

## MARKET SUMMARY

Now that people are slowly but surely getting back to their pre-Covid way of life, May was finally about when and how economies can re-open. This varied from country to country, depending on the vaccination rates. In Europe, it was England that led the vaccination rate, but fortunately for us, Hungary was also in the top 5 in the world. The question now is how the emergence of the new Indian mutant in Europe will change the re-opening plan. If we are lucky, the Indian version will be more contagious than the typical strain but not as deadly as the English variant was. There also remains the question of whether existing vaccines are effective against the Indian version or whether new vaccines need to be developed. Although the stock markets continued to rally in May, volatility was higher than in April. Investors also felt that stock market averages did not reflect the performance of the real economies, but as long as central banks provide the markets with the current amount of liquidity, there is little chance of any major correction. Investors will therefore be easily jittered if any announcement from central banks suggests that money supply may be tightening. Additionally, there was finally some good news about the corona virus in Hungary. Both the number of cases and the death toll went down in May. This was mainly due to the fact that Hungary had one of the best vaccination rates in the world. The economy was also picking up but at a price. Accumulated demand flooded into the market all at once, which was reflected in higher prices and the inflation forecasts. In May, inflation was over 5% on a year-on-year basis, which got the National Bank's interest. The bank believes that this is a temporary rise, but if it is not, they are prepared to raise interest rates. On hearing this news, the forint strengthened to below 350 against the euro.

The fund achieved a positive return in May. Although the return was good, the strengthening of the forint weakened the fund's performance. Hungarian equity and oil exposure contributed most to the good performance in May. During the month we increased the Hungarian exposure and in contrast reduced the growth sector exposures in the fund, including solar, fintech and video games. By the end of the month, we had 50% equity weight in the fund.

## INVESTMENT POLICY OF THE FUND

The objective of the Fund is to provide capital return for the investors within the appropriate risk limits. The aim of the Fund is to achieve the highest possible return for a given risk level by buying undervalued stocks and fixed income assets and selling overvalued instruments.

The Fund is allowed to buy shares, bonds and other instruments, to open short positions on the spot market, to take long and short forward and future positions. Moreover, the Fund can trade on the option market.

The portfolio of the Fund is separated into three classes according to their investment objective: Instruments of the first class consist of long positions of long term, fundamentally undervalued, and short positions of overvalued equities. The method of stock picking is identical with the applied methods of Aegon equity related funds and mainly concentrate to the CEE regional markets, although the Fund is allowed to invest in other emerging and developed market instruments. The second class of the Fund's instruments implement the top-down equity strategy of Aegon Asset Management Co., mainly with long and short positions on the futures markets. These positions are based on the scores of the so-called "quadrant model", which is the internal asset allocation model of the Asset Management Company. Instruments of the third class involve the fixed income part of the Fund. The aim of the third class is to reach or exceed the performance of the RMAX Index. The target weight of the first and second classes altogether is 45%.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index
ISIN code:	HU0000716055
Start:	03/17/2016
Currency:	CZK
Net Asset Value of the whole Fund:	21,546,795,646 HUF
Net Asset Value of CZK series:	CZK
Net Asset Value per unit:	1.070491 CZK

## DISTRIBUTORS

Raiffeisen Bank Zrt.

## SUGGESTED MINIMUM INVESTMENT PERIOD

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

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	1.38 %	0.45 %
2020	0.00 %	0.41 %
2019	0.00 %	0.23 %
2018	1.74 %	0.31 %
2017	2.26 %	0.20 %

## RISK PROFILE

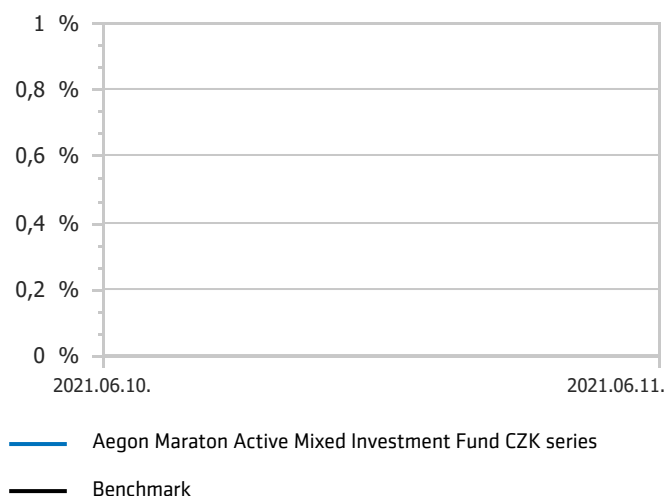
1	2	3	4	5	6	7
---	---	---	---	---	---	---

← Lower risk → Higher risk

ASSET ALLOCATION OF THE FUND	
Asset	Weight
Collective securities	33.72 %
Corporate bonds	20.67 %
Government bonds	15.37 %
Hungarian equities	13.13 %
International equities	8.65 %
T-bills	1.43 %
Current account	7.58 %
Liabilities	-3.76 %
Market value of open derivative positions	1.88 %
Receivables	1.35 %
<b>total</b>	<b>100,00 %</b>
Derivative products	85.71 %
Net corrected leverage	105.37 %
<b>Assets with over 10% weight</b>	

## NET PERFORMANCE OF THE SERIES

net asset value per share, 06/01/2020 - 05/31/2021



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	no data
Annualized standard deviation of the benchmark's weekly yields	no data
WAM (Weighted Average Maturity)	2.10 years
WAL (Weighted Average Life)	2.73 years

## TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
ISHARES DJ STOXX 600 DE SXXPIEX GY	investment note	ISHARES DJ STOXX 600 DE	
OTP Bank törzsrészvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	
iShares MSCI World ETF USD	investment note	iShares MSCI World ETF	
EURO-BUND FUTURE Jun21 Sell	derivatív	Raiffeisen Hun	2021. 06. 08.
US 10YR NOTE (CBT)Sep21 Sell	derivatív	Raiffeisen Hun	2021. 09. 21.

## 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. Aegon Magyarország Befektetési Alapkezelő Zrt. | 1085 Budapest, Kálvin tér 12-13. | +36 1 477 4814 | alapkezel@egon.hu | www.aegonalapkezelo.hu