

## 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 Polish bond market performed weakly again in September, with the yield curve rising. Yields were up 55 basis points at three-year maturity, 70 basis points at five-year maturity and 101 basis points at ten-year maturity. At the rate-setting meeting in early September, the central bank raised the policy rate by 25 basis points to 6.75%. The risk of a slowdown in the economy plays a prominent role in decisions to raise interest rates, which was reflected in the tone of the recent communication. It is already apparent that the end of the tightening cycle may be near, unless the European energy crisis leads to a further material increase in risk aversion for the region's assets. Preliminary data showed that year-on-year inflation in September edged up again to 17.2% from 16.1% in the previous month, finishing above market expectations. Inflation was further fueled by increases in energy and fuel prices, but food prices also rose sharply in September. Further price rises are expected in the coming months, with inflation peaking in the first quarter of 2023. According to a September Bloomberg poll, the Polish economy is expected to grow by 4% in 2022, 1.3% in 2023 and 3.3% in 2024. The growth forecast for the third quarter has been revised down to 2.6% from 2.7%. The purchasing managers' index bounced back, with the manufacturing index rising to 43 from 40.9 the previous month. Output and new orders fell again as high inflation and an uncertain economic environment weighed on demand. Industrial production grew by 10.9% in August, beating market expectations of 10%. As for public finances, the state generated a deficit of PLN 7 132.8 million in August, bringing the 12-month rolling budget deficit to 1.5% of GDP.

We find long end Polish government bond yields between 7-8% attractive given looming recession and nearly peaking inflation, however fiscal situation and change in core yields make us more cautious and gradual with buying of duration.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% TBSP Index
ISIN code:	HU0000710942
Start:	08/07/2012
Currency:	PLN
Net Asset Value of the whole Fund:	13,944,594,190 HUF
Net Asset Value of I series:	111,285,758 PLN
Net Asset Value per unit:	1.064991 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	54.44 %
Corporate bonds	42.43 %
Liabilities	-32.78 %
Receivables	30.92 %
Current account	5.04 %
Market value of open derivative positions	-0.04 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	12.99 %
Net corrected leverage	100.51 %

## Assets with over 10% weight

POLGB 2032/04/25 1,75% (Lengyel Állam)
POLGB 2026/10/25 0,25% (Lengyel Állam)
BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)
POLGB 2027/05/25 3,75% (Lengyel Állam)

## RISK PROFILE

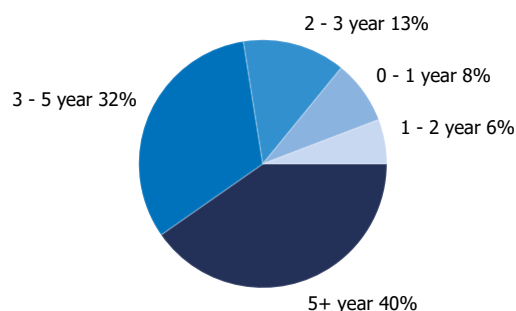
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← Lower risk Higher risk →

## NET YIELD PERFORMANCE OF THE SERIES

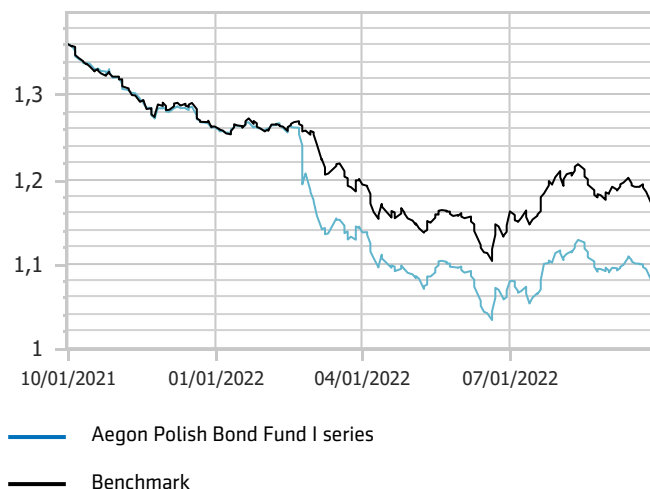
Interval	Yield of note	Benchmark yield
From start	0.62 %	1.96 %
2021	-10.34 %	-9.74 %
2020	6.00 %	6.42 %
2019	3.73 %	3.94 %
2018	4.17 %	4.67 %
2017	4.17 %	4.77 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

## Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

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



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	11.41 %
Annualized standard deviation of the benchmark's weekly yields	9.51 %
WAM (Weighted Average Maturity)	4.55 years
WAL (Weighted Average Life)	5.26 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2032/04/25 1,75%	interest-bearing	Lengyel Állam	04/25/2032
POLGB 2026/10/25 0,25%	interest-bearing	Lengyel Állam	10/25/2026
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025
POLGB 2027/05/25 3,75%	interest-bearing	Lengyel Állam	05/25/2027
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031
POLGB 2023/01/25 2,5%	interest-bearing	Lengyel Állam	01/25/2023
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027
EUR/PLN 22.10.06 Forward Sell	derivatív	ING Bank Hun	10/06/2022
POLGB 2030/10/25 1,25%	interest-bearing	Lengyel Állam	10/25/2030

## Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfvtv. 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