

# Aegon Istanbul Equity Fund PI series

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% MSCI Turkey 10/40 Net Total Return USD Index
ISIN code:	HU0000713151
Start:	12/30/2013
Currency:	PLN
Total Net Asset Value of the whole Fund:	5,971,188,681 HUF
Net Asset Value of PI series:	5,687 PLN
Net Asset Value per unit:	0.697205 PLN

## INVESTMENT POLICY OF THE FUND:

The fund aims to share in the yields of the Turkish equity market, and to profit from Turkey's economic growth through share price gains and dividend income. Given the risk profiles of the equity investments, the fund is classified as a high-risk investment. The fund manager's intentions are that the fund's portfolio should consist predominantly of the publicly traded shares of foreign-domiciled companies. The primary investment targets are the stock exchange-traded shares of companies that maintain an active presence in Turkey, or that generate a substantial proportion of their revenues in the Turkish market. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. The fund management company, exercising all due care, determines the means of utilising the fund's resources on the basis of its own judgement and decisions, while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation and by taking into account the macroeconomic environment of the investment markets, relying primarily on fundamental analysis. When compiling the portfolio, it is shares that determine the nature of the fund, and thus the proportion of shares that may be held in the fund at any given moment may reach the prevailing statutory maximum. When determining the weights, within the equity investments, of shares traded in the Turkish market, we aim to ensure that the fund - in line with our expectations with regard to future risks and yields - achieves its objective, which is to outperform the benchmark advertised by the fund, over the longer term. The fund records its assets in forint; the fund management company may, at its own discretion, choose to hedge all or a part of its currency risks with forward currency positions, in compliance with the applicable statutory requirements. Under the current legislation the proportion of shares in the portfolio may be up to 100%.

## DISTRIBUTORS

Aegon Towarzystwo Ubezpieczen na Zycie Spolka

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-4.85 %	-4.38 %
2020	-8.73 %	2.15 %
2019	18.45 %	12.54 %
2018	-36.71 %	-38.25 %
2017	13.18 %	12.08 %
2016	-2.04 %	-0.48 %
2015	-21.97 %	-25.44 %
2014	36.87 %	34.30 %

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 04/01/2020 - 03/31/2021



Past performance is no guarantee of future results. This report should not be considered as an offer or investment advisory. The Fund Prospectus contains the detailed conditions of the investment. The distribution costs of the fund purchase can be found at the distributors.

## MARKET SUMMARY:

Although the major stock indices closed at new all-time highs by the end of the month, the markets were volatile in March. U.S. long-term yields hit a 2-year high, to which stock markets reacted with fierce price movements. At first, investors reallocated from the growth sector to the value-based sector because of the rate rise, but when interest rates fell slightly, money flowed back into the growth sector again. It didn't help the investment environment that after the March the FOMC decision, the Fed president could not reassure the markets. Powell has finally stated that the central bank will not raise interest rates until at least 2023, but has not been able to give a meaningful answer as to what they will do if inflation is significantly higher than the forecast. Although the virus is still not under control in Europe, economic data show that the light is already visible at the end of the tunnel. The Manufacturing Purchasing Managers' Index jumped to an all-time high of 62.4 from a previous month's 57.9 and an expected 57.6. The key interest rate and the asset purchase program were not changed by the ECB at the interest rate decision meeting, and it was heavily emphasized, that they would not intervene during a temporary rise of inflation. Although the economies of China and other Asian countries may already be behind the crisis caused by the corona virus, it seems that, even temporarily, the Chinese economy has begun to slow down. The official Chinese manufacturing PMI fell to 50.5 after 51.3 in January, while Caixin's smaller company index fell from 51.5 to 50.9. The coming months will show whether this is just a temporary slowdown or whether we can expect a more serious slowdown. The forint approached last November's high in March, but by the end of the month closed where it started. The MNB fine-tuned its framework of the asset purchase program: they announced that the 50 per cent purchase limit on bonds' series had been abolished, while the weekly purchase volume would not change. They basically expanded the room for maneuvering in longer-term papers, having previously reached the earlier limits here. What is also worth mentioning is that the central bank is already expecting inflation of 4% or more for this year. The fund achieved a negative return in March and underperformed its benchmark. Unlike in February, confidence in the Turkish economy faltered in March due to the inconsistent behavior of the Turkish president. In November, when the president appointed a highly market-friendly leader to head the Turkish central bank, we thought a long-term turnaround could come in the Turkish economy, but the events of the past month unfortunately refuted it after the president unexpectedly fired the November-appointed central bank governor. This shook the Turkish economy to its core and had a negative impact on the Turkish currency rate. As a result, banks' stock prices fell more than the market average, in which the fund unfortunately was overweight, but shares of local companies in which institutions do not invest, rose. This is what caused the underperformance of the benchmark. The fund continues to overweight pro-cyclical and the reopening industries such as the airlines. The banking sector is still overweight because we want to wait and see what will be the long-term effects of the March's events on this fundamentally undervalued sector. The fund is approx. 5% overweight against the benchmark.

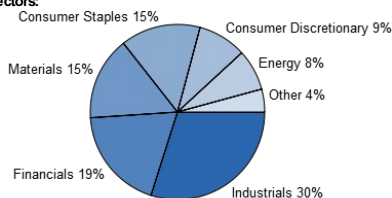
## ASSET ALLOCATION OF THE FUND ON 03/31/2021

Asset type	Weight
International equities	93.77 %
Current account	12.78 %
Liabilities	-10.05 %
Receivables	3.49 %
total	100.00 %
Derivative products	6.23 %
Net corrected leverage	105.69 %

### Assets with over 10% weight

There is no such instrument in the portfolio

### Stocks by sectors:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	33.29 %
Annualized standard deviation of the benchmark's weekly yields:	32.68 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years

## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



## TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
AKBANK T.S.A	share	AKBANK T.A. (TR)	
KOC HOLDINGAS	share	KOC HOLDINGAS (TR)	
BIRLESIK MAGAZALAR	share	BIM BIRLESIK MAGAZALAR (TR)	
BIST 30 FUTURES Apr21 Buy	derivativ	Raiffeisen Hun (HU)	2021. 04. 30.
EREGLI DEMIR VE CELIK FABRIK	share	EREGLI DEMIR VE CELIK FABRIK (TR)	