47 %
POLGB 2028/07/25 7,5%	interest-bearing	Lengyel Állam	07/25/2028	5.09 %
BSTDBK 2.52 10/19/23	interest-bearing	BLACK SEA TRADE AND DEVELOPEMENT BANK	10/19/2023	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 | alapkezel@am.vig | www.vigam.hu