

INVESTMENT POLICY OF THE FUND

The Fund aims to achieve capital growth by investing in bonds of emerging European countries and state-owned companies. The Fund does not apply credit rating restrictions: it may purchase securities of any country or company with any long-term credit rating. The Fund aims for the highest possible capital growth alongside reasonable risk-taking. The Fund primarily purchases foreign currency emerging market bonds, in addition to which it holds Hungarian local currency short-term and long-term bonds for diversification and liquidity management purposes. The bond portfolio may also include short-term, long-term, fixed or floating-rate, structured and convertible bonds issued by mortgage credit institutions, other credit institutions, local governments or other business entities. The core of the Fund's investments is Central Eastern Europe (Hungary, Croatia, Poland, Romania, Slovakia, Ukraine), South East Europe (Serbia, Turkey), the Baltics (Latvia, Lithuania) and the Commonwealth of Independent States (Azerbaijan, Belarus, Kazakhstan, Russia, Georgia, Armenia) and bonds of majority state-owned companies, in addition to which the Fund holds short-term and long-term Hungarian government securities for diversification and liquidity management purposes. The target weight for bond exposures in the Fund in the 16 countries listed (target countries) is 95%. We do not set a limit on debt classification in the Fund. The Fund may only conclude derivative transactions for hedging purposes, or in the interest of establishing an efficient portfolio. The Fund may also hold non-leveraged bond-type collective investment forms. The Fund may also take on significant foreign currency exposure, which is normally covered 100% by the Fund Manager in the target currency (USD), but depending on market conditions, the Fund may also hold open foreign currency positions.

MARKET SUMMARY

A slightly better the Composite PMI and the Ifo business climate data eased fears of a deep economic contraction in the Eurozone and is consistent with a mild technical recession around the turn of the year. The first monthly decrease in German producer prices since early 2020 on lower energy expenses indicates a softening of underlying price pressure. Both the latest FOMC minutes and the ECB account are in line with a slower pace of rate hikes of 50bp in mid-December. Thus, Fed Chair J. Powell waved that the Fed would slow the pace of rate hikes to 50bp at its December meeting, while reiterating that the terminal interest rate would likely need to be "somewhat higher" than he thought in September. Eurozone headline inflation slowed down to 10% YoY in November, while core inflation stabilized at 5%. In China, the government has announced it intends to make only mild changes to its zero-Covid strategy, while intensifying vaccination efforts for the elderly. Market sentiment improved last month, with equities extending their positive momentum across regions while turned negative at the beginning of December. UST yields fell by 40-80bp across the curve, with some bull-steepening in the 2Yvs10Y segment. EGB yields also inched lower, while the BTP-Bund spread was little changed while heading lower in the month. The US dollar weakened, with EUR-USD climbing above 1.05 and USD-JPY breaking below 135, while USD-CNY is heading back towards 7.00. We closed positions in Croatia after recent strong performance and added to the Hungarian risk.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	The fund has no benchmark
ISIN code:	HU0000706114
Start:	12/11/2007
Currency:	EUR
Net Asset Value of the whole Fund:	13,437,837 EUR
Net Asset Value of A series:	410,976 EUR
Net Asset Value per unit:	0.699987 EUR

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Aegon Towarzystwo Ubezpieczen na Zycie Spolka, Aegon Životná poisťovňa, a.s., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, MKB Bank Nyrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SC Aegon ASIGURARI DE VIATA SA, 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	67.85 %
Corporate bonds	16.73 %
Current account	7.96 %
Market value of open derivative positions	6.04 %
Receivables	1.45 %
Liabilities	0.00 %
Total	100,00 %
Derivative products	10.27 %
Net corrected leverage	100.00 %

Assets with over 10% weight

There is no such instrument in the portfolio

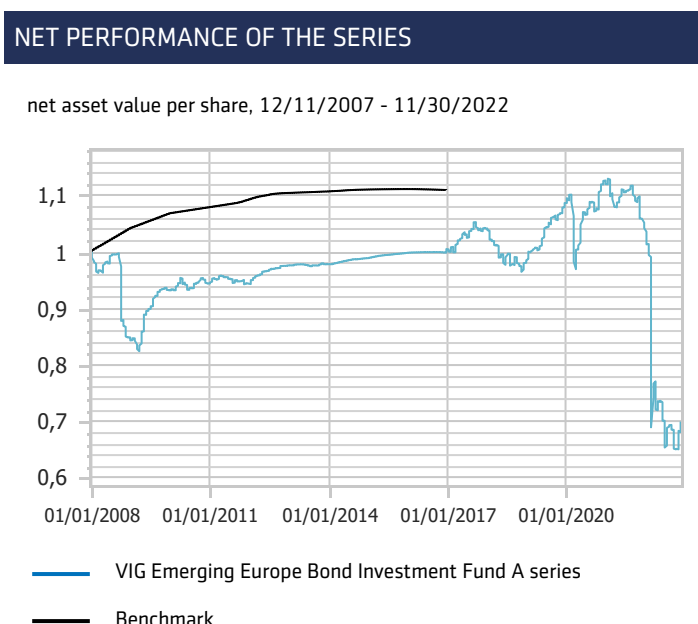
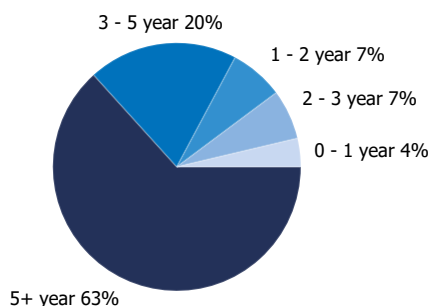
RISK PROFILE

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	-2.35 %	0.70 %
2021	-6.41 %	
2020	4.40 %	
2019	10.41 %	
2018	-5.82 %	
2017	4.30 %	
2016	0.03 %	-0.15 %
2015	0.96 %	0.07 %
2014	1.12 %	0.30 %
2013	0.20 %	0.24 %
2012	3.34 %	1.08 %

Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS	
Annualized standard deviation of the fund's weekly yields	29.37 %
WAM (Weighted Average Maturity)	6.64 years
WAL (Weighted Average Life)	8.56 years

TOP 10 POSITIONS			
Asset	Type	Counterparty / issuer	Maturity
TURKEY 6 03/25/27	interest-bearing	Török Állam	03/25/2027
KAZAKS 5.125 07/21/25	interest-bearing	Kazah állam	07/21/2025
Republic of Hungary 2034/06/16 5,5% USD	interest-bearing	Államadósság Kezelő Központ Zrt.	06/16/2034
KZOKZ 5 3/8 04/24/30	interest-bearing	KazMunayGas National Co JSC	04/24/2030
ROMANI USD 2044/01/22 6,125%	interest-bearing	Román Állam	01/22/2044
Republic of HUNGARY 2041/03/29 7,625% USD	interest-bearing	Államadósság Kezelő Központ Zrt.	03/29/2041
TURKEY 6 3/4 05/30/40	interest-bearing	Török Állam	05/30/2040
TURKEY 2038/03/05 7.25% USD	interest-bearing	Török Állam	03/05/2038
KZOKZ 6 3/8 10/24/48	interest-bearing	KazMunayGas National Co JSC	10/24/2048
AZERBJ 4 3/4 03/18/24	interest-bearing	Azerbajdzsáni Köztársaság	03/18/2024

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 | alapkezel@aeon.hu | www.aegonalapkezelzo.hu