

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

In December, yields continued to rise in the Polish bond market. Right at the beginning of the month, the central bank raised interest rates by 50 basis points, in line with market expectations, bringing the base rate to 1.75%. The Monetary Council acknowledged that further tightening was needed to moderate inflation. The central bank governor said that they will raise interest rates to a level that is not yet too damaging for growth, but also does not lead to higher inflation. Thus yields rose by 57 basis points on the 3-year maturity, 63 basis points on the 5-year maturity and 45 basis points on the 10-year maturity. On a year-on-year basis, Polish inflation in December was expected by the market to have risen further, with prices 8.2% higher than a year earlier. Compounding the problem, from January of 2022, the residential energy and gas costs will rise by almost 24% and 54% on average, respectively. The announced measures could lead to inflation next year being 1.5% higher than previously expected. According to a December Bloomberg poll the Polish economy could grow by 5.2% in 2021 and 4.7% in 2022. The purchasing managers' index rose to 56.1 points in December from 54.4 points in November. Industrial production grew by 15.2% in November, significantly outperforming market expectations. As for public finances, the state generated a deficit of PLN 1 506.9 million in the eleventh month, bringing the 12-month rolling budget deficit to 0.85% 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:	HU0000705256
Start:	05/11/2007
Currency:	HUF
Net Asset Value of the whole Fund:	14,530,290,491 HUF
Net Asset Value of HUF series:	470,397,778 HUF
Net Asset Value per unit:	1.704161 HUF

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

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	48.05 %
Corporate bonds	41.51 %
Current account	9.84 %
Receivables	1.39 %
Liabilities	-0.93 %
Market value of open derivative positions	0.15 %
Total	100,00 %
Derivative products	13.71 %
Net corrected leverage	105.64 %

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

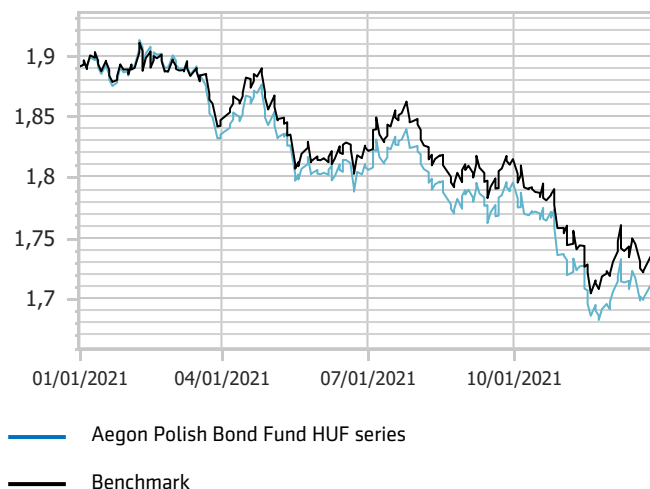
1	2	3	4	5	6	7
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← Lower risk Higher risk →

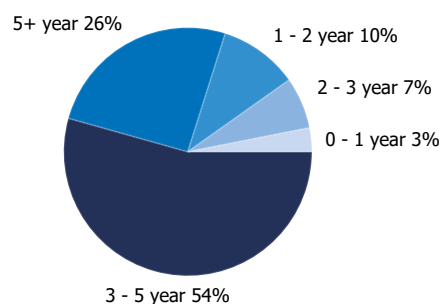
NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.71 %	6.17 %
2021	-9.83 %	-8.59 %
2020	7.66 %	8.75 %
2019	6.92 %	7.79 %
2018	4.20 %	5.33 %
2017	9.53 %	10.82 %
2016	-4.68 %	-4.08 %
2015	-0.35 %	1.10 %
2014	11.85 %	12.94 %
2013	-0.50 %	2.13 %
2012	12.10 %	15.01 %
2011	8.99 %	9.57 %

NET PERFORMANCE OF THE SERIES

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



Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	6.08 %
Annualized standard deviation of the benchmark's weekly yields	5.97 %
WAM (Weighted Average Maturity)	3.63 years
WAL (Weighted Average Life)	4.18 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	derivativ	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@egon.hu | www.aegonalapkezelo.hu