

## 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 January, yields continued to rise in the Polish bond market, but with a substantial volatility. At the beginning of the month, the central bank raised the base rate by 50 basis points, in line with market expectations, to 2.25%. The yield curve steepened during the month. Compared to the beginning of the month, yields were up 21 basis points on the 3-year maturity, 12 basis points on the 5-year maturity and 43 basis points on the 10-year maturity. The 5 and 10-year yields were already above 4% at the end of the month. Short term yields proved to be particularly volatile: started the year around 3,5%, sank to below 2,9% and increased towards 3,5% around February, mainly due to the comments from Polish central bankers. Inflation was 8.6% year-on-year in December, justifying a 50 basis point rate hike at the beginning of the month. Higher inflation was mainly driven by higher food prices and housing costs. However, headline inflationary pressures may ease from February, as tax cuts (Anti-Inflation Shield 2.0) will be implemented in response to measures to curb higher inflation. Though, this is rather a short-term window dressing, as part of the spike in inflation will be delayed till 2023, fiscal costs are already around 1% of GDP in 2022 and core inflation is still expected to rise. Poland's economy is estimated to have grown by 5.7% in 2021, driven by an improvement in industrial performance. A Bloomberg poll in January forecasts growth of 4.7% in 2022 and 4.2% in 2023. The Purchasing Managers' Index fell to 54.5 points in January from 56.1 points in December. Industrial production rose 16.7% in the final month of the year, significantly beating market expectations. Turning to public finances, the latest communication from the Ministry of Finance suggests that the fiscal deficit could reach 1.4% of GDP in 2021.

## 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:	14,400,856,274 HUF
Net Asset Value of HUF series:	415,433,955 HUF
Net Asset Value per unit:	1.646665 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	59.42 %
Corporate bonds	40.60 %
Liabilities	-4.64 %
Current account	3.47 %
Receivables	1.35 %
Market value of open derivative positions	-0.20 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	16.23 %
Net corrected leverage	106.64 %

## Assets with over 10% weight

POLGB 2025/07/25 3,25% (Lengyel Állam)
POLGB 2026/07/25 2,5% (Lengyel Állam)
POLGB 2026/10/25 0,25% (Lengyel Állam)
BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)

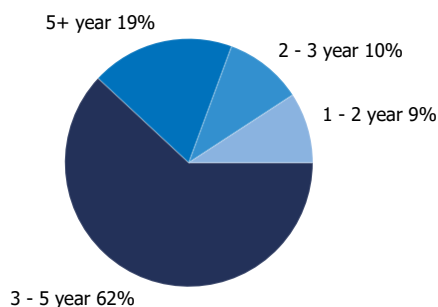
## RISK PROFILE

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

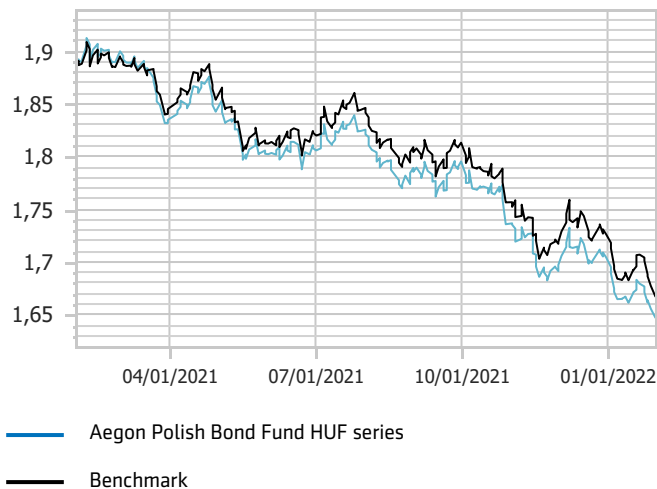
NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.44 %	5.88 %
2021	-9.83 %	-8.59 %
2020	7.66 %	8.75 %
2019	6.92 %	7.79 %
2018	4.20 %	5.33 %
2017	9.53 %	10.82 %
2016	-4.68 %	-4.08 %
2015	-0.35 %	1.10 %
2014	11.85 %	12.94 %
2013	-0.50 %	2.13 %
2012	12.10 %	15.01 %

**Bonds by tenor:**



**NET PERFORMANCE OF THE SERIES**

net asset value per share, 02/01/2021 - 01/31/2022



**RISK INDICATORS FOR THE LAST 12 MONTHS**

Annualized standard deviation of the fund's weekly yields	6.11 %
Annualized standard deviation of the benchmark's weekly yields	6.11 %
WAM (Weighted Average Maturity)	3.85 years
WAL (Weighted Average Life)	4.38 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
POLGB 2026/10/25 0,25%	interest-bearing	Lengyel Állam	10/25/2026
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025
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 Kbfv. 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