

## INVESTMENT POLICY OF THE FUND

The aim of the fund is to achieve a substantial yield for investors by taking high risks and making active use of derivative positions. The Fund applies special investment strategies used by hedge funds to establish its strategy. The fund is willing to buy or sell all available investment instruments - domestic and foreign bonds (treasury bonds, discounted treasury bills, bonds issued by the National Bank of Hungary, as well as low-risk bank and corporate bonds expected to bring higher yields than the state securities) Equities and other securities, indices and currencies - provided it sees the opportunity to make substantial gains – up to the maximum limit allowed by the law, which allows double leverage for the Fund. In its investment decisionmaking mechanism, the Fund considers fundamental pricing, technical and behavioral psychological factors To ensure liquidity the Fund aims to hold government securities issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary.

## MARKET SUMMARY

In September, inflation and other macro data prompted the US Federal Reserve to raise its benchmark interest rate by a further 75 basis points to 3.25%, and policy makers forecast further increases of 75-50-25 basis points. Rising US interest rates, which only further strengthen the dollar in the currency markets, have become a source of serious problems in the international financial markets. Japan's finance ministry has intervened in the foreign exchange market for the first time in 24 years, and the UK central bank will be forced to buy bonds at L5bn a day for 13 days, while postponing its QT program, which was due to start in October and would have involved selling L80bn of assets. The big question for the period ahead is when the US Federal Reserve will stop raising interest rates, but this is unlikely to happen until macro data starts to weaken.

The higher than expected inflation data in Europe, which in some center states such as the Netherlands showed a significant almost annual 14%, left the ECB with no choice but to raise the base rate by 75 basis points and the market expects another 50 basis point increase in October.

Inflation remains a major concern in Hungary. According to the latest MNB Inflation Report, inflation is expected to peak in the 19%-22% range, but it is not ruled out that it will be above 22 percent. The big spike could come as early as September due to the increase in the public utility bill and the summer drought. In September, the central bank raised the base rate further by 125 basis points to 13%. The forint weakened to a new low against the euro when it crossed the 420 level.

The Fund achieved a negative return in September. From the Fund's perspective, asset prices have moved in the wrong direction. We are holding unchanged our 30% forint long positions against the euro, as we believe the forint has weakened a lot and fast, and it is the highest yielding currency in the region. We have slightly increased the duration on the bond position during the month as we believe that here - as with the forint - these interest rates are very good buying opportunities. Core yields are already peaking and this should bring some reassurance to the Hungarian bond market. Natural gas prices also came down in September, which is also helping to bring inflation down. We have not changed our equity position in the fund. We remain negative on this asset class, and if a panic selloff comes, we would like to increase our exposure. We do not currently hold any position in commodities as this asset class does not perform well in a recessionary environment.

## GENERAL INFORMATION

|                                    |                                 |
|------------------------------------|---------------------------------|
| Fund Manager:                      | AEGON Hungary Fund Manager Ltd. |
| Custodian:                         | Unicredit Bank Hungary Zrt.     |
| Main distributor:                  | AEGON Hungary Fund Manager Ltd. |
| Benchmark composition:             | Hurdle rate, annual 0.9%        |
| ISIN code:                         | HU0000715990                    |
| Start:                             | 03/17/2016                      |
| Currency:                          | USD                             |
| Net Asset Value of the whole Fund: | 30,763,514,533 HUF              |
| Net Asset Value of U series:       | 3,092,125 USD                   |
| Net Asset Value per unit:          | 0.983198 USD                    |

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Conseq Investment Management, a.s., Equilor Befektetési Zrt., Erste Befektetési Zrt., ERSTE Group Bank AG Austria, OTP Bank Nyrt., Raiffeisen Bank 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 |
|--------|--------|------|------|------|------|------|

## ASSET ALLOCATION OF THE FUND

| Asset                                     | Weight          |
|---|-----------------|
| Government bonds                          | 65.36 %         |
| Hungarian equities                        | 11.32 %         |
| Collective securities                     | 10.54 %         |
| Corporate bonds                           | 9.50 %          |
| International equities                    | 0.31 %          |
| Current account                           | 11.71 %         |
| Liabilities                               | -0.75 %         |
| Receivables                               | 0.52 %          |
| Market value of open derivative positions | -8.49 %         |
| <b>Total</b>                              | <b>100,00 %</b> |
| Derivative products                       | 80.08 %         |
| Net corrected leverage                    | 109.71 %        |

### Assets with over 10% weight

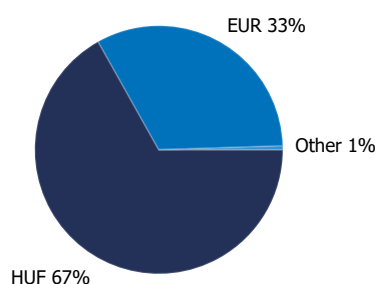
2031A (Államadósság Kezelő Központ Zrt.)

## RISK PROFILE



| NET YIELD PERFORMANCE OF THE SERIES |               |                 |
|-------------------------------------|---------------|-----------------|
| Interval                            | Yield of note | Benchmark yield |
| From start                          | -0.26 %       | 0.36 %          |
| 2021                                | 2.99 %        | -0.60 %         |
| 2020                                | 1.65 %        | 0.41 %          |
| 2019                                | 9.74 %        | 0.23 %          |
| 2018                                | -1.66 %       | 0.31 %          |
| 2017                                | 3.93 %        | 0.20 %          |

**Currency exposure:**



**NET PERFORMANCE OF THE SERIES**

net asset value per share, 10/01/2021 - 09/30/2022



— VIG Alfa Absolute Return Investment Fund U series  
— Benchmark

**RISK INDICATORS FOR THE LAST 12 MONTHS**

|  |            |
|--|------------|
| Annualized standard deviation of the fund's weekly yields      | 11.93 %    |
| Annualized standard deviation of the benchmark's weekly yields | 0.79 %     |
| WAM (Weighted Average Maturity)                                | 5.45 years |
| WAL (Weighted Average Life)                                    | 6.50 years |

**TOP 10 POSITIONS**

| Asset                                 | Type             | Counterparty / issuer            | Maturity   |
|---------------------------------------|------------------|----------------------------------|------------|
| EUR/HUF 23.05.30 Forward Sell         | derivatív        | ING Bank Hun                     | 05/30/2023 |
| EUR/HUF 23.05.31 Forward Sell         | derivatív        | Raiffeisen Hun                   | 05/31/2023 |
| Magyar Államkötvény 2031/A            | interest-bearing | Államadósság Kezelő Központ Zrt. | 10/22/2031 |
| Adventum MAGIS Zártkörű Alapok Alapja | investment note  | Adventum MAGIS Zártkörű Alapok   |            |
| Magyar Államkötvény 2026/D            | interest-bearing | Államadósság Kezelő Központ Zrt. | 12/22/2026 |
| Zöld Magyar Államkötvény 2051/G       | interest-bearing | Államadósság Kezelő Központ Zrt. | 04/28/2051 |
| 2026F                                 | interest-bearing | Államadósság Kezelő Központ Zrt. | 08/26/2026 |
| EUR/HUF 23.06.05 Forward Sell         | derivatív        | Raiffeisen Hun                   | 06/05/2023 |
| EUR/HUF 23.06.05 Forward Sell         | derivatív        | ING Bank Hun                     | 06/05/2023 |
| Magyar Államkötvény 2032/A            | interest-bearing | Államadósság Kezelő Központ Zrt. | 11/24/2032 |

**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.  
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