

# VIG Polish Bond Investment Fund

A series HUF MONTHLY report - 2025 JANUARY (made on: 01/31/2025)

## 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

The performance of the Polish bonds was mixed in the first month of 2025: on the 3-year maturity yields increased by 5 basis points and on the 5-year maturity yields increased by 8 basis points. At the long end of the yield curve however, we saw yields falling by 5 basis points. The base rate is still at 5.75% and at the rate setting meeting in January it was left unchanged as well. Despite maintaining a strict communication stance, the market is pricing in a 90-basis-point rate cut for this year and a cumulative 150-basis-point cut by the end of 2026. The Polish economy grew by 2.9% in 2024, making it an outperformer in the Central and Eastern European region. This improved performance was mainly driven by the recovery in consumer spending. The Purchasing Managers' Index (PMI) rose to 48.8 in January from 48.2 the previous month, exceeding market expectations. However, the index has remained below the 50-point threshold for the 33rd consecutive month. While output and new orders continued to decline, the pace of contraction has slowed. Industrial production recorded a 0.2% increase in the final month of the year. Following last year's record-high issuance, another strong wave of bond issuance is expected this year. For the first time since COVID, multiple short-term government securities are planned to be issued again, which could slightly push up the short end of the yield curve.

We started the year with a slight underweight bias, and also had lower exposure to short term bonds than benchmark, and later on we increased our duration exposure to slight overweight bias, which proved to be a good decision.

## 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:	HU0000705256
Start:	05/11/2007
Currency:	HUF
Net Asset Value of the whole Fund:	16,962,254,519 HUF
Net Asset Value of A series:	209,119,858 HUF
Net Asset Value per unit:	2.043753 HUF

## DISTRIBUTORS

CIB BANK ZRT, Concorde Securities Ltd., Equilor Befektetési Zrt, Erste Investment Plc., MBH Befektetési Bank Zrt, Raiffeisen Bank cPlc., UniCredit Bank Hungary cPlc., VIG Asset Management Hungary Plc.

## 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	57.51 %
Corporate bonds	38.74 %
T-bills	2.73 %
Current account	1.14 %
Liabilities	-0.31 %
Receivables	0.16 %
Market value of open derivative positions	0.04 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	1.31 %
Net corrected leverage	99.98 %

### Assets with over 10% weight

POLGB 2029/07/25 4,75% (Polish State)
BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)
POLGB 2034/10/25/34 5% (Polish State)
POLGB 2032/04/25 1,75% (Polish State)

## RISK PROFILE

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

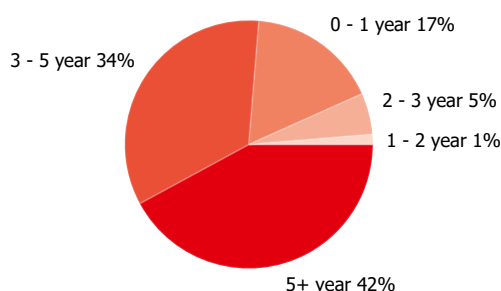
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## NET YIELD PERFORMANCE OF THE SERIES

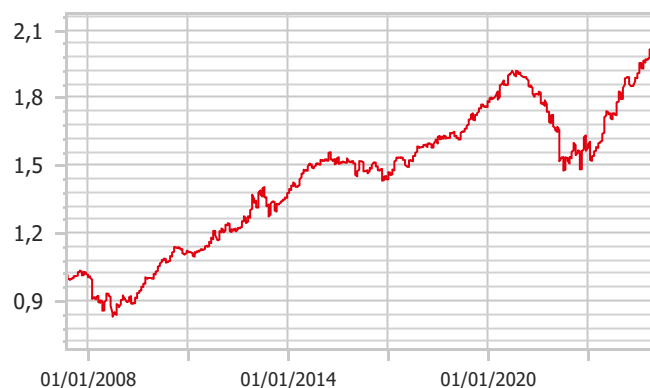
Interval	Yield of note	Benchmark yield
YTD	1.22 %	1.23 %
From launch	4.11 %	6.83 %
1 month	1.22 %	1.23 %
3 months	4.37 %	4.68 %
2024	11.07 %	12.87 %
2023	16.28 %	16.35 %
2022	-8.27 %	0.94 %
2021	-9.83 %	-8.59 %
2020	7.66 %	8.75 %
2019	6.92 %	7.79 %
2018	4.20 %	5.33 %
2017	9.53 %	10.82 %
2016	-4.68 %	-4.08 %
2015	-0.35 %	1.10 %

### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 05/11/2007 - 01/31/2025



## RISK INDICATORS

Annualized standard deviation of the fund's weekly yields-based on 1 year	6.68 %
Annualized standard deviation of the benchmark's weekly yields-based on 1 year	6.59 %
Annualized standard deviation of the fund's weekly yields-based on 3 year	11.17 %
Annualized standard deviation of the fund's weekly yields-based on 5 year	9.77 %
WAM (Weighted Average Maturity)	4.11 years
WAL (Weighted Average Life)	4.85 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity	
POLGB 2029/07/25 4,75%	interest-bearing	Polish State	07/25/2029	22.15 %
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025	14.13 %
POLGB 2034/10/25/34 5%	interest-bearing	Polish State	10/25/2034	11.69 %
POLGB 2032/04/25 1,75%	interest-bearing	Polish State	04/25/2032	11.68 %
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030	6.79 %
POLGB 2028/07/25 7,5%	interest-bearing	Polish State	07/25/2028	5.99 %
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027	5.36 %
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031	5.07 %
BGOSK 2033/07/21 2,25%	interest-bearing	Bank Gospodarstwa Krajowego	07/21/2033	3.51 %
POLGB 2029/04/25 5,75%	interest-bearing	Polish State	04/25/2029	3.01 %

### 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