

INVESTMENT POLICY OF THE FUND

The aim of the Fund is to create an investment portfolio through asset allocation between and within asset classes that achieves annualised capital growth for investors higher than the benchmark over a 3-year time horizon. The Fund seeks investment opportunities primarily in emerging markets. In order to realise the investment objectives, the asset groups in the Fund's portfolio may be freely varied without having to adhere to any predetermined risk profile.

The Fund is a "total return" fund, which can invest in several asset classes, i.e. instead of focusing on just one sub-sector of the money or capital market, it concentrates its investments within a combination of assets that promises the highest possible return at any given time. The Fund does not aim to track a fixed benchmark, nor does it adhere to a fixed equity-to-bond portfolio ratio, but seeks to vary this ratio within broad boundaries, with the composition of the portfolio changing dynamically in order to achieve the Fund's return target. The Fund's investments focus on emerging markets. The Fund primarily allocates its assets between emerging-market local currency government securities, hard currency government and corporate bonds, and equity markets, in accordance with the latest market expectations. The Fund may thus assume interest rate risk, currency risk, credit risk, as well as equity market risk. The Fund may take positions in other regions and markets (e.g. commodity markets) besides the emerging markets. The Fund hedges most of its currency positions, but it may also take open currency positions. In the interest of efficient portfolio design, the Fund may also assume forward and futures positions.

MARKET SUMMARY

In December, US inflation fell further to 7.1% from the expected 7.3%. This was seen as a positive by investors, as the pressure on the US Federal Reserve to raise interest rates in this cycle has been reduced. Although in December the Fed raised its benchmark rate by another 50 basis points to 4.5%, the weaker inflation data means there is a chance that they will stop raising rates sooner than previously thought. As a result, the dollar weakened to a 6-month low against the euro.

In China there has been a radical turnaround in the handling of the Covid epidemic. The previous zero-tolerance has been reversed, Covid restrictions have been relaxed, PCR tests are no longer required to use public transport in many cities and in many places citizens who test positive can recover at home. The Chinese premier said that the policy of economic opening now underway would be maintained, with further steps to come. China's top health official said the current outbreak of the omicron was no more serious than the flu and the relaxations were justified. Macro data in the coming months will show how badly the Chinese economy has been damaged by the Covid outbreak.

Inflation in Hungary remains extremely high. According to official data from the Hungarian Central Statistical Office, inflation was 22.50% in December, a multi-decade high and the highest in Europe. During the month, the MNB did not change the base rate 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. On the last day of the year, one euro was worth 400 forints.

The fund posted a negative return in December. On the bond side, we further reduced our position in long-dated, dollar-denominated emerging market government bonds in December. During the month, we managed to take advantage of a slight rise in prices and sold a small amount of euro-denominated Ukrainian paper. Our objective throughout the month was to reduce the risk of the fund. Polish yields also fell a lot last month, so we sold our entire Polish government bond exposure. The interest rate risk of the fund was reduced to 3 by the end of the month. On the equity side, we sold the Indonesian exposure and increased the exposure to China and the global emerging markets. The equity weight at the end of the month was 23%. On the FX side, we further increased the forint position against the Polish zloty, leaving the fund with a long position of 14% against the euro and the dollar, and 16% against the zloty and the Czech koruna.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	Hurdle rate, annual 3%
ISIN code:	HU0000712278
Start:	07/16/2013
Currency:	HUF
Net Asset Value of the whole Fund:	13,821,635,979 HUF
Net Asset Value of R series:	1,629,747,425 HUF
Net Asset Value per unit:	1.013385 HUF

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank Zrt.

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	30.36 %
Corporate bonds	30.34 %
Collective securities	7.26 %
International equities	3.84 %
Hungarian equities	3.47 %
T-bills	0.32 %
Current account	19.68 %
Market value of open derivative positions	4.63 %
Receivables	0.42 %
Liabilities	-0.31 %
Total	100,00 %
Derivative products	118.76 %
Net corrected leverage	123.20 %

Assets with over 10% weight

There is no such instrument in the portfolio

SUGGESTED MINIMUM INVESTMENT PERIOD

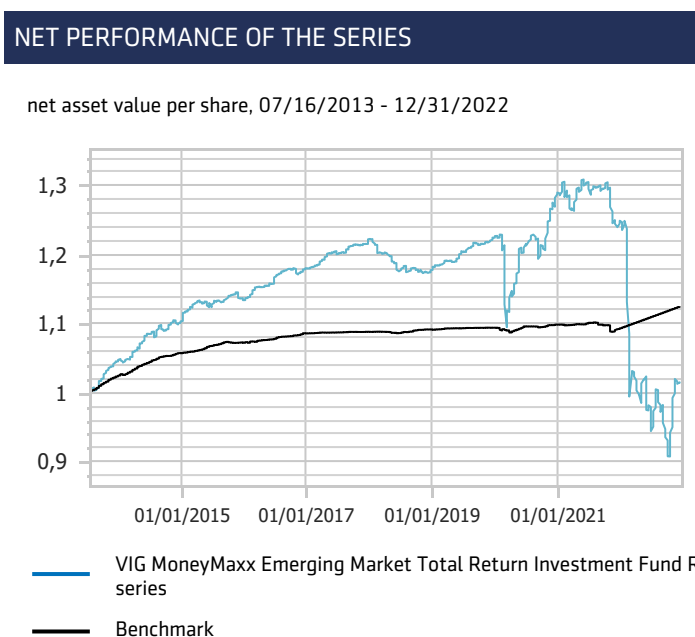
3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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RISK PROFILE

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	0.14 %	1.25 %
2022	-18.26 %	3.04 %
2021	-3.32 %	-0.60 %
2020	4.93 %	0.41 %
2019	4.02 %	0.23 %
2018	-3.30 %	0.31 %
2017	3.08 %	0.20 %
2016	3.70 %	1.22 %
2015	3.25 %	1.50 %
2014	5.32 %	3.31 %



RISK INDICATORS FOR THE LAST 12 MONTHS	
Annualized standard deviation of the fund's weekly yields	19.21 %
Annualized standard deviation of the benchmark's weekly yields	0.15 %
WAM (Weighted Average Maturity)	2.74 years
WAL (Weighted Average Life)	4.58 years

TOP 10 POSITIONS			
Asset	Type	Counterparty / issuer	Maturity
EUR/HUF 23.01.20 Forward Sell	derivatív	ING Bank Hun	01/20/2023
MSCI EmgMkt Mar23 Buy	derivatív	Raiffeisen Hun	03/17/2023
EUR/HUF 23.09.05 Forward Sell	derivatív	Erste Bank Hun	09/05/2023
Republic of HUNGARY 2023/02/21 5,375% USD	interest-bearing	Államadósság Kezelő Központ Zrt.	02/21/2023
USD/HUF 23.02.14 Forward Sell	derivatív	Unicredit Hun	02/14/2023
PLN/HUF 23.03.09 Forward Sell	derivatív	ING Bank Hun	03/09/2023
Magyar Államkötvény 2034/A	interest-bearing	Államadósság Kezelő Központ Zrt.	06/22/2034
US 10YR NOTE (CBT)Mar23 Buy	derivatív	Raiffeisen Hun	03/22/2023
OTPHB 2,875 07/15/29	interest-bearing	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	07/15/2029
BSTDBK 2.52 10/19/23	interest-bearing	BLACK SEA TRADE AND DEVELOPEMENT BANK	10/19/2023

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.
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