

INVESTMENT POLICY OF THE FUND

The aim of the fund is to achieve a substantial yield for investors by taking high risks and making active use of derivative positions. The Fund applies special investment strategies used by hedge funds to establish its strategy. The fund is willing to buy or sell all available investment instruments - domestic and foreign bonds (treasury bonds, discounted treasury bills, bonds issued by the National Bank of Hungary, as well as low-risk bank and corporate bonds expected to bring higher yields than the state securities) Equities and other securities, indices and currencies - provided it sees the opportunity to make substantial gains – up to the maximum limit allowed by the law, which allows double leverage for the Fund. In its investment decisionmaking mechanism, the Fund considers fundamental pricing, technical and behavioral psychological factors To ensure liquidity the Fund aims to hold government securities issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary.

MARKET SUMMARY

At its first policy meeting in 2023 the US Federal Reserve raised its benchmark interest rate by 25 basis points, as expected, and at the subsequent press conference, Fed Chairman Jerome Powell promised a more cautious stance than before and a stand-alone decision making process at every FOMC meeting in the future. Powell said he expected the interest rate path to peak higher than expected now, while acknowledging and giving credibility to the fact that inflation in many sectors is falling, a disinflationary process has begun. He expects wages to fall, but does not think this will lead to a meaningful recession. A return to the 2 percent inflation target will require a rebalancing of the labor market, i.e. some rise in unemployment. Powell also said that over-tightening is not the goal and that the tools are there to deal with it. One of his most interesting statements was that he talked about a tightening of financial conditions when these indicators have been at a loose level for several months. This was interpreted by many as Powell not being interested in the latter, not being bothered by the fact that equity prices have rallied. All in all, the previous harsh rhetoric was replaced by a balanced communication from the central bank, leaning towards the possibility of soft-landing.

In Hungary, inflation remains very high. According to the official KSH bulletin, inflation was 24.5% in January. Although the MNB did not raise the base rate in January, it did so implicitly. It raised the banks' required reserves, thus taking money out of the economy, but more importantly, the 18% interest rate on the weekly MNB tender is now available to financial institutions too. This has had a very positive effect on the forint exchange rate, which is now consistently below the 390 level against the euro. Although Hungary has been downgraded by two credit rating agencies, it has not been able to weaken the forint.

The Fund achieved a positive return in January. During the month, we reduced the Fund's interest rate risk by selling some 10 and 30 year bonds and replacing them with 2-3 year government and corporate bonds. The book yield remained 10% in the fund. The forint position is at neutral level, this will be changed if it goes below 380 or above 420 against the euro. We continue to hold small cap Hungarian equities, our view is that Hungarian and regional stocks are extremely undervalued relative to other markets.

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 2.9% |
| ISIN code: | HU0000727383 |
| Start: | 09/07/2021 |
| Currency: | PLN |
| Net Asset Value of the whole Fund: | 31,251,923,912 HUF |
| Net Asset Value of PI series: | 623,946 PLN |
| Net Asset Value per unit: | 0.945487 PLN |

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

SUGGESTED MINIMUM INVESTMENT PERIOD

| | | | | | | |
|--------|--------|------|------|------|------|------|
| 3 mths | 6 mths | 1 yr | 2 yr | 3 yr | 4 yr | 5 yr |
|--------|--------|------|------|------|------|------|

ASSET ALLOCATION OF THE FUND

| Asset | Weight |
|---|-----------------|
| Government bonds | 62.69 % |
| Corporate bonds | 16.09 % |
| Hungarian equities | 10.16 % |
| Collective securities | 9.08 % |
| International equities | 0.16 % |
| Liabilities | -14.03 % |
| Receivables | 11.75 % |
| Current account | 5.04 % |
| Market value of open derivative positions | -0.94 % |
| Total | 100,00 % |
| Derivative products | 46.30 % |
| Net corrected leverage | 102.18 % |

Assets with over 10% weight

2031A (Államadósság Kezelő Központ Zrt.)

RISK PROFILE

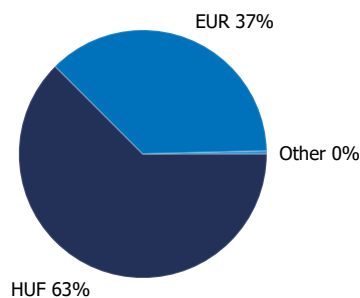
| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

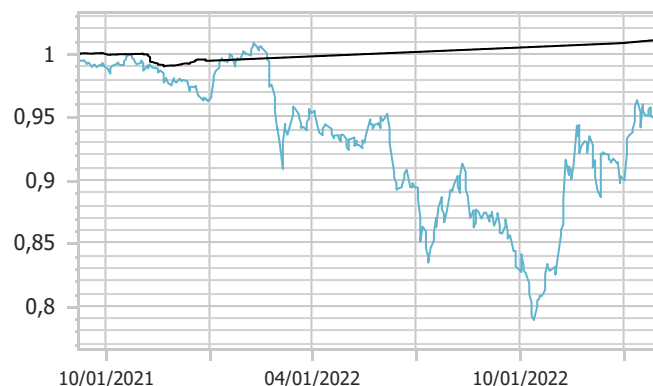
| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | -3.92 % | 0.80 % |
| 2022 | -6.18 % | 1.41 % |

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 09/07/2021 - 01/31/2023



— VIG Alfa Absolute Return Investment Fund PI series
— Benchmark

RISK INDICATORS FOR THE LAST 12 MONTHS

| | |
|--|------------|
| Annualized standard deviation of the fund's weekly yields | 17.26 % |
| Annualized standard deviation of the benchmark's weekly yields | 0.07 % |
| WAM (Weighted Average Maturity) | 5.57 years |
| WAL (Weighted Average Life) | 6.87 years |

TOP 10 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|---------------------------------------|------------------|----------------------------------|------------|
| Magyar Államkötvény 2031/A | interest-bearing | Államadósság Kezelő Központ Zrt. | 10/22/2031 |
| Zöld Magyar Államkötvény 2051/G | interest-bearing | Államadósság Kezelő Központ Zrt. | 04/28/2051 |
| EUR/HUF 23.05.30 Forward Sell | derivatív | ING Bank Hun | 05/30/2023 |
| EUR/HUF 23.05.25 Forward Buy | derivatív | ING Bank Hun | 05/25/2023 |
| Adventum MAGIS Zártkörű Alapok Alapja | investment note | Adventum MAGIS Zártkörű Alapok | |
| Magyar Államkötvény 2032/A | interest-bearing | Államadósság Kezelő Központ Zrt. | 11/24/2032 |
| 2026F | interest-bearing | Államadósság Kezelő Központ Zrt. | 08/26/2026 |
| Magyar Államkötvény 2030/A | interest-bearing | Államadósság Kezelő Központ Zrt. | 08/21/2030 |
| Graphisoft Park SE | share | Graphisoft N. V. | |
| Magyar Államkötvény 2026/D | interest-bearing | Államadósság Kezelő Központ Zrt. | 12/22/2026 |

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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