

## MARKET SUMMARY

OPEC+ discussions to increase output are dragging on after the UAE's decision to reject the deal due to its dissatisfaction with its assigned quota. While Eurozone inflation weakened slightly in June to 1.9% YoY, mainly due to technical reasons, an acceleration in the second half of the year is likely. Concerns about possible fallout from a rapid spread of the COVID-19 Delta variant capped the performance of equity markets and weighed on real yields. Still close to their highs, the US and European stock markets moved largely sideways. 10Y Bund and Treasury yields declined by about 5bp last week of June. Investment-grade credit risk premiums tightened across sectors, with cyclicals outperforming, though high-yield spreads have remained almost flat over the past few days. The USD strengthened and pulled EURUSD below the 1.19 handle. In the context of the OPEC+ talks, crude oil prices surged to fresh three-year highs above \$75/bbl. We halved short positions in the 10Y German government bonds, early in the month, opened positions in Pemex along with the increasing duration for Qatar and Turkey, later in the month, we slightly cut the duration for Ghana, Romania and Ukraine while added further to Saudi Arabia.

## INVESTMENT POLICY OF THE FUND

The fund's investment objective is to provide investors with capital appreciation by investing in the sovereign- and quasi-sovereign bond market of Emerging European countries. The fund has no rating constraints, the fund has a permission to invest in any kind of issuer without limitation on its long-term foreign currency debt rating. The fund aims to reach the highest capital gain with rational risk taking. The fund primarily invests on the sovereign- and quasi-sovereign bond market of Emerging European countries denominated in foreign currency, but holds Hungarian local currency, long- and short-term bonds with diversification and liquidity management purposes. The fund may also invest in mortgage backed securities, and short- and long-term, fixed or floating securities of other financial institutions, municipalities or other business corporations, structured and convertible bonds. The fund's general risk level and the measure of the deviation from the target weights are determined on the basis of a regular market analysis and situational analysis relating to four main aspects (fundamentals, valuation levels, market sentiment, technical factors). The core part of the fund consists of the foreign currency denominated, sovereign and quasi-sovereign bonds of Central and Eastern Europe (Hungary, Croatia, Poland, Romania, Slovakia, Ukraine), Southeast Europe (Serbia, Turkey), Baltic states (Lithuania, Latvia) and the countries of the Commonwealth of Independent States (Azerbaijan, Belarus, Kazakhstan, Russia, Georgia, Armenia) and also holds Hungarian local currency bonds with diversification and liquidity management purposes. In case of attractive market conditions (e.g. possible upgrade of an issuer's long-term foreign currency debt rating, change of the yield curve, market mispricing, etc.) the fund may invest in bonds of issuers not listed above. The fund does not intend to invest more than 25% of its assets in a single country. The target weight for the fund's fixed income investments in the above listed countries (target countries) is 95%. The aimed risk profile of the fund is intermediate. We do not use constraints on foreign currency debt ratings. The fund may only conclude derivative transactions for the purpose of hedging or ensuring an efficient portfolio structure. The fund may also hold unleveraged debt-type collective investments linked to derivative indexes. The fund also has the option of taking on a substantial currency exposure, which will ordinarily be fully hedged to the target currency (USD), although depending on market circumstances the fund may even have an open currency position.

The investment policy of the fund changed on the 30th of December, 2016. Since then the fund has no benchmark, and fund performance before the change is not applicable.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	The fund has no benchmark
ISIN code:	HU0000706114
Start:	12/11/2007
Currency:	EUR
Net Asset Value of the whole Fund:	22,721,871 EUR
Net Asset Value of EUR series:	959,960 EUR
Net Asset Value per unit:	1.107290 EUR

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Aegon Towarzystwo Ubezpieczen na Zycie Spolka, Aegon Životná poisťovňa, a.s., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Erste Befektetési Zrt., KBC Securities Magyarország Fióktelepe, MKB Bank Nyrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SC Aegon ASIGURARI DE VIATA SA, Unicredit Bank Hungary Zrt.

## SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	0.75 %	0.78 %
2020	4.40 %	
2019	10.41 %	
2018	-5.82 %	
2017	4.30 %	
2016	0.03 %	-0.15 %
2015	0.96 %	0.07 %
2014	1.12 %	0.30 %
2013	0.20 %	0.24 %
2012	3.34 %	1.08 %
2011	-0.10 %	1.25 %

## RISK PROFILE

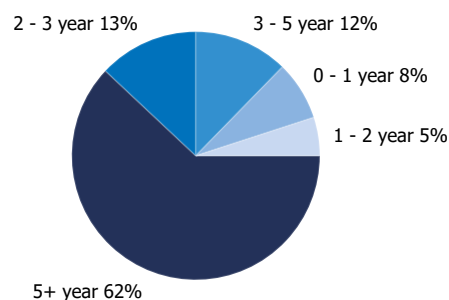


## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	88.66 %
Corporate bonds	9.54 %
Current account	4.23 %
Liabilities	-1.80 %
Receivables	1.75 %
Market value of open derivative positions	-2.38 %
<b>total</b>	<b>100,00 %</b>
Derivative products	16.65 %
Net corrected leverage	103.55 %

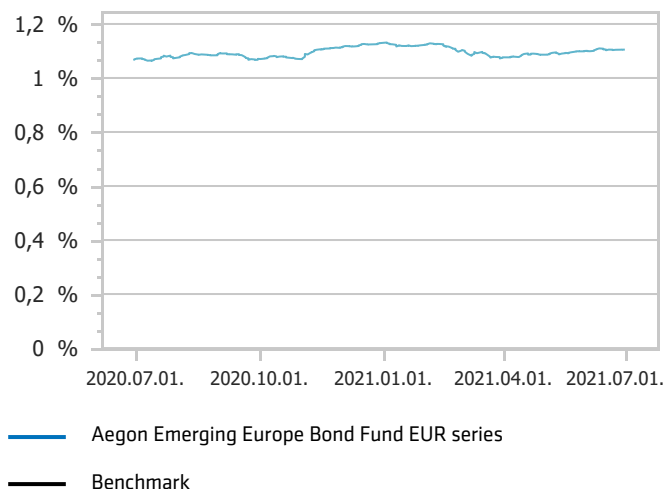
### Assets with over 10% weight

### Bonds by tenor:



## NET PERFORMANCE OF THE SERIES

net asset value per share, 07/01/2020 - 06/30/2021



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	5.27 %
WAM (Weighted Average Maturity)	7.17 years
WAL (Weighted Average Life)	9.40 years

### 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.aegonalapkezel.hu