

## 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

November had some positive macro data for investors in the US. Although the number of new job openings continued to rise, year-on-year inflation continued to fall, from 7.9% to 7.7%. This is very positive because the US Federal Reserve will not stop raising interest rates until the inflation rate starts to fall. The Fed's next meeting was held in early November and, as expected, they decided to raise the Fed Funds rate by 75 basis points, to 4%.

Europe continues to suffer from war-induced austerity. According to the November sentiment report of the German economic research institute IFO, which is typically one of the best indicators of the German growth rate, the index rose from 75.6 to 77, but remains depressed. Despite the weak economic data and high inflation figures, the minutes of the ECB's October rate decision meeting suggest that we can expect a 50 or 75 basis point hike from policymakers in December.

In Hungary, inflation remains very high. According to official data from the KSH, inflation was 22.5% in November. The increase, like the previous month's, is a multi-year record. The MNB did not change its base rate during the month and the forint was stable against the euro. It seems that Hungarian interest rates are now high enough to prevent the forint from weakening further. But of course, the most important factor for the forint in the short to medium term is whether or not Hungary will receive the EU funds.

During the month we focused again on the bonds. We sold the fund's short term Polish bond position, which had yielded a good return and over the period had a better return potential than its Hungarian counterpart, but now it was more advantageous to switch it for Hungarian short term government bonds. Subsequently, we further increased the Fund's exposure to six-month and one-year Hungarian short term bonds.

## 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:	631,435,742 HUF
Net Asset Value of A series:	631,435,742 HUF
Net Asset Value per unit:	1.724663 HUF

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank 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
T-bills	70.62 %
Government bonds	14.93 %
Deposit	35.11 %
Liabilities	-22.56 %
Current account	1.79 %
Receivables	0.13 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	0.00 %
Net corrected leverage	100.00 %

### Assets with over 10% weight

D231018 (Államadósság Kezelő Központ Zrt.)

D230517 (Államadósság Kezelő Központ Zrt.)

2023A (Államadósság Kezelő Központ Zrt.)

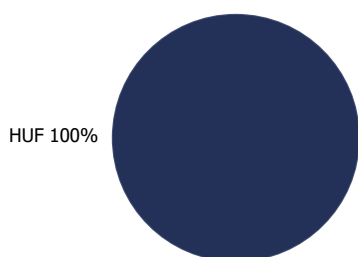
## RISK PROFILE

1	2	3	4	5	6	7
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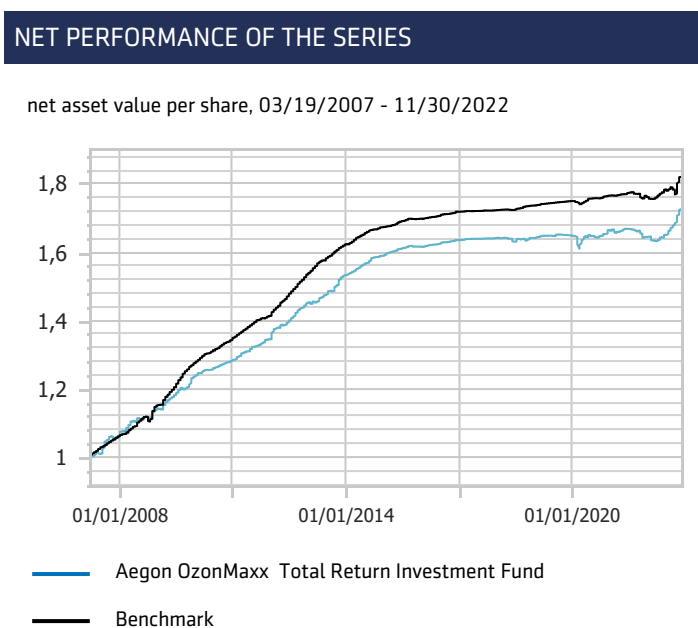
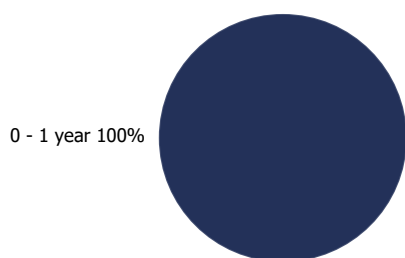
← Lower risk → Higher risk

NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.53 %	3.88 %
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	1.38 %
Annualized standard deviation of the benchmark's weekly yields	1.76 %
WAM (Weighted Average Maturity)	0.60 years
WAL (Weighted Average Life)	0.60 years

**TOP 10 POSITIONS**

Asset	Type	Counterparty / issuer	Maturity
D231018	zero coupon	Államadósság Kezelő Központ Zrt.	10/18/2023
D230517	zero coupon	Államadósság Kezelő Központ Zrt.	05/17/2023
HUF Betét	Betét	OTP Bank	12/01/2022
HUF Betét	Betét	OTP Bank	12/01/2022
Magyar Államkötvény 2023/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2023
D230215	zero coupon	Államadósság Kezelő Központ Zrt.	02/15/2023

**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.

