

## 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

Although the US inflation rate came in better than expected in August, it is still historically very high, with the second quarter GDP coming in at -0.9%, meaning that the US economy is in a stagflationary environment which is the worst of all economic environments. There was precedent for this in the US in the 1970s, when a declining economic environment was combined with high inflation. Paul Volcker, the Federal Reserve Chairman, solved this by raising short interest rates close to 20% in a coup de grace, which pushed the US economy into a severe recession in 1981. We think that in the current political environment, it is unlikely that the Fed chairman will be willing to do the same.

Europe continues to groan from the effects of the Russian-Ukrainian war. The biggest problem, of course, is that the Russians are using gas supplies as a weapon against Europe, and as a result, energy prices have spiraled out of control on the continent. High energy prices are fueling fears of a hard recession in Europe, and the German producer price index suggests that inflationary pressures in Europe are more likely to accelerate if energy prices do not correct.

Inflation is also a major concern in Hungary: headline CPI increased to 13,7% while core inflation is around 16%. The MNB is trying to curb inflation with its own tools, and has raised the base rate further by 100 basis points to 11.75%, and has indicated that it will raise it even higher in the coming period. The forint reacted favorably to the rate hike, with the EUR/USD exchange rate falling below 400.

On the first day of August, we sold our exposure of the HGB 2031/A at a yield of 7.87%. In principle, we may be getting closer to the point where it makes sense to increase the duration, as there is a risk of a severe recession in the global economy, especially in Europe, but yields have fallen so much over this period that we have seen the need to tactically minimize risk (including interest rate exposure) in the Fund. In our view, the European energy crisis and supply problems will take center stage in the autumn, so the summer optimism may soon fade, and we have maintained a cautious allocation in the Fund, mainly by collecting yield from the short DKJ and the MNB deposits. We considered opening a DAX short position, but the price did not reach our target entry level, so this position was not opened.

## 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:	592,167,281 HUF
Net Asset Value of A series:	592,167,281 HUF
Net Asset Value per unit:	1.669149 HUF

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

## SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	<b>6 mths</b>	1 yr	2 yr	3 yr	4 yr	5 yr
--------	---------------	------	------	------	------	------

## ASSET ALLOCATION OF THE FUND

Asset	Weight
T-bills	32.88 %
Government bonds	25.65 %
Deposit	40.87 %
Current account	3.36 %
Liabilities	-2.00 %
Market value of open derivative positions	-0.74 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	21.77 %
Net corrected leverage	99.99 %

## Assets with over 10% weight

POLGB 2023/01/25 2,5% (Lengyel Állam)

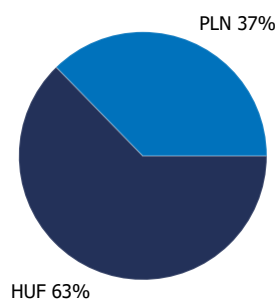
## RISK PROFILE

1	<b>2</b>	3	4	5	6	7
---	----------	---	---	---	---	---

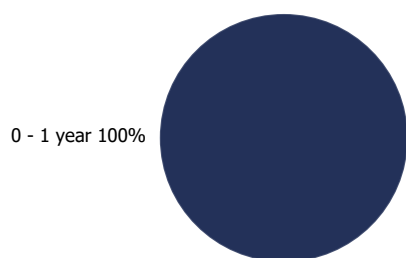
← Lower risk → Higher risk

NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.37 %	3.85 %
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:**

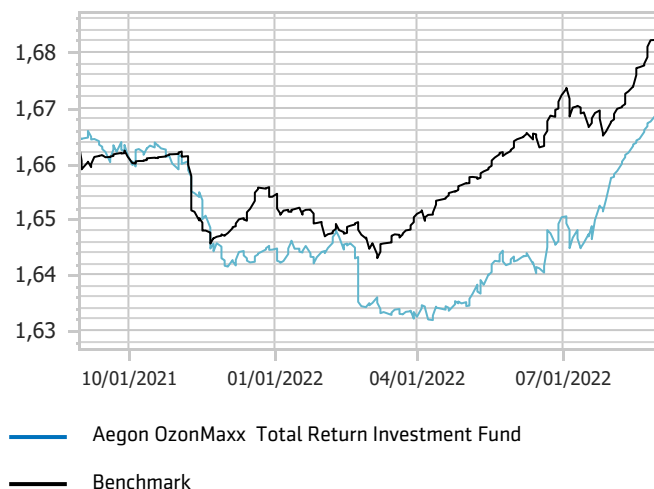


**Bonds by tenor:**



**NET PERFORMANCE OF THE SERIES**

net asset value per share, 09/01/2021 - 08/31/2022



**RISK INDICATORS FOR THE LAST 12 MONTHS**

Annualized standard deviation of the fund's weekly yields	1.32 %
Annualized standard deviation of the benchmark's weekly yields	1.23 %
WAM (Weighted Average Maturity)	0.09 years
WAL (Weighted Average Life)	0.09 years

**TOP 10 POSITIONS**

Asset	Type	Counterparty / issuer	Maturity
HUF Betét	Betét	OTP Bank	09/01/2022
POLGB 2023/01/25 2,5%	interest-bearing	Lengyel Állam	01/25/2023
D220928	zero coupon	Államadósság Kezelő Központ Zrt.	09/28/2022
D221123	zero coupon	Államadósság Kezelő Központ Zrt.	11/23/2022
D221109	zero coupon	Államadósság Kezelő Központ Zrt.	11/09/2022
Magyar Államkötvény 2022B	interest-bearing	Államadósság Kezelő Központ Zrt.	10/26/2022
D221207	zero coupon	Államadósság Kezelő Központ Zrt.	12/07/2022
D220907	zero coupon	Államadósság Kezelő Központ Zrt.	09/07/2022

**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 | alapkezo@aeon.hu | www.aegonalapkezo.hu