

## 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. The biggest contributors to June's performance were our top-down positions in developed markets, including exposure to Europe, and within emerging markets, our overweight position in Taiwan. In addition, our positions in lithium battery companies and the semiconductor sector performed well among our growth exposures. Also, our individual stocks in the region, such as OMV and OTP helped the fund's performance the most during the month. In June, we started to reduce our exposure to regional equities. We took profits on some of our positions in OTP, MOL Eurobank and Taftnet, while we took some long positions in the emerging market such as Brazil and India. In terms of currency exposure, we increased both the dollar and euro exposure in the fund during the month, leaving 3% euro and 8% dollar long positions by the end of the month. By the end of June, the fund had a 46% equity weighting.

## 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:	HU00000714928
Start:	07/09/2015
Currency:	HUF
Net Asset Value of the whole Fund:	21,716,658,381 HUF
Net Asset Value of institutional series:	10,237,641,753 HUF
Net Asset Value per unit:	1.239736 HUF

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank 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	3.66 %	0.50 %
2020	-0.06 %	0.41 %
2019	9.15 %	0.23 %
2018	-3.85 %	0.31 %
2017	4.78 %	0.20 %
2016	6.95 %	1.22 %

## RISK PROFILE

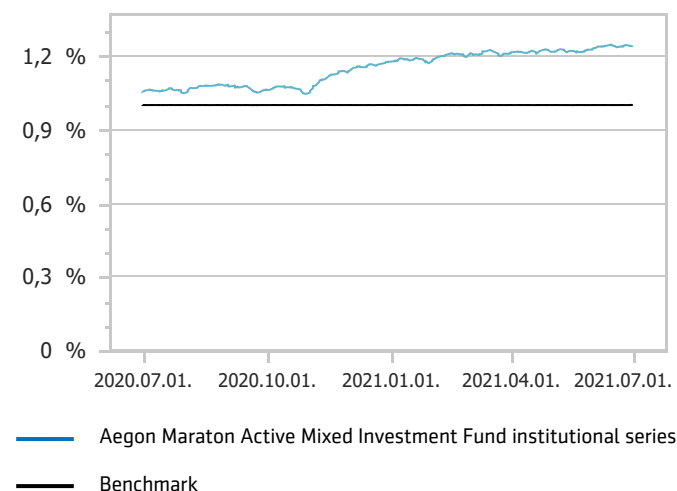
1	2	3	4	5	6	7
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← Lower risk Higher risk →

ASSET ALLOCATION OF THE FUND	
Asset	Weight
Collective securities	35.26 %
Corporate bonds	17.70 %
Government bonds	17.42 %
Hungarian equities	10.48 %
International equities	7.51 %
T-bills	0.26 %
Current account	10.16 %
Receivables	3.33 %
Liabilities	-2.21 %
Market value of open derivative positions	0.10 %
<b>total</b>	<b>100,00 %</b>
Derivative products	78.98 %
Net corrected leverage	104.55 %
Assets with over 10% weight	

## 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	7.10 %
Annualized standard deviation of the benchmark's weekly yields	0.20 %
WAM (Weighted Average Maturity)	2.00 years
WAL (Weighted Average Life)	2.51 years

## TOP 5 POSITIONS

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

## 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.aegonalapkezelzo.hu