

## 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

Year-on-year inflation may have peaked in November, so a gradual slowdown in the pace of price increases is expected from December. The December policy meeting continued the cycle of interest rate hikes, with another 30 basis point tightening, leaving the base rate at 2.4%. However, due to recent risks, the rate on the one-week deposit tender has diverged from the floor, rising to 4% by the end of the month. At the December rate-setting meeting, it was announced that interest rate hikes would continue from now on at a monthly rather than weekly pace. The Monetary Council also changed the interest rate corridor, raising the lower bound by 80 basis points and the upper bound by 30 basis points, in order to continue the rate hikes. Because of the interest rate increases, the government bond purchase program and the Bond Funding for Growth Scheme have been closed, but they have stated that if necessary, they are ready to intervene in the market with government bond purchases on a case-by-case basis. The forint did not strengthen much against the euro despite the weekly interest rate hikes, ending the year above 369. During the month, the ÁKK presented its 2022 funding plan, which foresees a net funding requirement of HUF 3 153 billion next year. The 2022 issuance will thus be lower, but still targeting the long end of the yield curve. Yields were modestly higher in December after the huge sell-off in November, we saw a 10-15 bps move in the 5-10y segment.

## 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:	16,640,862,717 HUF
Net Asset Value of institutional series:	2,916,442,976 HUF
Net Asset Value per unit:	1.029775 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	89.54 %
Corporate bonds	8.64 %
Current account	1.92 %
Liabilities	-0.11 %
Receivables	0.03 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	0.00 %
Net corrected leverage	100.34 %

## Assets with over 10% weight

2025B (Államadósság Kezelő Központ Zrt.)

## RISK PROFILE

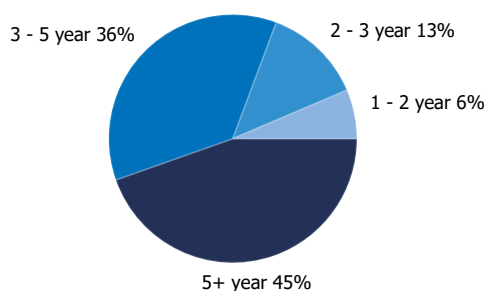
1	2	3	4	5	6	7
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← Lower risk

Higher risk →

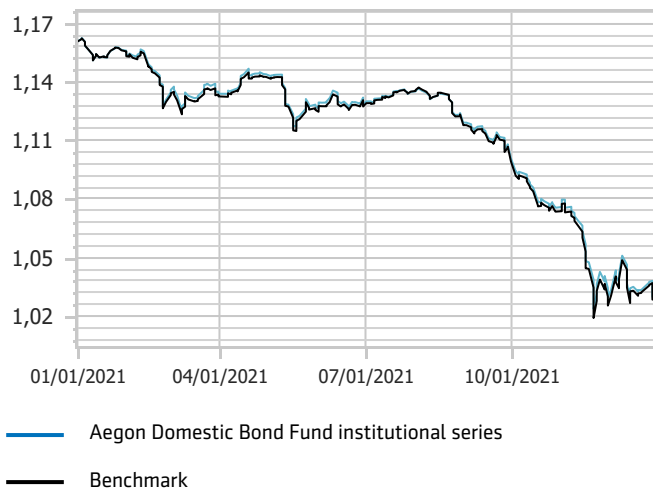
NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	0.58 %	0.74 %
2021	-11.24 %	-11.36 %
2020	1.55 %	1.41 %
2019	7.23 %	7.74 %
2018	-1.51 %	-0.95 %
2017	6.28 %	6.41 %

**Bonds by tenor:**



**NET PERFORMANCE OF THE SERIES**

net asset value per share, 01/01/2021 - 12/31/2021



**RISK INDICATORS FOR THE LAST 12 MONTHS**

Annualized standard deviation of the fund's weekly yields	4.70 %
Annualized standard deviation of the benchmark's weekly yields	4.83 %
WAM (Weighted Average Maturity)	5.81 years
WAL (Weighted Average Life)	6.40 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