

INVESTMENT POLICY OF THE FUND

The Fund aims to achieve a higher return than that of short-term bonds by investing in bonds of low volatility and limited-risk profile issued or guaranteed by certain specified states, quasi-sovereign corporations, national banks or supranational institutions. The Fund invests most of its available assets in low-risk instruments, i.e. bonds issued or guaranteed by the Hungarian state or states with a credit rating at least equal to or better than the latter's latest rating (or by their debt management agencies), quasi-sovereign companies, national banks or supranational institutions. The Fund may hold bank deposits, or cash, and enter into repo and reverse repo transactions. The maximum interest rate risk with respect to the Fund as a whole (i.e. its duration) is 3 years, while the weighted average maturity of the individual securities is a maximum of 10 years. For bonds denominated in currencies other than Hungarian forint, the asset manager seeks to fully hedge the foreign exchange risk, and may only deviate from this at the expense of risky assets (i.e. in the case of foreign exchange under/over-hedging). The Fund uses a small portion of its available assets to purchase risky instruments – domestic and foreign equities, equity indexes, higher risk bonds, foreign exchange, commodity market products and collective investment securities on the spot and futures markets. The Fund may enter into both long and short trades. Based on the approach followed when purchasing risky assets, the Fund is an absolute return fund: it selects investment options with the best possible expected return/risk ratio from the options available to it on the domestic and international money and capital markets. There is no possibility for making individual investor decisions in respect of the Fund.

MARKET SUMMARY

At the beginning of February, investors were trying to figure out that how much and at what pace would the US Federal Reserve raise interest rates in 2022, but the unfortunate events in Ukraine have changed this. The odds of a rate hike have fallen significantly since the outbreak of the war, but even now it is likely that the Fed funds rate will be raised by at least 25 basis points in March. But the Russia-Ukraine war has completely changed the investment environment. Commodity prices have risen enormously in recent weeks, and not only the price of gold or oil, but also the price of wheat is close to all-time highs. This is also a problem because, while the economy continues to slow down, one investment house forecasting first-quarter US GDP growth of 0%, inflation has risen to a 40-year high. Slowing economic activity in a rising inflation environment is the worst of all scenarios. In a stagflationary environment, almost nothing other than commodity-related sectors are performing well, and this poses a serious challenge for economy. The problem is that the US Federal Reserve, while keen to contain inflation, has relatively limited room for maneuver. The US national debt, which is already over \$30 trillion and rising, limits how much the Fed can raise before it pushes the US economy into recession. It appears that the Fed should've raised interest rates in 2021, but missed that opportunity. The Bank of Hungary continued to raise interest rates in February in response to high inflation figures. The base rate was raised by 50 basis points to 3.40%, while the one-week deposit rate was raised by 30 basis points to 4.60%. The EURHUF exchange rate was stable until the outbreak of the war between Russia and Ukraine, but by the end of the month the forint had fallen to a new historic low against the euro and the dollar.

At the beginning of the month, we further reduced the Fund's Hungarian bond duration, given the very high inflation environment and the continuous interest rate hike cycle. This later proved to be a good decision. As a long term investment idea, we expected the dollar to weaken, and held a RUB long in the fund, but the Russian invasion changed everything. We closed the USD/RUB position on the first day of the invasion, which caused a significant loss to the fund, but later the exchange rate moved much higher on the impact of unprecedented sanctions and presumably has not yet found its equilibrium. It is feared that instead of the previously expected USD weakening, the opposite is expected, while regional currencies are vulnerable in many ways in the current situation so we opened USDHUF long.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index + 0.5%
ISIN code:	HU0000705157
Start:	03/19/2007
Currency:	HUF
Net Asset Value of the whole Fund:	403,174,088 HUF
Net Asset Value of HUF series:	403,174,088 HUF
Net Asset Value per unit:	1.634120 HUF

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt, Unicredit Bank Hungary 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
T-bills	35.80 %
Government bonds	22.13 %
International equities	0.29 %
Deposit	44.64 %
Liabilities	-7.67 %
Receivables	3.94 %
Current account	0.88 %
Total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.02 %

Assets with over 10% weight

D220511 (Államadósság Kezelő Központ Zrt.)

