

INVESTMENT POLICY OF THE FUND

The Fund is an absolute return investment fund that aims to create an investment portfolio through active portfolio management that achieves a return for its clients in excess of the benchmark, taking into account a predetermined risk profile. It intends to accomplish this goal primarily by investing in the bond and equity market of the emerging European region. The Fund's asset allocation is aligned with the given capital market conditions. It intends to accomplish this goal primarily by investing in the bond and equity market of the emerging European region. The Fund's asset allocation is aligned with the given capital market conditions.

The Fund applies special investment strategies used by hedge funds to establish its strategy. The fund is willing to buy or sell all available investment instruments - domestic and foreign bonds (treasury bonds, discounted treasury bills, bonds issued by the National Bank of Hungary, as well as low-risk bank and corporate bonds expected to bring higher yields than the state securities) Equities and other securities, indices and currencies - provided it sees the opportunity to make substantial gains - up to the maximum limit allowed by the law, which allows double leverage for the Fund. To the extent set out in the investment strategy, the Fund may also invest in so-called non-investment grade securities, which represent additional risk compared to assets that are classed as investment-grade in terms of creditworthiness. In its investment decision-making mechanism, the Fund considers and weighs fundamental, pricing, technical and behavioural/psychological factors. To ensure liquidity the Fund aims to hold government securities issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary.

MARKET SUMMARY

In January, investors almost completely forgot about what has been weighing on their investment decisions over the past two years. It seems that the Omicron variant of the Covid virus, although spreading much faster, has a much weaker impact on humans than previous variants. The strain on the health infrastructure is not as great and the mortality rate is significantly lower. This was good news, because it meant that investors could finally focus on the things that would affect the long-term course of the economy. It was a cold shower for the markets that after the rate decision meeting in January, Fed Chairman Jay Powell stated in the strongest possible terms that now the Fed's leaders could see that their inflation expectations of last year had not been met, that inflation was significantly higher than they had expected and that they would therefore do everything possible to bring inflation down to the Fed's preferred level in 2022. The chairman outlined a plan that caused panic in the markets. According to these plans, the tapering would be drastically accelerated and interest rates would be raised as early as March. This was not well received by the markets and investors suffered the worst January sell-off ever. The ECB is facing similar problems to the US Federal Reserve. Inflation is already significant factor in Europe, but the ECB is reluctant to raise interest rates. What has been a particular problem over the past month is that energy prices have soared. This is affecting the performance of the economy, but the biggest problem is that the inflation figures remain very high.

The Hungarian National Bank continued to raise interest rates in January in response to the high inflation figures. The base rate was increased by 50 basis points to 2.90% while the one-week deposit rate was raised by 30 basis points to 4.30%. The EURHUF exchange rate finally reacted to the continuous rate hikes, falling from 370 to 352.

The fund achieved a positive return in January. Capital market developments in January had a positive impact on the fund's investments. Both the EURHUF short and the SP 500 index shorts were the main contributors to the fund's return, and we closed both by the end of the month. The closing of the SP 500 index short increased the equity position in the fund to 25%. During the month we continued to buy 10-year Hungarian government bonds. Within the equity position we realized a profit in Unicredit, and we increased the fund's exposure to the European auto, Chinese tech sector and in Russian banks. Looking ahead to next month, we plan to reopen shorts in the SP 500 index to hedge the equity exposure. We bought copper in the commodity market last month, but when it broke down from the technical level we were stopped out.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	Min. hozamkorklát, éves 1.4%
ISIN code:	HU0000727383
Start:	09/07/2021
Currency:	PLN
Net Asset Value of the whole Fund:	40,661,961,897 HUF
Net Asset Value of PI series:	190,547 PLN
Net Asset Value per unit:	1.001076 PLN

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	42.07 %
International equities	15.43 %
Hungarian equities	12.72 %
Corporate bonds	9.38 %
Collective securities	8.21 %
T-bills	6.16 %
Current account	3.05 %
Receivables	2.67 %
Market value of open derivative positions	0.50 %
Liabilities	-0.19 %
Total	100,00 %
Derivative products	40.57 %
Net corrected leverage	102.52 %

Assets with over 10% weight

There is no such instrument in the portfolio

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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RISK PROFILE

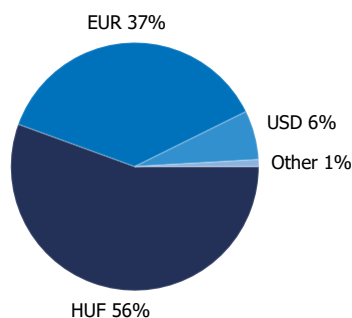
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← Lower risk → Higher risk

NET YIELD PERFORMANCE OF THE SERIES

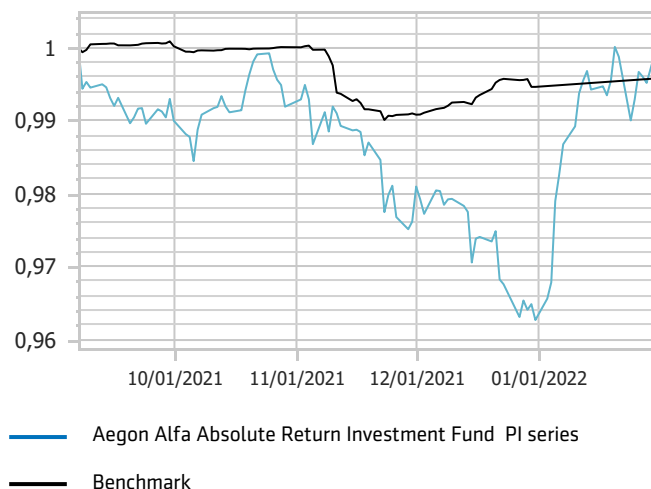
Interval	Yield of note	Benchmark yield
From start	0.11 %	-0.42 %
1 month	4.00 %	0.12 %
3 months	0.92 %	-0.43 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 09/07/2021 - 01/31/2022



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	3.44 %
Annualized standard deviation of the benchmark's weekly yields	0.79 %
WAM (Weighted Average Maturity)	2.16 years
WAL (Weighted Average Life)	2.37 years

TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Magyar Államkötvény 2026/D	interest-bearing	Államadósság Kezelő Központ Zrt.	12/22/2026
Magyar Államkötvény 2023C	interest-bearing	Államadósság Kezelő Központ Zrt.	08/23/2023
Magyar Államkötvény 2031/A	interest-bearing	Államadósság Kezelő Központ Zrt.	10/22/2031

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.
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