

## 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 on the bond market of the emerging European region. When implementing the Fund's investment strategy, the Fund Manager focuses primarily on emerging European hard-currency (dollar, euro) government and corporate bonds, leveraging its regional expertise. For diversification purposes, the Fund may also purchase other bonds (government securities, corporate bonds, mortgage bonds) typically issued in the region and denominated in local currency, and in addition, it may also conclude forward and other derivative transactions in order to establish an efficient portfolio. We aim to achieve a moderate risk profile when compiling the Fund's portfolio. The Fund makes its investments based on an extensive analysis of the issuer's creditworthiness, including a comprehensive assessment of the risks involved, especially with regard to non-investment grade issuers. The Fund may only conclude derivative transactions for hedging purposes, or in the interest of improving portfolio efficiency. The Fund may also hold units of non-leveraged collective investment schemes that track derivative indices. The Fund may also take on significant foreign currency exposure, which is normally fully covered by the Fund Manager, but depending on market conditions, the Fund may have an open foreign currency position. The Fund seeks to provide returns to its investors primarily through its bond investments.

## MARKET SUMMARY

At the beginning of February, investors were mostly concerned about how much and at what pace the US Federal Reserve would raise interest rates in 2022, but unfortunately this has been overshadowed by events in Ukraine. The odds of a rate hike have dropped significantly since the outbreak of the war, but even now we can be sure that the Fed will start the rate hike cycle. However, the armed conflict between Russia and Ukraine has completely changed the investment world. Commodity prices have risen significantly in recent weeks, and not only the price of gold or oil, but also the price of wheat is close to all-time highs. So while the economy continues to slow down, inflation is at a 40-year high. Slowing economic activity in a rising inflationary environment is unfavorable for risk assets. Almost nothing other than commodity-linked sectors are performing well in a stagflationary environment, and this poses a serious challenge for economic agents. The Hungarian National Bank continued to raise interest rates in February in response to the high inflation numbers. The EURHUF exchange rate was stable until the outbreak of the Russian-Ukrainian war, but by the end of the month the forint had fallen to a new all-time low against the euro and the dollar.

During the month, before the outbreak of the Ukrainian-Russian war we slightly increased our Ukrainian exposure, increasing the weight of the country's government bonds close to 6%. The weight of the Russian corporate bonds reached 7% before the invasion. The fund suffered heavy losses on the positions, but we could not sell them on the market, because there was no market making. We mitigated risk through other exposures, where the decline was not so significant, but was considered risky due to their regional proximity or political involvement. Thus, we almost entirely sold our Serbian, Azerbaijani and Kazakh positions.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	Min. hozamkorlát, éves 0%
ISIN code:	HU0000727037
Start:	09/14/2021
Currency:	EUR
Net Asset Value of the whole Fund:	19,748,241,343 HUF
Net Asset Value of EUR series:	3,430 EUR
Net Asset Value per unit:	0.887384 EUR

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt.

## ASSET ALLOCATION OF THE FUND

Asset	Weight
Corporate bonds	37.21 %
Government bonds	25.77 %
T-bills	1.55 %
Mortgage debentures	1.05 %
Collective securities	0.15 %
Current account	25.83 %
Receivables	11.86 %
Liabilities	-1.49 %
Market value of open derivative positions	-1.93 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	71.88 %
Net corrected leverage	99.41 %

### 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

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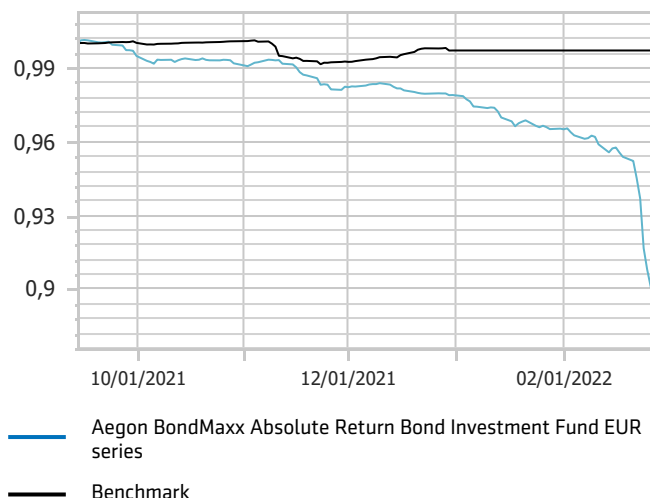
← Lower risk Higher risk →

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-11.26 %	-0.30 %
1 month	-8.07 %	0.00 %
3 months	-9.66 %	0.45 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 09/14/2021 - 02/28/2022



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	1.18 %
Annualized standard deviation of the benchmark's weekly yields	0.79 %
WAM (Weighted Average Maturity)	2.33 years
WAL (Weighted Average Life)	4.04 years

## TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
MFB 2025/06/24 1,375% EUR	interest-bearing	Magyar Fejlesztési Bank Zrt.	06/24/2025
Magyar Államkötvény 2027/B	interest-bearing	Államadósság Kezelő Központ Zrt.	04/22/2027
MVMHU 2027/11/18 0,875% EUR	interest-bearing	MVM Energetika ZRt.	11/18/2027

## 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 | alapkezelo@aegon.hu | www.aegonalapkezelo.hu