Aegon Central European Equity Fund







MARKET SUMMARY

The equity markets continued to rally in June, but as we have written before, volatility is also on the rise. Last month, the SP 500 index fell more than 2% in 3 days, while the Russell 2000 index fell more than 5% during this period. Although both indices recovered their sell-offs, with the SP 500 even managing to reach a new all -time high by the end of the month, one can sense that investor confidence in the markets are waning. This is understandable after the US interest rate decision in June. Up until then, the US Federal Reserve has communicated that they believe inflation is transitory, and that they are sticking to their plan to raise interest rates in 2024-25. This has changed radically in June, when Fed President Jay Powell said that they now see inflation as not transitory, but they do not think it is persistent. As a result, 2- and 5-year bond yields started to rise, while long-term yields went lower. The equity markets were unsure for a couple of days how to interpret the Fed chairman's statements, but in the end the consensus was that inflation may be higher, the coming economic environment may not be as favorable for equities as it has been, but what will not change is that the Fed will do everything it can, to ensure that equity markets will not fall significantly. In Europe, the situation varies from country to country. Although the UK is one of the most vaccinated nation, they have extended the lock down over the past month because of spreading of the delta variant. Other countries are trying to open up their economies, the question is how widespread the new strain of the virus will spread and how much the death rate will increase. European macroeconomic data also shows a steadily improving trend, so politicians will face a difficult choice. If the new strain of the virus becomes too widespread, will they impose austerity again, or will they keep the easing for the sake of the economy. Hungary will continue on the path it has started since mid-May. The economy is opening up, with fewer restrictions for residents to endure. The problem is that the higher-than-expected rise in inflation. Last month the MNB has already indicated that if they see higher and persistent inflation, they will take countermeasures. In June, they made good on their promise by raising the base rate from 60 bp to 90 bp and the one-week depo rate from 75 bp to 90 bp. The forint strengthened back to 350 against the euro as a result. The fund achieved a positive return in June and outperformed its benchmark index. The outperformance was mainly due to the banking sector allocation, with the Hungarian banking sector overweighed and the Polish underweight. The Fund remains overweight in Austria, Hungary and Poland, meanwhile the Czech and Romanian exposures underweight. Within the energy sector, the fund remains overweight in Austria and underweight in the Czech Republic. Overall, the fund is overweight relative to the benchmark index at 110% due to long-term positions.

INVESTMENT POLICY OF THE FUND

The objective of the fund is to invest in Central and Eastern European equities. The fund is offered for investors who would like to benefit from the long term performance of regional listed companies. The average equity exposure of the fund is 95%. A primary consideration when compiling the fund's portfolio is the need to optimize the aggregate risk of the securities to be included in the fund. In the interest of reducing the risk, the utmost care is taken when selecting the securities to include in the fund's portfolio. The fund buys shares

issued by corporations from countries in the Central European region (primarily Hungary, the Czech Republic, Poland, Austira and Romania, Slovenia and Croatia, and secondarily Slovenia Croatia, Russia and Turkey), but it may also invest in the shares of companies in other emerging and developed countries, as well as in other collective investment securities.

Derivative transactions in equities and indices are allowed for the purpose of ensuring an efficient portfolio structure while shaping the fund's portfolio.

To ensure liquidity the fund aims to hold in its portfolio the government securities on behalf of the State of Hungary and bonds issued by the National Bank of Hungary,

GENERAL INFORMATION

Fund Manager: AEGON Hungary Fund Manager Ltd.

Custodian: Citibank Europe plc Magyarországi Fióktelepe

Main distributor: AEGON Hungary Fund Manager Ltd.

45% MSCI Emerging Markets Poland Net Total Return Local Index + 15% MSCI Austria Net Total Return + 15% MSCI Emerging Markets Czech Republic Net Total Return Local

Benchmark composition: Republic Net Total Return Local
Index + 15% MSCI Emerging Markets
Hungary Net Total Potum Local

Hungary Net Total Return Local Index + 10% MSCI Romania Net

Total Return

ISIN code: HU0000702501

Start: 03/16/1998

Currency: HUF

Net Asset Value of the whole Fund: 19,879,790,946 HUF

Net Asset Value of HUF series: 4,616,738,202 HUF

Net Asset Value per unit: 6.441390 HUF

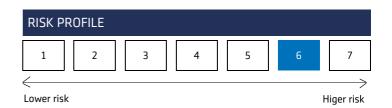
DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank 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

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	8.33 %	2.00 %		
2020	-5.95 %	-5.77 %		
2019	10.90 %	12.03 %		
2018	-8.23 %	-7.91 %		
2017	26.04 %	25.00 %		
2016	7.31 %	5.96 %		
2015	-1.48 %	-2.82 %		
2014	2.70 %	0.69 %		
2013	-2.03 %	-4.66 %		
2012	17.67 %	14.61 %		
2011	-16.30 %	-18.90 %		



Aegon Central European Equity Fund



HUF series

MONTHLY report - 2021 JUNE (made on: 06/30/2021)

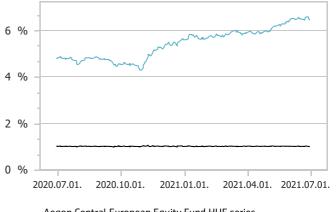
Asset	Weight
International equities	70.08 %
Hungarian equities	20.77 %
Collective securities	1.17 %
Current account	8.09 %
Liabilities	-0.16 %
Receivables	0.05 %
total	100,00 %
Derivative products	18.30 %
Net corrected leverage	118.51 %

Stocks by countries



NET PERFORMANCE OF THE SERIES

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



Aegon Central European Equity Fund HUF series

Benchmark

RISK INDICATORS FOR THE LAST 12 MONTHS	
Annualized standard deviation of the fund's weekly yields	17.76 %
Annualized standard deviation of the benchmark's weekly yields	17.87 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 5 POSITIONS				
Asset	Туре	Counterparty / issuer	Maturity	
WIG20 INDEX FUT Sep21 Buy	derivatív	Erste Bef. Hun	2021. 09 17	
OTP Bank törzsrészvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.		
Erste Bank	share	ERSTE BANK AG		
OMV	share	OMV AV		
Richter Nyrt. Részv. Demat	share	Richter Gedeon Vegyészeti Gyár Nyrt. (Budapest)		

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbftv. 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. | 1085 Budapest, Kálvin tér 12-13. | 477 4814 | alapkezeló@aegon.hu | www.aegonalapkezelo.hu