

## INVESTMENT POLICY OF THE FUND

The Fund aims to share in the returns of the Polish stock market, and to profit from Polish economic growth through stock prices and dividend income. In accordance with the risk characteristics of equity investments, the Fund qualifies as a high-risk investment. According to the Fund Manager's intentions, the bulk of the Fund's portfolio is made up of the shares of foreign companies issued through public offerings. The primary investment targets are the securities, traded on the stock exchange or about to be listed on the stock exchange, of companies that operate in Poland or that derive a significant portion of their revenues from Poland, or whose shares are listed on the Warsaw Stock Exchange. The Fund may also invest in equities of other Central and Eastern European companies (Austria, Czech Republic, Hungary, Russia, Romania and Turkey). When developing the portfolio, the shares determine the nature of the Fund, and thus the proportion of shares that can be held in the Fund at any given time may reach the prevailing legal maximum. The Fund holds more than 30% of its assets in currencies other than the local currency (HUF).

## 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 Polish stock market failed to improve on months of weakness in September, with the index again ending the month with a significant decline. Several of the top manufacturers that had been hit hard earlier in the month again proved to be outperformers during the month, but tech companies overall also outperformed the index. Fears of a more significant slowdown saw copper and coal miners take a big hit, but oil and gas stocks also performed similarly. After a prolonged period of underperformance, bank stocks did not deviate significantly from the performance of the Polish index this month, although the index of Polish bank shares has already fallen more than 50% from its January peak, pricing in the impact of special taxes, moratorium and other extra items to a significant extent. The portfolio slightly underperformed its benchmark. In September, we were overweight utilities and consumer staples, while we were underweight banking/financials, telecoms, consumer staples (including gaming and apparel), oil and gas. In September, the mid-cap sector remained overweight relative to the benchmark.

## GENERAL INFORMATION

|                                    |                                 |
|------------------------------------|---------------------------------|
| Fund Manager:                      | AEGON Hungary Fund Manager Ltd. |
| Custodian:                         | Unicredit Bank Hungary Zrt.     |
| Main distributor:                  | AEGON Hungary Fund Manager Ltd. |
| Benchmark composition:             | 100% MSCI Poland IMI Loc Net    |
| ISIN code:                         | HU0000710835                    |
| Start:                             | 01/22/2019                      |
| Currency:                          | PLN                             |
| Net Asset Value of the whole Fund: | 41,418,862 PLN                  |
| Net Asset Value of A series:       | 9,053,994 PLN                   |
| Net Asset Value per unit:          | 0.606173 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 |
|--------|--------|------|------|------|------|------|

## ASSET ALLOCATION OF THE FUND

| Asset                  | Weight          |
|------------------------|-----------------|
| International equities | 92.10 %         |
| Hungarian equities     | 0.54 %          |
| Current account        | 7.78 %          |
| Liabilities            | -1.63 %         |
| Receivables            | 1.22 %          |
| <b>Total</b>           | <b>100,00 %</b> |
| Derivative products    | 9.44 %          |
| Net corrected leverage | 108.33 %        |

## Assets with over 10% weight

Polski Koncern Naftowy

PKO Bank

## RISK PROFILE

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

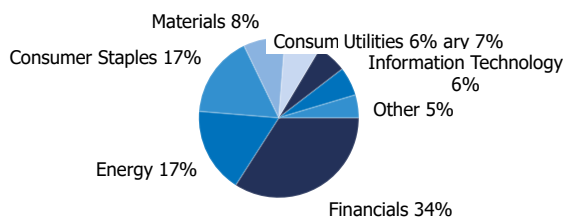
←  
Lower risk

→  
Higher risk

## NET YIELD PERFORMANCE OF THE SERIES

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | -12.69 %      | -11.45 %        |
| 2021       | 20.14 %       | 21.27 %         |
| 2020       | -9.19 %       | -9.83 %         |

## Stocks by sectors



## 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      | 26.47 %    |
| Annualized standard deviation of the benchmark's weekly yields | 24.96 %    |
| WAM (Weighted Average Maturity)                                | 0.00 years |
| WAL (Weighted Average Life)                                    | 0.00 years |

## TOP 10 POSITIONS

| Asset                         | Type      | Counterparty / issuer         | Maturity   |
|-------------------------------|-----------|-------------------------------|------------|
| Polski Koncern Naftowy        | share     | PL Koncern Naftowy            |            |
| PKO Bank                      | share     | PKO Bank                      |            |
| MIDWIG INDEX FUT Dec22 Buy    | derivatív | Erste Bef. Hun                | 12/16/2022 |
| Dino Polska SA                | share     | DINO POLSKA SA                |            |
| POWSZECHNY ZAKŁAD UBEZPIECZEŃ | share     | POWSZECHNY ZAKŁAD UBEZPIECZEŃ |            |
| Bank Pekao SA                 | share     | Bank Pekao SA                 |            |
| KGHM Polska SA                | share     | KGHM Ploska SA                |            |
| Allegro.eu SA                 | share     | Allegro.eu SA                 |            |
| LPP                           | share     | LPP                           |            |
| Pgnig                         | share     | Pgnig                         |            |

## 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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