2022A (Államadósság Kezelő Központ Zrt.)

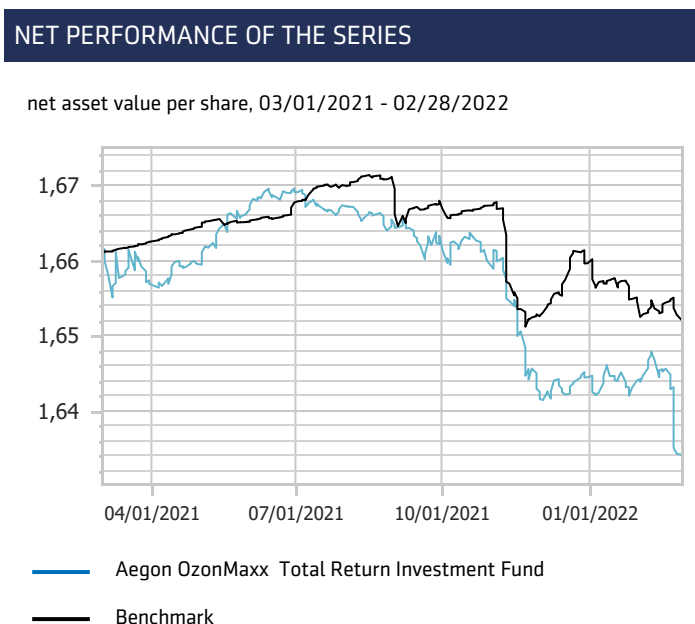
2025B (Államadósság Kezelő Központ Zrt.)

RISK PROFILE

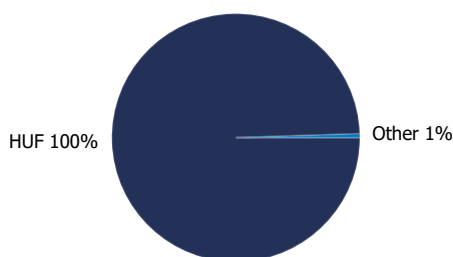
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← Lower risk → Higher risk

NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.34 %	3.84 %
2021	-1.17 %	-0.10 %
2020	0.89 %	0.92 %
2019	0.50 %	0.74 %
2018	0.08 %	0.81 %
2017	0.30 %	0.22 %
2016	1.14 %	1.22 %
2015	1.74 %	1.50 %
2014	3.75 %	3.31 %
2013	5.80 %	5.71 %
2012	7.87 %	8.52 %



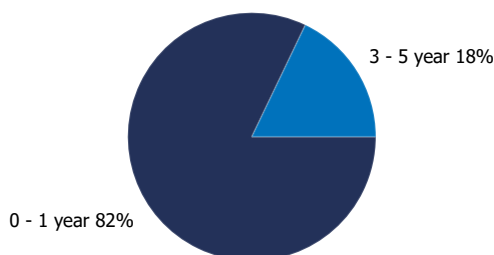
Currency exposure:



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	0.96 %
Annualized standard deviation of the benchmark's weekly yields	0.90 %
WAM (Weighted Average Maturity)	0.41 years
WAL (Weighted Average Life)	0.44 years

Bonds by tenor:



TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
HUF Betét	Betét	OTP Bank	03/03/2022
D220511	zero coupon	Államadósság Kezelő Központ Zrt.	05/11/2022
Magyar Államkötvény 2022A	interest-bearing	Államadósság Kezelő Központ Zrt.	06/24/2022
Magyar Államkötvény 2025/B	interest-bearing	Államadósság Kezelő Központ Zrt.	06/24/2025
D220413	zero coupon	Államadósság Kezelő Központ Zrt.	04/13/2022

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 Aegon Alapkezelő Zrt. Aegon Magyarország Befektetési Alapkezelő Zrt. | 1085 Budapest, Kálvin tér 12-13. | +36 1 477 4814 | alapkezel@egon.hu | www.aegonalapkezelo.hu