

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

In March, the impact of the US central bank's interest rate hike policy led to side effects. Silicon Valley Bank was forced to file for bankruptcy as the deposit withdrawals were so large that they could only be met by selling their portfolio, but as the bank's bond portfolio had been significantly priced down by the Fed's rate hikes, it did not have enough assets to meet these withdrawals. The Federal Reserve chairman still came out strongly in favor of another 50 basis point hike at his usual semi-annual Senate hearing, but the bank panics that have since emerged are likely to prompt policymakers to reconsider their earlier stance. According to Deutsche Bank, the Fed might raise interest rates by 4x25 basis points this year, which could peak at 5.75%, while Goldman believes that it might be raised by only 25 basis points. Now, market consensus expects 50-70 bps rate cuts till end of 2023 instead of rate hikes, previously forecasted.

In Hungary, inflation remains very high. According to official data from the Hungarian Central Statistical Office, inflation was 25.2% in March, 0.2% lower than the previous month. In March, the Ministry of Economic Development banned Hungarian financial institutions from accessing the one-week 18% bonds issued by the Hungarian National Bank. This returned Hungary to a tiered interest rate regime. The base rate has remained at 13%, foreign financial institutions have access to the MNB's 18% bonds, while Hungarian financial institutions can only invest in the 14-15% Treasury bills. The forint briefly weakened above the 400 level against the euro – mainly on the back of bank panics - but at the end of the month, when the official rates including 18% O/N rate was left unchanged at the interest rate decision meeting and Vice President of the Hungarian National Bank communicated that they did not intend to cut rates for some time, the forint strengthened back to the 380 level.

During the month we continued to actively trade Hungarian bonds with a maturity of around 1 year. Yields on these securities gradually rose on the back of the high Hungarian inflation, global interest rate hike expectations and MNB measures. The Fund also attracted significant new capital, which was partly invested into Eximbank's annual paper. However, this trend was reversed as soon as the US banking panic broke out, with Credit Suisse in Europe shaking things up, changing global interest rate expectations and the market starting to price in rate cuts for this year rather than significant further tightening. Domestically, this was first reflected in a weakening of the forint, but short yields also started to decline moderately as domestic institutional investors no longer have access to the MNB's one-week discount bond. At the end of the month, when the indices were unrealistically marked up due to the quarterly close, we opened short SP500 position. We believe that equity markets have not yet priced in the possible impact that the Fed's rate

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:	1,956,951,300 HUF
Net Asset Value of A series:	358,682,885 HUF
Net Asset Value per unit:	1.786805 HUF

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank 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	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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ASSET ALLOCATION OF THE FUND

Asset	Weight
Corporate bonds	43.18 %
Government bonds	26.12 %
T-bills	20.97 %
Current account	9.72 %
Receivables	0.04 %
Liabilities	-0.04 %
Total	100.00 %
Derivative products	3.69 %
Net corrected leverage	103.67 %

Assets with over 10% weight

2023A (Államadósság Kezelő Központ Zrt.)
MAEXIM 16 03/14/24 (Magyar Export-Import Bank Zrt.)
MAEXIM 16 01/17/24 (Magyar Export-Import Bank Zrt.)

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	3.69 %	4.01 %
2022	5.54 %	3.53 %
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 %

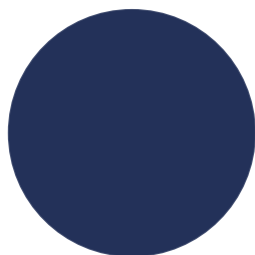
Currency exposure:

HUF 100%



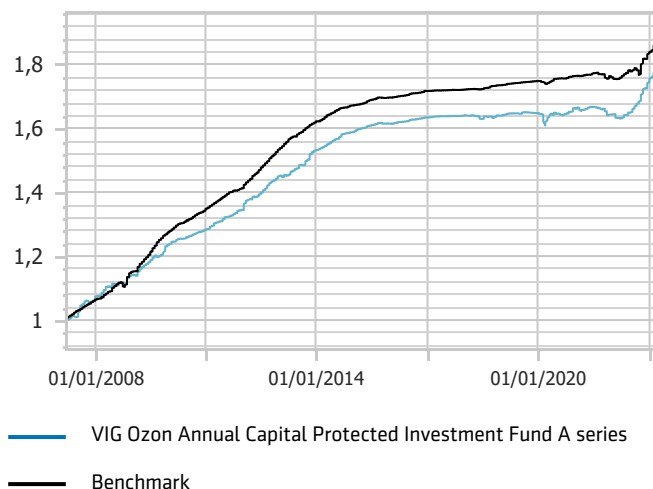
Bonds by tenor:

0 - 1 year 100%



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2007 - 03/31/2023



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	1.25 %
Annualized standard deviation of the benchmark's weekly yields	2.07 %
WAM (Weighted Average Maturity)	0.69 years
WAL (Weighted Average Life)	0.69 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Magyar Államkötvény 2023/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2023
MAEXIM 16 03/14/24	interest-bearing	Magyar Export-Import Bank Zrt.	03/14/2024
MAEXIM 16 01/17/24	interest-bearing	Magyar Export-Import Bank Zrt.	01/17/2024
D230920	zero coupon	Államadósság Kezelő Központ Zrt.	09/20/2023
D231227	zero coupon	Államadósság Kezelő Központ Zrt.	12/27/2023
MAEXIM 14 12/07/23	interest-bearing	Magyar Export-Import Bank Zrt.	12/07/2023
D240221	zero coupon	Államadósság Kezelő Központ Zrt.	02/21/2024
MAEXIM 16 02/14/24	interest-bearing	Magyar Export-Import Bank Zrt.	02/14/2024
S&P500 EMINI FUT Jun23 Sell	derivatív	Raiffeisen Hun	06/16/2023

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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