

## INVESTMENT POLICY OF THE FUND

The fund is intended to serve as a stable, moderately low-risk form of investment, and to offer investors higher returns than bank deposits over the medium term. The portfolio elements are selected in accordance with the above principles. To ensure liquidity, the fund primarily aims to hold bonds and discount treasury bills issued by the State Debt Management Centre on behalf of the State of Hungary, as well as bonds issued by the National Bank of Hungary. The fund has a low risk profile, but its portfolio may also contain forint-denominated debt securities issued by banks and corporations, which are expected to yield a higher return than government securities. The fund may also keep its liquid assets in bank deposits. Besides this, the fund may hold a limited proportion of foreign-currency instruments in its portfolio, but only subject to the full hedging of currency risk.

Aegon Domestic Bond Fund must hold minimum 80% of its assets in HUF-denominated bonds issued by the members of European Economic Area.

## MARKET SUMMARY

In October, inflation on an annualized basis could have risen above 6% despite the interest rate hike cycles. Price increases are likely to peak in November and then gradually start to decline. At the October rate decision meeting, the rate hiking cycle continued, with another 15 basis point tightening, leaving the base rate currently at 1.8%. Given the medium-term inflation risks, the rate hikes will continue until inflation stabilizes, so the cycle could continue next year. The purchase of government papers will continue at the current pace and revision of the weekly amount will be in December. The tightening of the interbank forint liquidity continues, with the foreign exchange swap tenders offering forint liquidity in recent weeks not accepting the amounts offered, thus gradually tightening interbank liquidity. This has also had a positive impact on the forint exchange rate, which has managed to strengthen somewhat in recent days, with the EURHUF exchange rate falling below 360. Due to the regional sell-off, the yield curve moved higher during the month. Three-year yields ended the month up 42 basis points, 5-year yields 61 basis points and 10-year yields 69 basis points. The government continues to hold a huge stock of cash. Developed markets are under pressure again, with two US rate hikes already priced in for next year – clearly not supportive for other markets.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% MAX Index
ISIN code:	HU0000718127
Start:	12/01/2016
Currency:	HUF
Net Asset Value of the whole Fund:	17,439,551,804 HUF
Net Asset Value of institutional series:	2,754,453,449 HUF
Net Asset Value per unit:	1.075455 HUF

## DISTRIBUTORS

## 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	90.28 %
Corporate bonds	8.57 %
T-bills	0.26 %
Receivables	1.47 %
Liabilities	-0.58 %
Current account	0.02 %
<b>Total</b>	<b>100.00 %</b>
Derivative products	0.00 %
Net corrected leverage	100.00 %

### Assets with over 10% weight

2024B (Államadósság Kezelő Központ Zrt.)

2025B (Államadósság Kezelő Központ Zrt.)

## RISK PROFILE

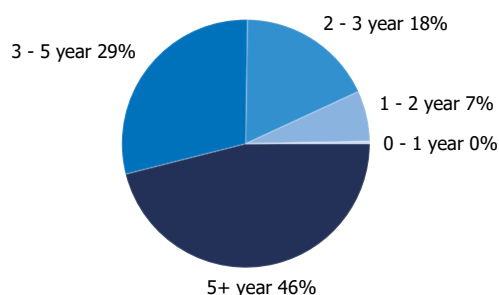
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← Lower risk Higher risk →

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	1.49 %	1.65 %
2020	1.55 %	1.41 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

## Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 11/01/2020 - 10/31/2021



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	3.84 %
Annualized standard deviation of the benchmark's weekly yields	3.90 %
WAM (Weighted Average Maturity)	5.60 years
WAL (Weighted Average Life)	6.14 years

## 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. Aegon Magyarország Befektetési Alapkezelő Zrt. | 1085 Budapest, Kálvin tér 12-13. | +36 1 477 4814 | alapkezel@egon.hu | www.aegonalapkezel.hu