

## INVESTMENT POLICY OF THE FUND

The Fund aims to share in the returns of the Polish stock market, and to profit from Polish economic growth through stock prices and dividend income. In accordance with the risk characteristics of equity investments, the Fund qualifies as a high-risk investment. According to the Fund Manager's intentions, the bulk of the Fund's portfolio is made up of the shares of foreign companies issued through public offerings. The primary investment targets are the securities, traded on the stock exchange or about to be listed on the stock exchange, of companies that operate in Poland or that derive a significant portion of their revenues from Poland, or whose shares are listed on the Warsaw Stock Exchange. The Fund may also invest in equities of other Central and Eastern European companies (Austria, Czech Republic, Hungary, Russia, Romania and Turkey). When developing the portfolio, the shares determine the nature of the Fund, and thus the proportion of shares that can be held in the Fund at any given time may reach the prevailing legal maximum. The Fund holds more than 30% of its assets in currencies other than the local currency (HUF).

## MARKET SUMMARY

In October, the Hamas-Israel war caused oil prices to rise 10%, but as the chances of the war not turning into a wider Middle East crisis diminished, oil prices fell back to pre-conflict levels. The US Federal Reserve is still communicating a very tight monetary policy, but markets are becoming immune because the accepted view is that a recession will come sooner or later and then the Fed is expected to cut interest rates. Currently, bond markets are pricing in the first rate cut in May by next year, with an 80 basis point cut priced in for 2024. The Hungarian National Bank has decided to cut its base rate by 75 basis points in October, slowing from the previous 100 basis point rate cut. The decision came as some surprise as the consensus had expected only a 50 basis point cut. In the statement released, the MNB indicated that strong disinflation and the reduction in the country's vulnerabilities allow for a continuation of the normalization of monetary conditions by lowering the base rate, while rising external risks justify maintaining a cautious approach and continuing to cut interest rates at a slower pace than before. Vice-President Barnabas Virág said that the decision would be taken in a step-by-step, cautious and data-driven manner, depending on the factors affecting the inflation path and the evolution of the risk environment. The forint strengthened against the euro throughout October, but weakened slightly after the rate decision meeting.

Polish stock indices rose sharply in October, driven by the elections in the middle of the month. The election is likely to result in opposition parties forming a coalition government, probably in late November or December. In the short term, we expect the largest impact to be in large state-controlled companies, and in line with this, the WIG20 Index of larger capitalization companies outperformed the MIDWIG Index of smaller capitalization stocks in November. The fund underperformed its benchmark index in the month, which was due to the overweight of MIDWIG. In the days prior to the election, we closed the underweight in bank stocks, which we reversed to a slight overweight following the election, and we also increased our overweight in retail companies in the second half of the month. On favorable fundamentals and technical picture, we bought the telecom operator Orange Polska. We are overweight in the banking sector, the oil sector and consumer staples, while underweight in commodity-related companies and utilities. We have selectively chosen among toy manufacturers and telecoms companies. The Fund had an average equity exposure 4% higher than the benchmark index.

## GENERAL INFORMATION

Fund Manager:	VIG Investment Fund Management Hungary
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	VIG Investment Fund Management Hungary
Benchmark composition:	100% MSCI Poland IMI Loc Net
ISIN code:	HU0000710843
Start:	01/03/2012
Currency:	HUF
Net Asset Value of the whole Fund:	80,307,661 PLN
Net Asset Value of B series:	929,310,696 HUF
Net Asset Value per unit:	1.566032 HUF

## DISTRIBUTORS

CONCORDE Értékpapír Zrt., Raiffeisen Bank 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
International equities	91.89 %
Government bonds	2.48 %
Collective securities	2.15 %
Current account	3.55 %
Liabilities	-0.08 %
Receivables	0.01 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	14.48 %
Net corrected leverage	114.69 %

### Assets with over 10% weight

PKO Bank  
Polski Koncern Naftowy

## RISK PROFILE

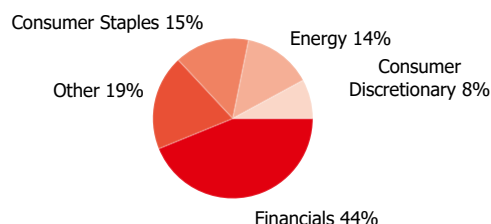
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← Lower risk Higher risk →

## NET YIELD PERFORMANCE OF THE SERIES

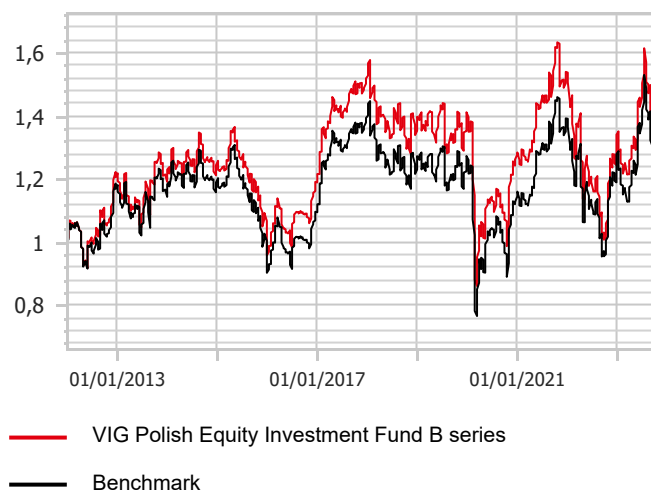
Interval	Yield of note	Benchmark yield
From launch	3.87 %	3.40 %
1 month	12.80 %	13.70 %
3 months	-2.26 %	-2.01 %
2022	-18.24 %	-13.32 %
2021	21.67 %	22.81 %
2020	-6.59 %	-7.85 %
2019	0.01 %	-0.29 %
2018	-10.05 %	-10.92 %
2017	28.61 %	28.15 %
2016	6.87 %	4.66 %
2015	-11.01 %	-12.48 %
2014	1.62 %	1.10 %
2013	-0.37 %	-1.33 %

## Stocks by sectors



## NET PERFORMANCE OF THE SERIES

net asset value per share, 01/03/2012 - 10/31/2023



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields- based on 1 year	23.59 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	24.55 %
Annualized standard deviation of the fund's weekly yields- based on 3 year	24.65 %
Annualized standard deviation of the fund's weekly yields- based on 5 year	24.55 %
WAM (Weighted Average Maturity)	0.01 years
WAL (Weighted Average Life)	0.01 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
PKO Bank	share	PKO Bank	12.89 %
Polski Koncern Naftowy	share	PL Koncern Naftowy	12.80 %
POWSZECHNY ZAKŁAD UBEZPIECZEŃ	share	POWSZECHNY ZAKŁAD UBEZPIECZEŃ	9.55 %
Dino Polska SA	share	DINO POLSKA SA	7.73 %
Bank Pekao SA	share	Bank Pekao SA	7.10 %
LPP	share	LPP	6.13 %
Allegro.eu SA	share	Allegro.eu SA	4.68 %
MIDWIG INDEX FUT Dec23 Buy	derivatív	Erste Bef. Hun	12/15/2023 4.47 %
SANTANDER BANK POLSKA SA	share	SANTANDER BANK POLSKA SA	4.30 %
MIDWIG INDEX FUT Dec23 Buy	derivatív	Erste Bef. Hun	12/15/2023 4.01 %

## Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfv. 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