

INVESTMENT POLICY OF THE FUND

The Fund aims to achieve a higher return than that of short-term bonds by investing in bonds of low volatility and limited-risk profile issued or guaranteed by certain specified states, quasi-sovereign corporations, national banks or supranational institutions. The Fund invests most of its available assets in low-risk instruments, i.e. bonds issued or guaranteed by the Hungarian state or states with a credit rating at least equal to or better than the latter's latest rating (or by their debt management agencies), quasi-sovereign companies, national banks or supranational institutions. The Fund may hold bank deposits, or cash, and enter into repo and reverse repo transactions. The maximum interest rate risk with respect to the Fund as a whole (i.e. its duration) is 3 years, while the weighted average maturity of the individual securities is a maximum of 10 years. For bonds denominated in currencies other than Hungarian forint, the asset manager seeks to fully hedge the foreign exchange risk, and may only deviate from this at the expense of risky assets (i.e. in the case of foreign exchange under/over-hedging). The Fund uses a small portion of its available assets to purchase risky instruments – domestic and foreign equities, equity indexes, higher risk bonds, foreign exchange, commodity market products and collective investment securities on the spot and futures markets. The Fund may enter into both long and short trades. Based on the approach followed when purchasing risky assets, the Fund is an absolute return fund: it selects investment options with the best possible expected return/risk ratio from the options available to it on the domestic and international money and capital markets. There is no possibility for making individual investor decisions in respect of the Fund.

MARKET SUMMARY

Although the war between Russia and Ukraine is still ongoing, the investment world is much more concerned about inflation and how central banks will respond to it. Inflation around the world is at multi-decade highs. In the Eurozone it is at levels that is similar the early 2000s, in the US it is at a 40-year high, while Hungary has also not seen such high inflation for more than 20 years. The question on everyone's mind is what central banks will do to curb inflation, and whether they can do anything at all.

In March, the US Federal Reserve raised the Fed Funds rate by 25 basis points, which seems ridiculous in the face of inflation. The Fed is not in an easy position. If it raises rates too high, it could very easily create a recession, but if it raises them by only 25-50 basis points, it could be too slow and inflation could rise further. Let's not forget that over the past decade, the US national debt has more than doubled and a sustained rise in interest rates would be disastrous for the US economy. Europe is not better off. Since the 2008-2009 crisis, the ECB's main task has been to support the bond markets of the South-European countries by continuously buying them. If the ECB also raises interest rates, it will hit the South-European countries very badly, and some of them could enter into bankruptcy.

The MNB continued to raise interest rates in April in response to high inflation figures. In April, the MNB raised the base rate by 100 basis points to 5.40% and the one-week deposit rate to 6.45%. The EURHUF exchange rate was highly volatile in April due to the Russian-Ukrainian conflict. During the month, the forint weakened from 367 to 377 against the euro. Currently, higher interest rates are unable to strengthen the Hungarian currency.

In April, we sold the fund's USD exposure as the dollar started to strengthen exponentially, overseas interest rate hike expectations jumped to extreme levels, and the dollar became overvalued and overbought. The MNB will continue to raise the Hungarian effective interest rate, and will not stop tightening after the elections, although the pace of tightening may gradually ease. The dollar has proved to be the best escape vehicle, so an exit from the positions has proved to be premature. We have continued to keep the Fund's duration exposure low during the month, but we plan to raise it gradually as we move from a period of stagflation towards recession. As a first step, we bought a small amount of Polish duration, which we believe is becoming extremely oversold. However, inflation remains very strong in the region, and this continues to prompt caution. At the same time, we believe that the recession may arrive sooner than the consensus expects, with some weaker data appearing here and there after the very strong Q1 regional growth data, suggesting a slowdown in the global economy. However, measuring the extent of the slowdown and the timing of the recession are major challenges.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index + 0.5%
ISIN code:	HU0000705157
Start:	03/19/2007
Currency:	HUF
Net Asset Value of the whole Fund:	382,938,748 HUF
Net Asset Value of A series:	382,938,748 HUF
Net Asset Value per unit:	1.634804 HUF

