

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

October saw major changes in the Polish bond market. Right at the beginning of the month, the central bank raised the interest rates by 40 basis points, which took the market by surprise both in terms of timing and size of increase. The hike was mainly driven by the heightened risks surrounding the path of the inflation, partly due to political pressure. The economic activity would have warranted the tightening a long time ago, but communication of NBP was reluctant to tighten before spring of 2022, at least according to previous statements. The sell-off continued throughout the month, with short yields mainly driven by the prospect of further rate hikes and long yields rising on inflation fears and because of the international environment. Yields thus moved higher across all maturities, ending the month up 110 basis points at the three-year maturity, 83 basis points at the five-year maturity and 66 basis points at the 10-year maturity. According to preliminary data Poland's year-on-year inflation rate continued to rise in October, with prices 6.8% higher than a year earlier. Prices in Poland have not risen at this rate for almost 20 years and are likely to show even higher price dynamics in the coming months. The rise is mainly due to higher oil prices, but the current energy crisis poses an upside risk to inflation everywhere. According to Bloomberg's October poll, Poland's GDP could grow by 5% in the third quarter. And fourth-quarter GDP growth was revised down slightly to 6% from 6.4%. The Purchasing Managers' Index rose to 53.8 points in October from 53.4 points in September, finishing above market expectations. Industrial production rose 8.8% in September, slightly above market expectations. As for the general government, the state generated a surplus of PLN 4,221 million in the ninth month, reducing the 12-month rolling budget deficit to 0.95% of GDP.

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:	15,612,377,323 HUF
Net Asset Value of institutional series:	140,093,249 PLN
Net Asset Value per unit:	1.320462 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	60.67 %
Corporate bonds	38.24 %
Receivables	6.38 %
Liabilities	-5.43 %
Current account	0.15 %
Market value of open derivative positions	0.01 %
Total	100,00 %
Derivative products	12.74 %
Net corrected leverage	104.93 %

Assets with over 10% weight

POLGB 2025/07/25 3,25% (Lengyel Állam)
POLGB 2026/07/25 2,5% (Lengyel Állam)
BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)

RISK PROFILE

1	2	3	4	5	6	7
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← Lower risk Higher risk →

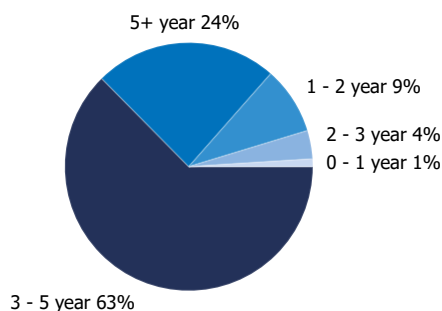
NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.06 %	3.63 %
2020	6.00 %	6.42 %
2019	3.73 %	3.94 %
2018	4.17 %	4.67 %
2017	4.17 %	4.77 %
2016	0.22 %	0.25 %
2015	0.83 %	1.68 %
2014	9.56 %	9.45 %
2013	0.46 %	1.99 %

NET PERFORMANCE OF THE SERIES

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



Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	2.39 %
Annualized standard deviation of the benchmark's weekly yields	2.79 %
WAM (Weighted Average Maturity)	4.44 years
WAL (Weighted Average Life)	4.87 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2025/07/25 3,25%	interest-bearing	Lengyel Állam	07/25/2025
POLGB 2026/07/25 2,5%	interest-bearing	Lengyel Állam	07/25/2026
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025
EUR/PLN 22.01.07 Forward Sell	derivatív	OTP Bank	01/07/2022
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030

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@aeon.hu | www.aegonalapkezelo.hu