

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 November, Polish bonds showed mixed performance: the short and mid part of the yield curve moved higher, yields on the long end however decreased 10-15 basis points during the month. At the beginning of the month, the Polish central bank kept the base rate unchanged, so it remained at 5,75% versus market expectations of a cut by 25bps. In their statement rate setters suggested that uncertainty regarding the fiscal and regulatory environment may significantly impact the inflation path, that is why unchanged rates are more appropriate. In January, the VAT rate on food is set to increase to 5% from 0%, unless the new cabinet decides differently." Additionally, the government will need to decide on the fate of expiring electricity price caps. These measures will either increase the inflation path (in case of abolition) or will increase the budget deficit further (in case of prolongation). Moving on with the economic data, preliminary data indicated that in November, year on year inflation in Poland decreased from 6,6% to 6,5%. Therefore inflation is currently at levels not seen since September 2021 primarily due to lower fuel and food prices. Disinflation process may stall around these levels for the next months. Polish GDP growth in Q3 was revised higher to 0.5% YoY from 0.4% in the flash release. According to Bloomberg's November survey, the Polish economy is expected to grow by 0.4% this year and by 2.8% next year. The Purchasing Managers' Index (PMI) rose to 48,7 in November from the previous month's 44.5, above the market expectations. 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 October, industrial production recorded a 1,6% increase, which was in line with the market expectations. Growth started to rebound as consumers are back amid increasing real wages. Regarding the state budget, the government generated a deficit of 1 725.28 million PLN in the tenth month, bringing the rolling 12-month budget deficit to 2,3% 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:	HU0000710942
Start:	08/07/2012
Currency:	PLN
Net Asset Value of the whole Fund:	14,259,036,327 HUF
Net Asset Value of I series:	106,245,134 PLN
Net Asset Value per unit:	1.223092 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	57.13 %
Corporate bonds	40.26 %
Current account	4.80 %
Liabilities	-3.60 %
Market value of open derivative positions	0.74 %
Receivables	0.69 %
Total	100,00 %
Derivative products	13.04 %
Net corrected leverage	101.35 %

Assets with over 10% weight

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

RISK PROFILE

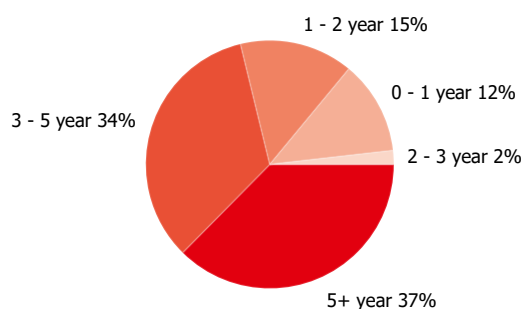
1	2	3	4	5	6	7
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

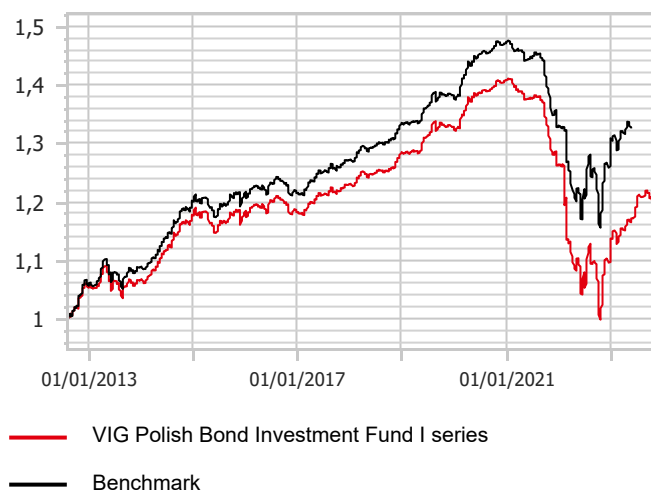
Interval	Yield of note	Benchmark yield
YTD	11.54 %	10.90 %
From launch	1.80 %	3.01 %
1 month	0.58 %	0.32 %
3 months	1.07 %	1.52 %
2022	-13.09 %	-5.03 %
2021	-10.34 %	-9.74 %
2020	6.00 %	6.42 %
2019	3.73 %	3.94 %
2018	4.17 %	4.67 %
2017	4.17 %	4.77 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 08/07/2012 - 11/30/2023



RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	4.77 %
Annualized standard deviation of the benchmark's weekly yields- based on 1 year	5.33 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	7.99 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	6.58 %
WAM (Weighted Average Maturity)	3.77 years
WAL (Weighted Average Life)	4.45 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
POLGB 2032/04/25 1,75%	interest-bearing	Polish State	04/25/2032	16.91 %
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025	14.39 %
POLGB 2027/05/25 3,75%	interest-bearing	Polish State	05/25/2027	13.92 %
POLGB 2028/07/25 7,5%	interest-bearing	Polish State	07/25/2028	10.90 %
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030	7.09 %
POLGB 2024/10/25 2,25%	interest-bearing	Polish State	10/25/2024	6.28 %
POLAND EUR2024/01/15 3%	interest-bearing	Polish State	01/15/2024	5.59 %
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031	5.53 %
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027	5.50 %
US 10YR NOTE (CBT)Mar24 Buy	derivative	Raiffeisen Hun	03/19/2024	5.35 %

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 | alapkezo@am.vig | www.vigam.hu