

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 October, Polish bonds showed mixed performance: the short and mid part of the yield curve moved higher, yields on the one-year maturity increased by 26 basis points, on the three and five-year maturity by 6 basis points. However, in the 10-year segment, there was a 25 basis point yield decrease in October. At the beginning of the month, the Polish central bank cut the base rate by 25 basis points bringing the key rate to 5,75%. The most important event of the month was the Polish parliamentary elections, where the previously ruling party (PiS) won the most seats in the Lower House, but opposition will be able to form the new government with very high probability. Based on this result Poland will work much closely with EU and sooner or later EU funds will be unlocked for Poland, however fiscal policy will remain very loose. Thus, the number of questionmarks regarding the future of the Polish monetary policy has grown further, most probably we will get a further rate cut by 25bps on the next meeting, after which many expect a pause due to fiscal and inflationary risks, however US central bank and also the reaction function of regional central banks will play an important role, as a result uncertainty is higher than ever. Moving on with the economic data, preliminary data indicated that in October, year on year inflation in Poland decreased from 8,2% to 6,5%. Therefore inflation is currently at levels not seen since September 2021 primarily due to lower fuel and food prices. According to Bloomberg's October survey, the Polish economy is expected to grow by 0.4% this year and by 2.6% next year. The Purchasing Managers' Index (PMI) rose to 44,5 in October from the previous month's 43,9, matching the market expectation. 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. In September, industrial production recorded a 3,1% decrease, which was above the market expectation of -3,6%. Regarding the state budget, the government generated a deficit of 18 083.8 million PLN in the ninth month, bringing the rolling 12-month budget deficit to 2,25% of GDP. During the month we bet on the change of the Polish yield curve's shape: uncertainty around further monetary easing and the correction of the previously very strong rate cut expectations, and the success of opposition during Polish elections led to significant flattening of the Polish yield curve, as we expected this outcome, this improved the performance of our Fund.

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:	14,012,900,075 HUF
Net Asset Value of P series:	55,801,961 PLN
Net Asset Value per unit:	1.059147 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	55.10 %
Corporate bonds	40.17 %
Current account	3.53 %
Market value of open derivative positions	0.68 %
Receivables	0.63 %
Liabilities	-0.08 %
Total	100,00 %
Derivative products	14.86 %
Net corrected leverage	101.16 %

Assets with over 10% weight

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

RISK PROFILE

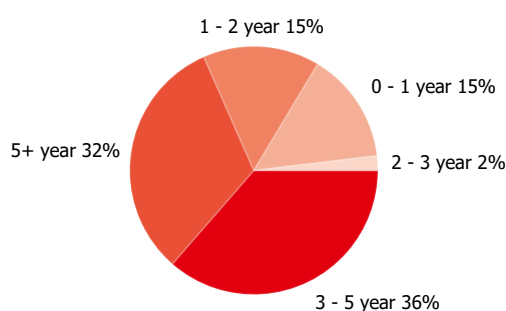
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

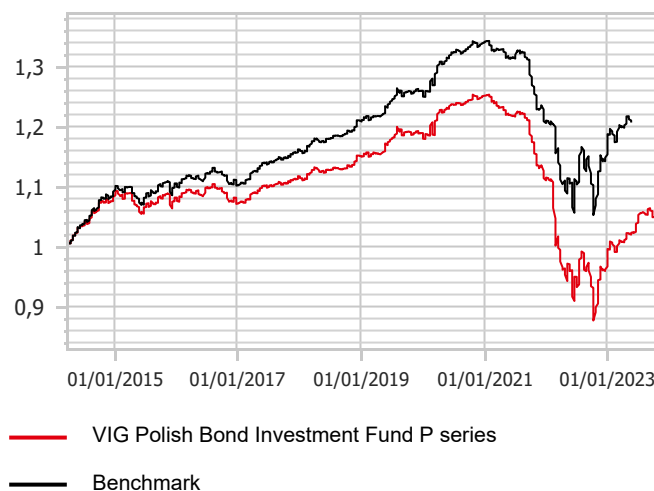
Interval	Yield of note	Benchmark yield
From launch	0.60 %	2.51 %
1 month	0.37 %	0.57 %
3 months	0.28 %	1.37 %
2022	-13.69 %	-5.03 %
2021	-10.96 %	-9.74 %
2020	5.35 %	6.42 %
2019	3.10 %	3.94 %
2018	3.55 %	4.67 %
2017	3.56 %	4.77 %
2016	-0.38 %	0.25 %
2015	0.22 %	1.68 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/28/2014 - 10/31/2023



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	5.80 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	5.90 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	7.96 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	6.56 %
WAM (Weighted Average Maturity)	3.58 years
WAL (Weighted Average Life)	4.23 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
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	14.41 %
POLGB 2027/05/25 3,75%	interest-bearing	Lengyel Állam	05/25/2027	13.96 %
POLGB 2028/07/25 7,5%	interest-bearing	Lengyel Állam	07/25/2028	12.60 %
POLGB 2024/10/25 2,25%	interest-bearing	Lengyel Állam	10/25/2024	8.07 %
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030	7.05 %
POLAND EUR2024/01/15 3%	interest-bearing	Lengyel Állam	01/15/2024	5.71 %
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027	5.51 %
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031	5.48 %
US 10YR NOTE (CBT)Dec23 Buy	derivatív	Raiffeisen Hun	12/19/2023	4.62 %

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