

## 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

The Polish bond market saw a massive rise in yields in March. The rate hike cycle continued at the beginning of the month, with the central bank raising interest rates by 75 basis points, against market expectations of 50 basis points, bringing the base rate from 2.75% to 3.5%. The yield curve flattened further during the month. Compared to the beginning of the month, yields were up 163 basis points on the 3-year, 147 basis points on the 5-year and 125 basis points on the 10-year. According to preliminary data, inflation in March rose to 10.9% year-on-year from 8.5% in February, which also finished well above market expectations. The higher figure may have been driven by soaring energy and commodity prices as a result of the Ukraine-Russia war. Poland's central bank also revised upwards its inflation forecast significantly, with inflation expected to reach 10.8% in 2022 and 9% in 2023, up from 5.8% and 3.7% respectively. Inflation in Poland has not been close to 11% for almost 22 years. As for economic growth, according to a March Bloomberg poll, first-quarter GDP growth was revised upwards from 6% to 6.4% and second-quarter growth was revised downwards from 4.6% to 3.8%. The Purchasing Managers' Index fell to 52.7 points in March from 54.7 points in February. Industrial production grew 17.6% in February, beating market expectations of 16.6%. As for public finances, the state generated a deficit of PLN 11 027.4 million in the first month, bringing the 12-month rolling budget deficit to 0.61% of GDP. Our fund outperformed its benchmark this month, as our Ukrainian bond exposure rebounded and we hold an UW in Polish bonds. Still, absolute return of the fund was significantly negative due to the quickly skyrocketing Polish government bond yields. At the very end of the month we closed our UW in Polish bonds, as we found valuation extreme.

## 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:	14,028,534,762 HUF
Net Asset Value of HUF series:	305,021,865 HUF
Net Asset Value per unit:	1.524747 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	63.41 %
Corporate bonds	39.86 %
Liabilities	-4.71 %
Current account	1.46 %
Receivables	0.10 %
Market value of open derivative positions	-0.12 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	13.35 %
Net corrected leverage	104.79 %

### Assets with over 10% weight

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

## RISK PROFILE

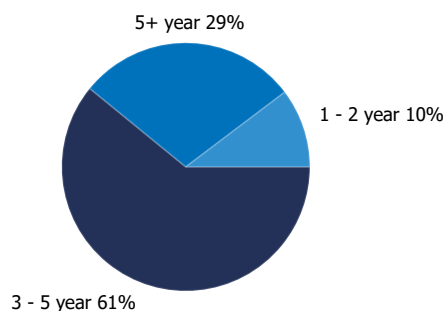
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← Lower risk Higher risk →

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	2.87 %	5.62 %
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, 04/01/2021 - 03/31/2022



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	8.89 %
Annualized standard deviation of the benchmark's weekly yields	7.18 %
WAM (Weighted Average Maturity)	4.26 years
WAL (Weighted Average Life)	4.83 years

## TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
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
POLGB 2025/07/25 3,25%	interest-bearing	Lengyel Állam	07/25/2025
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025
POLGB 2030/10/25 1,25%	interest-bearing	Lengyel Állam	10/25/2030

## 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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