

## INVESTMENT POLICY OF THE FUND

The objective of the Fund is to provide capital return for the investors within the appropriate risk limits. The aim of the Fund is to achieve the highest possible return for a given risk level by buying undervalued stocks and fixed income assets and selling overvalued instruments. The Fund is allowed to buy shares, bonds and other instruments, to open short positions on the spot market, to take long and short forward and future positions. Moreover, the Fund can trade on the option market. The portfolio of the

Fund is separated into three classes according to their investment objective: Instruments of the first class consist of long positions of long term, fundamentally undervalued, and short positions of overvalued equities. The method of stock picking is identical with the applied methods of Aegon equity related funds and mainly concentrate to the CEE regional markets, although the Fund is allowed to invest in other emerging and developed market instruments. The second class of the Fund's instruments implement the top-down equity strategy of Aegon Asset Management Co., mainly with long and short positions on the futures markets. These positions are based on the scores of the so-called "quadrant model", which is the internal asset allocation model of the Asset Management Company. Instruments of the third class involve the fixed income part of the Fund. The aim of the third class is to reach or exceed the performance of the RMAX Index. The target weight of the first and second classes altogether is 45%.

## MARKET SUMMARY

The protracted conflict between Russia and Ukraine is likely to mean that the consequences of war will haunt the world's economies for a long time to come. If we analyze just the economic effects, we see that many things have happened that were previously unthinkable to happen to a nuclear superpower. The Russian central bank's reserves held in foreign banks has been frozen and seven Russian banks have been cut off from the SWIFT system. It is too early to analyze the long-term effects of these decisions, but it is likely to fundamentally reshape the financial world.

The war could also affect the US Federal Reserve's interest rate policy. The Fed has recently communicated that it will focus on inflation and raise interest rates. Never before has the US Federal Reserve raised interest rates when nuclear power initiated a war. The problem is that the war has exacerbated inflationary trends, so the Fed has to respond in some way. At its March policy meeting, it raised its benchmark rate by 25 basis points, which seems ridiculous in the face of inflation of nearly 7%. Of course, US investment banks are also not willing to miss the predictions, and Goldman Sachs expects not 4 but 5 more US rate hikes next year, in addition to the 6 for this year.

The MNB continued to raise interest rates in March in response to the high inflation figures. In March, the MNB raised the base rate by 100 basis points to 4.40% and the one-week deposit rate from 4.60 to 6.15. The EURHUF exchange rate was highly volatile in March due to the Russian-Ukrainian conflict. It reached a new all-time high of 400 forints against the euro at the beginning of the month, but as the National Bank raised interest rates the forint strengthened and returned to 370 by the end of the month.

The fund posted a slight negative return in March. In March, the equity and commodity exposure had a positive impact on the fund's performance, but, as yields rose, the bond exposure had a negative impact. In the sell-off at the beginning of the month, we bought OTP and Erste shares, some of which we took profits on as the markets started to rise. Within the equity exposure, we increased our exposure to the growth sector in the second half of the month, including buying the types of stocks that could be linked to the scarce resources. We also took profits on part of the commodity exposure in the middle of the month, but it still heavily weighted in the portfolio. By the end of the month, the equity weight was 25% and the commodity exposure was 6% in the fund.

## GENERAL INFORMATION

|                                    |                                 |
|------------------------------------|---------------------------------|
| Fund Manager:                      | AEGON Hungary Fund Manager Ltd. |
| Custodian:                         | Raiffeisen Bank Zrt.            |
| Main distributor:                  | AEGON Hungary Fund Manager Ltd. |
| Benchmark composition:             | Hurdle rate, annual 3.3%        |
| ISIN code:                         | HU0000716055                    |
| Start:                             | 03/17/2016                      |
| Currency:                          | CZK                             |
| Net Asset Value of the whole Fund: | 18,757,877,406 HUF              |
| Net Asset Value of CZK series:     | CZK                             |
| Net Asset Value per unit:          | 1.070491 CZK                    |

## DISTRIBUTORS

Raiffeisen Bank Zrt.

## ASSET ALLOCATION OF THE FUND

| Asset                                     | Weight          |
|---|-----------------|
| Collective securities                     | 22.70 %         |
| Government bonds                          | 16.75 %         |
| Corporate bonds                           | 14.48 %         |
| Hungarian equities                        | 8.38 %          |
| T-bills                                   | 8.31 %          |
| International equities                    | 6.03 %          |
| Current account                           | 25.94 %         |
| Liabilities                               | -13.60 %        |
| Receivables                               | 13.09 %         |
| Market value of open derivative positions | -2.08 %         |
| <b>Total</b>                              | <b>100,00 %</b> |
| Derivative products                       | 69.92 %         |
| Net corrected leverage                    | 104.87 %        |

### 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 |
|--------|--------|------|------|------|------|------|

## RISK PROFILE

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

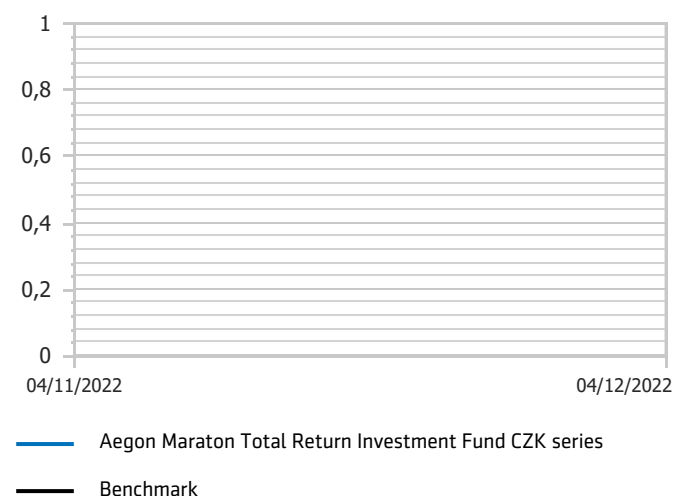
← Lower risk

→ Higher risk

| NET YIELD PERFORMANCE OF THE SERIES |               |                 |
|-------------------------------------|---------------|-----------------|
| Interval                            | Yield of note | Benchmark yield |
| From start                          | 1.19 %        | 0.42 %          |
| 2021                                | 0.00 %        | -0.60 %         |
| 2020                                | 0.00 %        | 0.41 %          |
| 2019                                | 0.00 %        | 0.23 %          |
| 2018                                | 1.74 %        | 0.31 %          |
| 2017                                | 2.26 %        | 0.20 %          |

## 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      | no data    |
| Annualized standard deviation of the benchmark's weekly yields | no data    |
| WAM (Weighted Average Maturity)                                | 1.75 years |
| WAL (Weighted Average Life)                                    | 2.16 years |

## TOP 5 POSITIONS

| Asset                                 | Type             | Counterparty / issuer                 | Maturity   |
|---------------------------------------|------------------|---------------------------------------|------------|
| Invesco Bloomberg Commodity UCITS ETF | investment note  | Invesco Bloomberg Commodity UCITS ETF |            |
| USD/HUF 22.09.01 Forward Sell         | derivatív        | OTP Bank                              | 09/01/2022 |
| Adventum MAGIS Zártkörű Alapok Alapja | investment note  | Adventum MAGIS Zártkörű Alapok        |            |
| Magyar Államkötvény 2034/A            | interest-bearing | Államadósság Kezelő Központ Zrt.      | 06/22/2034 |
| 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 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.aegonalapkezel.hu