

## INVESTMENT POLICY OF THE FUND

The Fund is an absolute return investment fund that aims to create an investment portfolio through active portfolio management that achieves a return for its clients in excess of the benchmark, taking into account a predetermined risk profile. It intends to achieve this objective primarily through asset allocation in global bond markets. The Fund invests exclusively in bond-type instruments. The Fund's investment universe focuses on developed market government bonds, developed market corporate bonds, local currency emerging market government bonds and hard currency emerging market government and corporate bonds. The primary source of return for the Fund is asset allocation across bond-type asset classes. The asset allocation is based on an "investment clock" approach that uses economic data analysis to determine the position of major regions within a growth cycle. This is complemented by the forecasting of expected movements in real interest rates and inflation expectations, which are also crucial for the allocation across bond markets. Portfolio managers use all these as the basis for making allocation decisions, overweighting the best performing bond asset class in any current economic cycle based on experience and expectations. In the investment process, portfolio managers optimise the interest rate and credit risk of the overall fund and of the exposures to individual bond markets in order to achieve the investment objective. The Fund may also invest in collective investment schemes in order to achieve appropriate diversification. The fund may also purchase non-investment grade bonds. The fund may also use interest rate derivative instruments to hedge positions or to efficiently construct the desired exposure. The Fund may also take foreign currency positions but may also hedge foreign currency positions using foreign currency derivatives.

## MARKET SUMMARY

In October, the US inflation, excluding energy and food prices, increased further to 6.6% YoY. Rishi Sunak succeeded Liz Truss as UK prime minister and announced that the Fiscal Statement planned for Oct, 31 will be postponed until Nov, 17 and upgraded to a full Autumn Statement. Italy's Prime Minister Meloni won a confidence vote in parliament backed by a coalition. The ECB hiked the deposit rate by 75bp to 1.50%, changed the TLTRO rate conditions and sounded a bit less hawkish. US GDP grew 0.6% QoQ (non-annualized rate) in Q3, 22, while Germany's and France's GDP rose by 0.3% and 0.2% QoQ, respectively. Early November, the Fed raised interest rates by 75bp and motioned a slower pace of hikes ahead while ultimately a higher peak. After the FOMC, European corporate credit spreads consolidated the tightening seen earlier last month. Profit-taking prevailed in equity markets after the solid gains since mid-October and due to rising yields. In FX, hawkish tones from the Fed boosted the USD across the board, dragging the EUR back below 0.98. GBP-USD tumbled below 1.12 on the back of the BoE's dovish rate hike. The fund still keeps its Ukrainian and the remaining part of the Russian corporate exposure, which was decreased in half during the month, and waits for improvement in the Ukrainian-Russia war; we took profit on Bund short positions and bought medium-term US government bonds with further intention to raise exposure to the core rates markets.

## 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 0.4%
ISIN code:	HU0000712401
Start:	08/12/2013
Currency:	PLN
Net Asset Value of the whole Fund:	12,628,169,473 HUF
Net Asset Value of P series:	17,658,800 PLN
Net Asset Value per unit:	1.028893 PLN

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka, ERSTE Group Bank AG Austria

## 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	47.05 %
Corporate bonds	39.25 %
Mortgage debentures	1.33 %
Collective securities	0.25 %
Liabilities	-18.04 %
Receivables	17.47 %
Current account	10.82 %
Market value of open derivative positions	1.90 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	63.96 %
Net corrected leverage	100.00 %

### 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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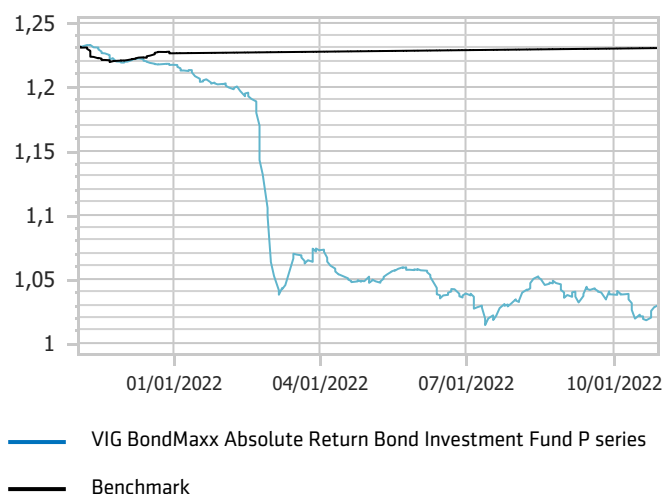
← Lower risk Higher risk →

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	0.31 %	1.88 %
2021	-3.20 %	0.40 %
2020	2.16 %	1.42 %
2019	4.31 %	1.25 %
2018	-0.71 %	1.31 %
2017	2.62 %	1.20 %
2016	3.37 %	2.23 %
2015	3.07 %	2.52 %
2014	5.13 %	4.34 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 11/01/2021 - 10/31/2022



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	10.05 %
Annualized standard deviation of the benchmark's weekly yields	0.77 %
WAM (Weighted Average Maturity)	3.14 years
WAL (Weighted Average Life)	5.48 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
MFB 2025/06/24 1,375% EUR	interest-bearing	Magyar Fejlesztési Bank Zrt.	06/24/2025
MVMHU 2027/11/18 0,875% EUR	interest-bearing	MVM Energetika ZRt.	11/18/2027
Republic of HUNGARY 2023/02/21 5,375% USD	interest-bearing	Államadósság Kezelő Központ Zrt.	02/21/2023
Magyar Államkötvény 2026/E	interest-bearing	Államadósság Kezelő Központ Zrt.	04/22/2026
OTPHB 2,875 07/15/29	interest-bearing	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	07/15/2029
MOL 2027/10/08 1,5%	interest-bearing	MOL Nyrt.	10/08/2027
Magyar Államkötvény 2027/B	interest-bearing	Államadósság Kezelő Központ Zrt.	04/22/2027
MOL 2023/04/28 2,625%	interest-bearing	MOL Nyrt.	04/28/2023
Magyar Államkötvény 2032/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2032
OTP alárendelt kötvény PERP FRN	interest-bearing	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	11/07/2049

## 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