

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

With falling yields, the performance of the Polish bond market was strong in November. Yields were down 165 basis points at the three-year maturity, 173 basis points at the five-year maturity and 176 basis points at the ten-year maturity. The main reason behind falling yields: the US inflation data for October came below market expectations, which resulted in lower rate hike expectations from the Fed and potentially rate cut expectations already in 2023. Contrary to expectations, at the rate decision meeting in early November, the central bank did not change its interest rate conditions. The base rate thus remained at 6.75%. Although the communication theoretically leaves the door open for further rate hikes, this was the second consecutive month, when the central bank left the base rate unchanged. In spite of this, the central bank increased the inflation forecasts both for this and the next year. Now the expectation is, that inflation will be around 14,4% – 14,5% this year. The 2023 average inflation however will be between 11,1 – 15,3%. The GDP forecast was revised up to between 4,3% and 4,9% this year. But for the next year GDP growth forecast was revised down to between -0,3% and 1,6%. Preliminary data for November showed that inflation started to slow down, the year-on-year data arrived at 17,4% below market expectations of 18%. The main driver could have been the slowdown in prices for fuels for personal transport equipment. But the electricity and food prices may have continued to rise. The purchasing managers' index increased, with the manufacturing index rising to 43,4 from 42 the previous month. Output and new orders continued to fall as high inflation and an uncertain economic environment weighed on demand. Industrial production grew by 6.8% in October, but arrived below market expectations of 7.8%. As for public finances, the state generated a deficit of PLN 222.66 million in October, bringing the 12-month rolling budget deficit to 1.73% of GDP.

Our higher Polish duration exposure and other carry assets (including remaining Ukrainian bonds) performed well during the month and as a result we outperformed our benchmark. After the recent rally, we plan to sell approximately 1/3 of our remaining Ukrainian exposure.

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:	14,565,963,585 HUF
Net Asset Value of A series:	189,959,333 HUF
Net Asset Value per unit:	1.598937 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	46.84 %
Corporate bonds	44.52 %
T-bills	5.88 %
Liabilities	-29.98 %
Receivables	27.44 %
Current account	4.89 %
Market value of open derivative positions	0.41 %
Total	100,00 %
Derivative products	16.65 %
Net corrected leverage	99.96 %

Assets with over 10% weight

POLGB 2027/05/25 3,75% (Lengyel Állam)

POLGB 2032/04/25 1,75% (Lengyel Állam)

BGOSK 07/03/25 1.25% (Bank Gospodarstwa Krajowego)

RISK PROFILE

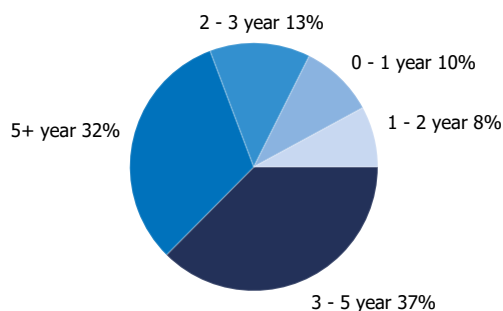
1	2	3	4	5	6	7
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← Lower risk

Higher risk →

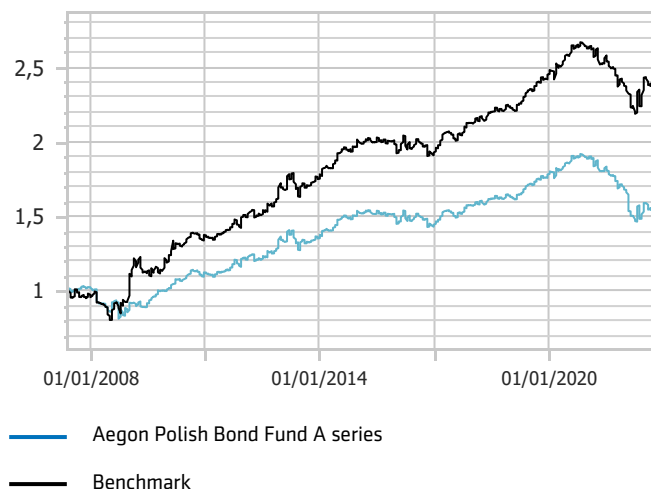
NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.06 %	5.99 %
2021	-9.83 %	-8.59 %
2020	7.66 %	8.75 %
2019	6.92 %	7.79 %
2018	4.20 %	5.33 %
2017	9.53 %	10.82 %
2016	-4.68 %	-4.08 %
2015	-0.35 %	1.10 %
2014	11.85 %	12.94 %
2013	-0.50 %	2.13 %
2012	12.10 %	15.01 %

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 05/11/2007 - 11/30/2022



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	13.93 %
Annualized standard deviation of the benchmark's weekly yields	11.84 %
WAM (Weighted Average Maturity)	3.96 years
WAL (Weighted Average Life)	4.73 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
POLGB 2027/05/25 3,75%	interest-bearing	Lengyel Állam	05/25/2027
POLGB 2032/04/25 1,75%	interest-bearing	Lengyel Állam	04/25/2032
BGOSK 07/03/25 1.25%	interest-bearing	Bank Gospodarstwa Krajowego	07/03/2025
BGOSK 2030/06/05 2,125%	interest-bearing	Bank Gospodarstwa Krajowego	06/05/2030
POLGB 2024/07/25 0%	zero coupon	Lengyel Állam	07/25/2024
BGOSK Float 06/12/31	interest-bearing	Bank Gospodarstwa Krajowego	06/12/2031
BGOSK 2027/04/27 1,875%	interest-bearing	Bank Gospodarstwa Krajowego	04/27/2027
BSTDBK 2.52 10/19/23	interest-bearing	BLACK SEA TRADE AND DEVELOPEMENT BANK	10/19/2023
POLGB 2026/07/25 2,5%	interest-bearing	Lengyel Állam	07/25/2026
BGOSK 2033/07/21 2,25%	interest-bearing	Bank Gospodarstwa Krajowego	07/21/2033

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfvt. 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@egon.hu | www.aegonalapkezelzo.hu