

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 November, the annualized inflation have risen above 7% despite the interest rate hike cycle. Price increases are likely to peak this month and then gradually start to decline from December. At the November policy meeting, the rate hike cycle continued, with a 30 basis point tightening, leaving the base rate currently at 2.1%. However, due to recent risks, the one-week deposit tender rate has again diverged from the base rate, rising to 2.9% by the end of the month. Thus, the effective rate increase for the month of November was 110 basis points. The Monetary Council also changed the interest rate corridor, raising the lower bound by 45 basis points and the upper bound by 105 basis points. In order to tighten interbank forint liquidity, the foreign exchange swap facility providing forint liquidity will be phased out, and a short-dated discount bond will be introduced on an ad hoc basis to preserve stability in the end-quarter swap market. To reduce inflation, the government also froze fuel prices for three months from 15 November, capping them at 480 forints. The forint's exchange rate against the euro has stabilized at around 365 following the weekly interest rate hikes. During the month, the yield curve moved higher due to the regional sell-off. Three-year yields ended the month up by 147 basis points, 5-year yields by 92 basis points and the 10-year yields by 45 basis points. Government bond buying continues, but the volume of weekly purchases fell below HUF 30 billion by the end of the month, so the target amount of weekly purchases is likely to be reduced in the end-quarter review. The government continues to hold a large stock of cash. Developed markets have not helped either, with news of a faster unwinding of US asset purchases, the market is already pricing in two US rate hikes next year.

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:	16,911,430,435 HUF
Net Asset Value of institutional series:	2,861,778,420 HUF
Net Asset Value per unit:	1.040432 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	91.02 %
Corporate bonds	8.73 %
Current account	0.75 %
Liabilities	-0.69 %
Receivables	0.21 %
Total	100,00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %
Assets with over 10% weight	
2024B (Államadósság Kezelő Központ Zrt.)	
2025B (Államadósság Kezelő Központ Zrt.)	

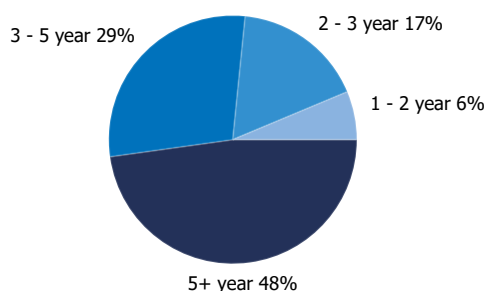
RISK PROFILE

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	0.80 %	0.91 %
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, 12/01/2020 - 11/30/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	4.49 %
Annualized standard deviation of the benchmark's weekly yields	4.61 %
WAM (Weighted Average Maturity)	5.73 years
WAL (Weighted Average Life)	6.31 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@aeon.hu | www.aegonalapkezel.hu