

INVESTMENT POLICY OF THE FUND

The Fund aims to achieve capital growth by investing in bonds of emerging European countries and state-owned companies. The Fund does not apply credit rating restrictions: it may purchase securities of any country or company with any long-term credit rating. The Fund aims for the highest possible capital growth alongside reasonable risk-taking. The Fund primarily purchases foreign currency emerging market bonds, in addition to which it holds Hungarian local currency short-term and long-term bonds for diversification and liquidity management purposes. The bond portfolio may also include short-term, long-term, fixed or floating-rate, structured and convertible bonds issued by mortgage credit institutions, other credit institutions, local governments or other business entities. The core of the Fund's investments is Central Eastern Europe (Hungary, Croatia, Poland, Romania, Slovakia, Ukraine), South East Europe (Serbia, Turkey), the Baltics (Latvia, Lithuania) and the Commonwealth of Independent States (Azerbaijan, Belarus, Kazakhstan, Russia, Georgia, Armenia) and bonds of majority state-owned companies, in addition to which the Fund holds short-term and long-term Hungarian government securities for diversification and liquidity management purposes. The target weight for bond exposures in the Fund in the 16 countries listed (target countries) is 95%. We do not set a limit on debt classification in the Fund. The Fund may only conclude derivative transactions for hedging purposes, or in the interest of establishing an efficient portfolio. The Fund may also hold non-leveraged bond-type collective investment forms. The Fund may also take on significant foreign currency exposure, which is normally covered 100% by the Fund Manager in the target currency (USD), but depending on market conditions, the Fund may also hold open foreign currency positions.

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.

The fund kept Ukrainian sovereign bonds on overweight in February and kept Russian sovereign bonds on neutral. The fund's duration was aligned to the long term average level. The fund invests into the EM European hard currency bonds, of which 35% consist of Ukrainian and Russian government bonds. After the war erupted, these bonds quickly started pricing in a default event and lost the bulk of their value. Unfortunately not only these bonds were impacted but the whole region got under severe selling pressure. The losses for the region are way surpass the one seen during the '07-'08 financial crises.

GENERAL INFORMATION

| | |
|------------------------------------|---------------------------------|
| Fund Manager: | AEGON Hungary Fund Manager Ltd. |
| Custodian: | Unicredit Bank Hungary Zrt. |
| Main distributor: | AEGON Hungary Fund Manager Ltd. |
| Benchmark composition: | The fund has no benchmark |
| ISIN code: | HU0000724240 |
| Start: | 12/29/2020 |
| Currency: | HUF |
| Net Asset Value of the whole Fund: | 15,468,218 EUR |
| Net Asset Value of B series: | 8,084,688 HUF |
| Net Asset Value per unit: | 0.708414 HUF |

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt.

SUGGESTED MINIMUM INVESTMENT PERIOD

| | | | | | | |
|--------|--------|------|------|------|------|------|
| 3 mths | 6 mths | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr |
|--------|--------|------|------|------|------|------|

ASSET ALLOCATION OF THE FUND

| Asset | Weight |
|---|-----------------|
| Government bonds | 81.81 % |
| Corporate bonds | 19.59 % |
| Current account | 4.38 % |
| Liabilities | -1.07 % |
| Receivables | 0.00 % |
| Market value of open derivative positions | -4.71 % |
| Total | 100,00 % |
| Derivative products | 6.36 % |
| Net corrected leverage | 101.59 % |

Assets with over 10% weight

There is no such instrument in the portfolio

RISK PROFILE

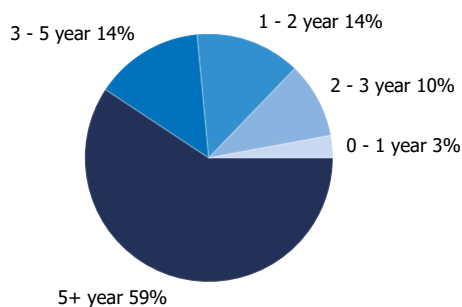
| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

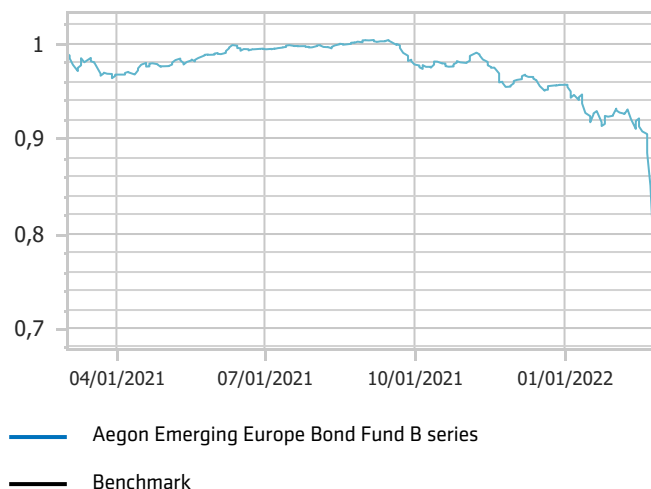
| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | -25.58 % | |
| 2021 | -4.22 % | |

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 03/01/2021 - 02/28/2022



RISK INDICATORS FOR THE LAST 12 MONTHS

| | |
|---|------------|
| Annualized standard deviation of the fund's weekly yields | 5.58 % |
| WAM (Weighted Average Maturity) | 7.40 years |
| WAL (Weighted Average Life) | 9.66 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@egon.hu | www.aegonalapkezel.hu