

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 September, Polish bonds showed mixed performance: the short and mid part of the yield curve moved lower, yields on the three-year maturity decreased by 23 basis points, and on the five-year maturity by 13 basis points. However, in the 10-year segment, there was a 30 basis point yield increase in September. At the beginning of the month, the Polish central bank surprised the market with a much larger-than-expected 75 basis point interest rate cut, bringing the key rate to 6%. Market expectations had projected a maximum 25 basis points cut but rather waited for no change. Investors priced in a policy error as along with falling short term yields, long term yields even increased, resulting in a much steeper Polish yield curve. Parliamentary elections are scheduled for mid-October, so further interest rate cuts are expected at the beginning of October, most probably by a smaller size (rather 25bps than 50bps), but neither 75bps nor 0bps can't be ruled out. Preliminary data indicate that in September, year-on-year inflation in Poland decreased from 10.1% in August to 8.2%. Therefore, inflation is currently at levels not seen since October 2021, primarily due to lower fuel and food prices and administrative measures implemented by the government. Headline inflation would allow again a bigger cut in October in the short run, however the significant depreciation of PLN may limit the size of the next cut. Uncertainty is much higher, than usual. According to Bloomberg's September survey, the Polish economy is expected to grow by 0.5% this year and by 2.7% next year. The Purchasing Managers' Index (PMI) rose to 43.9 in September from the previous month's 43.1, slightly above the market expectation of 43.7. The index is still below the 50 threshold, indicating a contraction, as both output and new orders continued to decline due to the uncertain economic environment and high inflation. In August, industrial production recorded a 2% decrease, which was below the market expectation of -1.7%. Regarding the state budget, the government generated a deficit of 408.65 million PLN in the seventh month, bringing the rolling 12-month budget deficit to 1.84% of GDP.

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:	HU0000713565
Start:	03/28/2014
Currency:	PLN
Net Asset Value of the whole Fund:	13,612,974,063 HUF
Net Asset Value of P series:	55,864,529 PLN
Net Asset Value per unit:	1.055263 PLN

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	52.82 %
Corporate bonds	44.63 %
Current account	1.29 %
Receivables	0.97 %
Market value of open derivative positions	0.35 %
Liabilities	-0.04 %
Total	100.00 %
Derivative products	19.61 %
Net corrected leverage	101.46 %

Assets with over 10% weight

POLGB 2027/05/25 3,75% (Lengyel Állam)
BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)
POLGB 2032/04/25 1,75% (Lengyel Állam)
POLGB 2028/07/25 7,5% (Lengyel Állam)

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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RISK PROFILE

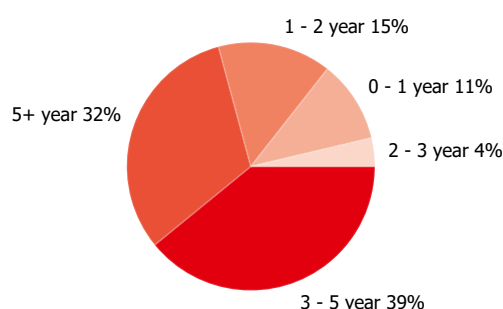
1	2	3	4	5	6	7
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

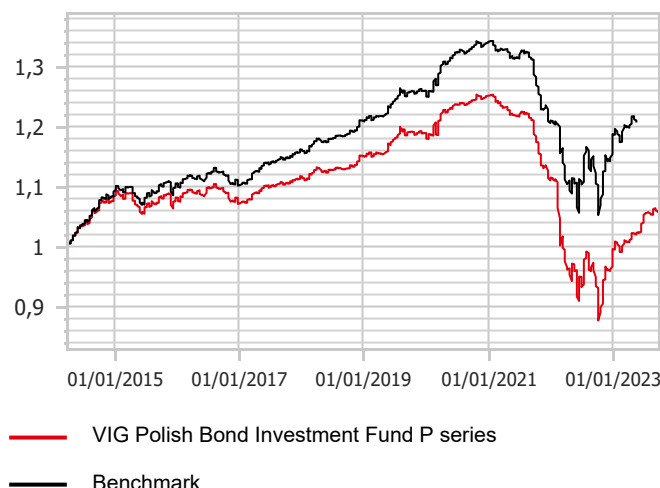
Interval	Yield of note	Benchmark yield
From start	0.57 %	2.47 %
1 month	0.00 %	0.62 %
3 months	1.75 %	2.53 %
2022	-13.69 %	-5.03 %
2021	-10.96 %	-9.74 %
2020	5.35 %	6.42 %
2019	3.10 %	3.94 %
2018	3.55 %	4.67 %
2017	3.56 %	4.77 %
2016	-0.38 %	0.25 %
2015	0.22 %	1.68 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/28/2014 - 09/30/2023



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	6.91 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	6.56 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	13.77 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	14.65 %
WAM (Weighted Average Maturity)	3.75 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	18.27 %
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025	14.51 %
POLGB 2032/04/25 1,75%	interest-bearing	Lengyel Állam	04/25/2032	14.46 %
POLGB 2028/07/25 7,5%	interest-bearing	Lengyel Állam	07/25/2028	11.68 %
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030	6.99 %
POLAND EUR2024/01/15 3%	interest-bearing	Lengyel Állam	01/15/2024	5.99 %
US 10YR NOTE (CBT)Dec23 Buy	derivatív	Raiffeisen Hun	12/19/2023	5.85 %
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027	5.55 %
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031	5.50 %
BSTDBK 2.52 10/19/23	interest-bearing	BLACK SEA TRADE AND DEVELOPEMENT BANK	10/19/2023	4.49 %

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