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank 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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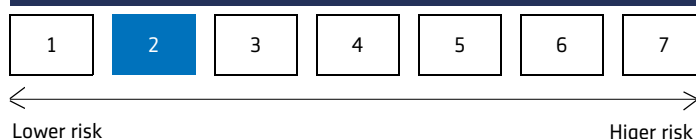
ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	31.18 %
T-bills	24.05 %
Deposit	44.53 %
Current account	1.11 %
Liabilities	-0.76 %
Market value of open derivative positions	-0.11 %
Total	100.00 %
Derivative products	5.43 %
Net corrected leverage	100.00 %

Assets with over 10% weight

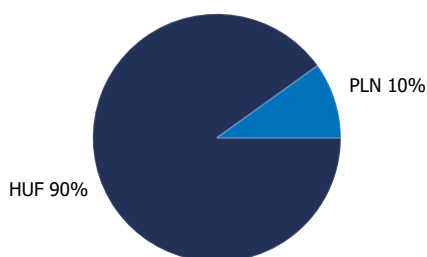
D220511 (Államadósság Kezelő Központ Zrt.)
2022A (Államadósság Kezelő Központ Zrt.)
2025B (Államadósság Kezelő Központ Zrt.)

RISK PROFILE

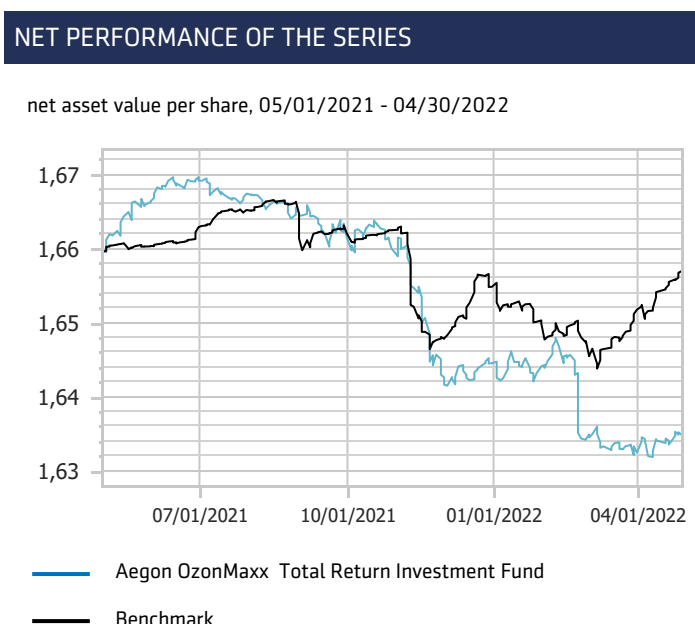
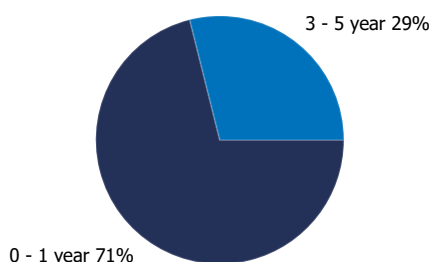


NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.31 %	3.83 %
2021	-1.17 %	-0.10 %
2020	0.89 %	0.92 %
2019	0.50 %	0.74 %
2018	0.08 %	0.81 %
2017	0.30 %	0.22 %
2016	1.14 %	1.22 %
2015	1.74 %	1.50 %
2014	3.75 %	3.31 %
2013	5.80 %	5.71 %
2012	7.87 %	8.52 %

Currency exposure:



Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	1.10 %
Annualized standard deviation of the benchmark's weekly yields	0.99 %
WAM (Weighted Average Maturity)	0.57 years
WAL (Weighted Average Life)	0.61 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
HUF Betét	Betét	OTP Bank	05/05/2022
D220511	zero coupon	Államadósság Kezelő Központ Zrt.	05/11/2022
Magyar Államkötvény 2022A	interest-bearing	Államadósság Kezelő Központ Zrt.	06/24/2022
Magyar Államkötvény 2025/B	interest-bearing	Államadósság Kezelő Központ Zrt.	06/24/2025
POLGB 2026/07/25 2,5%	interest-bearing	Lengyel Állam	07/25/2026

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