

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 had a strong performance in March. The yield curve moved lower, with yields falling by 36 basis points at three-year maturity, 55 basis points at five-year maturity and 52 basis points at ten-year maturity. According to preliminary data, inflation in March may have fallen to 16.2% from the 18.4% in February, but still beat market expectations. Food prices and household energy prices remained elevated, while fuel prices rose only slightly. The inflation forecast has been revised downwards for the first time since 2020, with the central bank now expecting inflation to end this year at 11.9%, down from 13.1% previously. However, despite the more upbeat inflation picture, the central bank left the base rate unchanged at its March rate decision meeting, marking the sixth month of 6.75% and the possibility of rate cuts was not raised at the meeting. According to a Bloomberg poll in March, the Polish economy will grow by 0.7% in 2023, the first quarter GDP forecast was left unchanged, but the second quarter GDP expectation was lowered to 0.4% from 0.5%. The purchasing managers' index fell, with the manufacturing index dropping to 48.3 from 48.5 the previous month. The index is thus still below the 50 mark, as output and new orders are still falling due to the uncertain economic environment and high inflation. Industrial production fell 1.2% in February, well below market expectations of +1%. As for public finances, the state generated a deficit of PLN 11 279.7 million in February, bringing the 12-month rolling budget deficit to 0.77% of GDP. During the month financial stress in the USA played the most important part, after which market participants priced in possible rate cuts during the course of the year instead of significant more tightening before the banking stress. With regards to the changes in the global environment – also before the financial stress – we turned more constructive regarding Polish government bonds.

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: | 14,299,236,756 HUF |
| Net Asset Value of I series: | 125,439,122 PLN |
| Net Asset Value per unit: | 1.150916 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 |
|---|-----------------|
| Government bonds | 51.44 % |
| Corporate bonds | 45.25 % |
| Current account | 3.27 % |
| Liabilities | -0.87 % |
| Receivables | 0.67 % |
| Market value of open derivative positions | 0.25 % |
| Total | 100,00 % |
| Derivative products | 18.04 % |
| Net corrected leverage | 100.01 % |

Assets with over 10% weight

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

RISK PROFILE

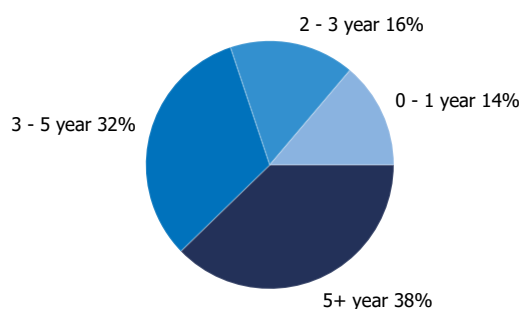
| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

←—————→
Lower risk Higer risk

NET YIELD PERFORMANCE OF THE SERIES

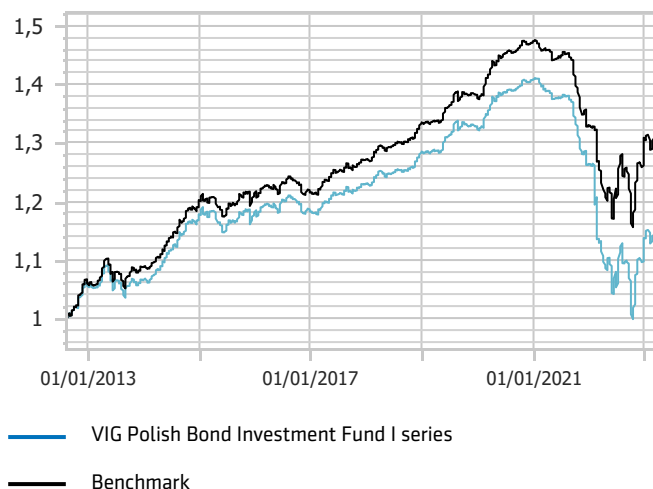
| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 1.33 % | 2.63 % |
| 2022 | -13.09 % | -5.03 % |
| 2021 | -10.34 % | -9.74 % |
| 2020 | 6.00 % | 6.42 % |
| 2019 | 3.73 % | 3.94 % |
| 2018 | 4.17 % | 4.67 % |
| 2017 | 4.17 % | 4.77 % |
| 2016 | 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, 08/07/2012 - 03/31/2023



RISK INDICATORS FOR THE LAST 12 MONTHS

| | |
|--|------------|
| Annualized standard deviation of the fund's weekly yields | 10.99 % |
| Annualized standard deviation of the benchmark's weekly yields | 10.31 % |
| WAM (Weighted Average Maturity) | 4.15 years |
| WAL (Weighted Average Life) | 4.91 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|-------------------------|------------------|--|------------|
| POLGB 2027/05/25 3,75% | interest-bearing | Lengyel Állam | 05/25/2027 |
| POLGB 2032/04/25 1,75% | interest-bearing | Lengyel Állam | 04/25/2032 |
| BGOSK 07/03/25 1.25% | interest-bearing | Bank Gospodarstwa Krajowego | 07/03/2025 |
| BGOSK 2030/06/05 2,125% | interest-bearing | Bank Gospodarstwa Krajowego | 06/05/2030 |
| POLAND EUR2024/01/15 3% | interest-bearing | Lengyel Állam | 01/15/2024 |
| BGOSK Float 06/12/31 | interest-bearing | Bank Gospodarstwa Krajowego | 06/12/2031 |
| BGOSK 2027/04/27 1,875% | interest-bearing | Bank Gospodarstwa Krajowego | 04/27/2027 |
| BSTDBK 2.52 10/19/23 | interest-bearing | BLACK SEA TRADE AND DEVELOPEMENT BANK | 10/19/2023 |
| BGOSK 2033/07/21 2,25% | interest-bearing | Bank Gospodarstwa Krajowego | 07/21/2033 |
| OTP HB 7.35% 03/04/26 | interest-bearing | Országos Takarékpénztár és Kereskedelmi Bank Nyrt. | 03/04/2026 |

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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