

## 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

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.

In December, the fund gradually replaced its short DKJs with DKJs with an annual maturity or close to it, thereby extending its interest rate exposure and preparing for the investment capital protection that will come into force in January. The fund's investment policy will change from 2023: in addition to capital preservation, it will seek to generate additional returns, mainly through option and future positions. The short bond exposure of the fund is diversified with a Hungarian Export-Import Bank bond maturing in December 2023, which is guaranteed by the Hungarian State, but at the same time provides a significant yield premium of almost 2% over DKJs of similar maturity.

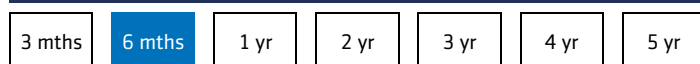
## GENERAL INFORMATION

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:	671,846,494 HUF
Net Asset Value of A series:	671,846,494 HUF
Net Asset Value per unit:	1.735633 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



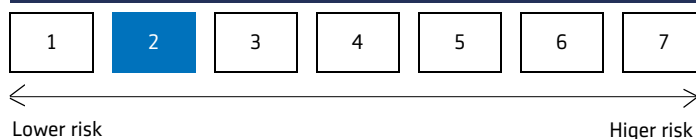
## ASSET ALLOCATION OF THE FUND

Asset	Weight
T-bills	63.37 %
Corporate bonds	18.32 %
Government bonds	14.04 %
Current account	4.48 %
Liabilities	-0.20 %
<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.)
D231227 (Államadósság Kezelő Központ Zrt.)
MAEXIM 14 12/07/23 (Magyar Export-Import Bank Zrt.)
2023A (Államadósság Kezelő Központ Zrt.)

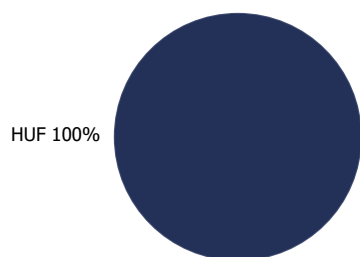
## RISK PROFILE



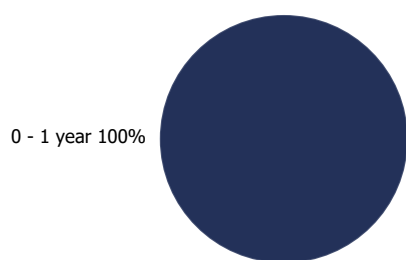
## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	3.55 %	3.89 %
2022	5.54 %	3.53 %
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:

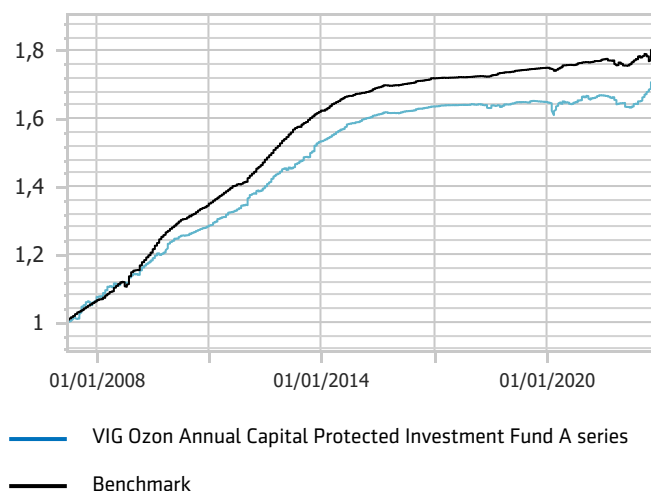


### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 03/19/2007 - 12/31/2022



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	1.43 %
Annualized standard deviation of the benchmark's weekly yields	2.01 %
WAM (Weighted Average Maturity)	0.85 years
WAL (Weighted Average Life)	0.84 years

## TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
D231018	zero coupon	Államadósság Kezelő Központ Zrt.	10/18/2023
D231227	zero coupon	Államadósság Kezelő Központ Zrt.	12/27/2023
MAEXIM 14 12/07/23	interest-bearing	Magyar Export-Import Bank Zrt.	12/07/2023
Magyar Államkötvény 2023/A	interest-bearing	Államadósság Kezelő Központ Zrt.	11/24/2023
D230726	zero coupon	Államadósság Kezelő Központ Zrt.	07/26/2023

### 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.

