

## INVESTMENT POLICY OF THE FUND

The fund's aim is to earn capital gains by taking positions in a wide range of assets while keeping risk under pre-defined limits. The assets are selected based on fundamental and technical criteria from the widest range of industry and country exposures possible.

Based on medium and long-term trends, the fund can buy or sell equities, bonds and other securities, and take various exposures using exchange (futures, options) and OTC derivatives (IRS and currency forwards). Naked shorts on securities are not allowed. The manager selects and builds positions based on fundamental and technical analysis in such a way, that the fund's return can exceed that of bank deposits over a medium-term horizon. Equally important focus is given to risk management which targets Level 5 risk bracket. The fund is not targeting any specific sectors, countries or asset classes, but most of its exposures will be taken on US and European exchanges, or markets regulated by the capital market authorities of the United States of America and the countries of the European Union.

The fund's net corrected risk exposure may go up to 200 percent of the portfolio, in accordance with the Hungarian capital market acts and regulations. The fund can also run a net short exposure, also in accordance with the above mentioned regulatory limits.

## 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. On February 24th, 2022, the Russian army launched a full-scale invasion of Ukraine. The emergence of an open war between Russia and Ukraine had previously seemed completely irrational to us, as no global superpower had launched a war of territorial aggression since World War II. 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.

In the fund we decreased the short duration positions after the Russia-Ukraine conflict started. We closed the Russian equity exposure of the fund before the crisis and stopped out the long RUB exposure on the first day. We had been constructive on the HUF so we only had a small short exposure based on the fund's strategy, which we increased slightly after the start of the crisis. We are short the april oil versus the june oil and the commodity basket. We also increased our exposure to Brazil and the agriculture sector in equities, and we stopped out the Raiffeisen Bank shares and switched to Erste Bank instead.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	Min. hozamkorlát, éves 0.7%
ISIN code:	HU0000714274
Start:	12/18/2014
Currency:	EUR
Net Asset Value of the whole Fund:	11,462,998,415 HUF
Net Asset Value of EUR series:	2,491,743 EUR
Net Asset Value per unit:	0.870671 EUR

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., Takarékbank 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
T-bills	38.56 %
Collective securities	31.70 %
Government bonds	5.33 %
Corporate bonds	2.26 %
Hungarian equities	0.89 %
International equities	0.44 %
Current account	31.85 %
Liabilities	-10.70 %
Receivables	0.43 %
Market value of open derivative positions	-0.76 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	58.22 %
Net corrected leverage	115.16 %

## Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

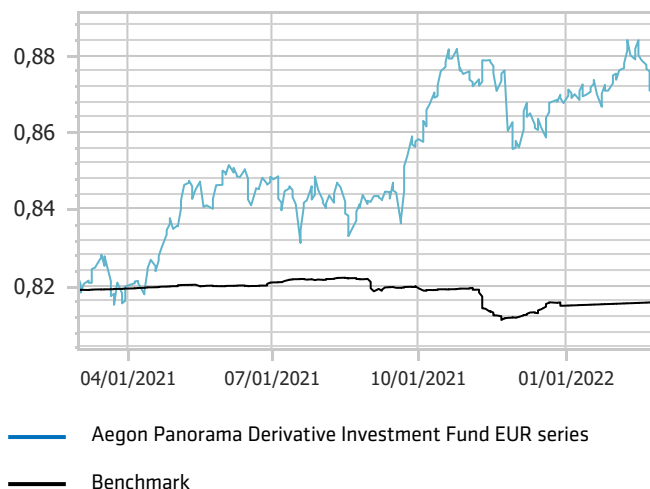
1	2	3	4	5	6	7
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← Lower risk → Higher risk

NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	-1.91 %	0.47 %
2021	9.30 %	-0.60 %
2020	2.14 %	0.41 %
2019	8.20 %	0.23 %
2018	-7.98 %	0.31 %
2017	-1.52 %	0.20 %
2016	-8.82 %	1.22 %
2015	-13.06 %	1.50 %

## 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	5.44 %
Annualized standard deviation of the benchmark's weekly yields	0.87 %
WAM (Weighted Average Maturity)	0.23 years
WAL (Weighted Average Life)	0.38 years

## TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT)Jun22 Sell	derivatív	Raiffeisen Hun	06/21/2022
iShares Diversified Commodity Swap UCITS ETF	investment note	iShares Diversified Commodity Swap UCITS ETF	
Invesco Bloomberg Commodity UCITS ETF	investment note	Invesco Bloomberg Commodity UCITS ETF	

### 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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