

## 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 posted a slight positive return in June. On the equity side, we sold our positions in a Ukrainian agricultural company and in OTP during the month. We also swapped part of our commodity exposure to the millennials sector. On the FX side, we sold positions in Brazilian real and Russian ruble. We traded the forint several times during the month. When it strengthened to 346 against the euro we sold it, which we bought back around 353 level, but by the end of the month the fund had a 15% forint short position. On the bond side, we sold our Hungarian credit exposure. On the commodity side, we took advantage of the sell-off during the month and raised the exposure to 20% of this asset class.

## INVESTMENT POLICY OF THE FUND

The fund's aim is to earn capital gains by taking positions in a wide range of assets while keeping risk under pre-defined limits. The assets are selected based on fundamental and technical criteria from the widest range of industry and country exposures possible.

Based on medium and long-term trends, the fund can buy or sell equities, bonds and other securities, and take various exposures using exchange (futures, options) and OTC derivatives (IRS and currency forwards). Naked shorts on securities are not allowed. The manager selects and builds positions based on fundamental and technical analysis in such a way, that the fund's return can exceed that of bank deposits over a medium-term horizon. Equally important focus is given to risk management which targets Level 5 risk bracket. The fund is not targeting any specific sectors, countries or asset classes, but most of its exposures will be taken on US and European exchanges, or markets regulated by the capital market authorities of the United States of America and the countries of the European Union.

The fund's net corrected risk exposure may go up to 200 percent of the portfolio, in accordance with the Hungarian capital market acts and regulations. The fund can also run a net short exposure, also in accordance with the above mentioned regulatory limits.

## 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% RMAX Index
ISIN code:	HU0000714266
Start:	11/27/2014
Currency:	HUF
Net Asset Value of the whole Fund:	6,849,135,980 HUF
Net Asset Value of HUF series:	858,928,937 HUF
Net Asset Value per unit:	0.895218 HUF

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank 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	-1.67 %	0.64 %
2020	2.33 %	0.41 %
2019	9.03 %	0.23 %
2018	-7.66 %	0.31 %
2017	-0.90 %	0.20 %
2016	-7.38 %	1.22 %
2015	-11.89 %	1.50 %

## RISK PROFILE

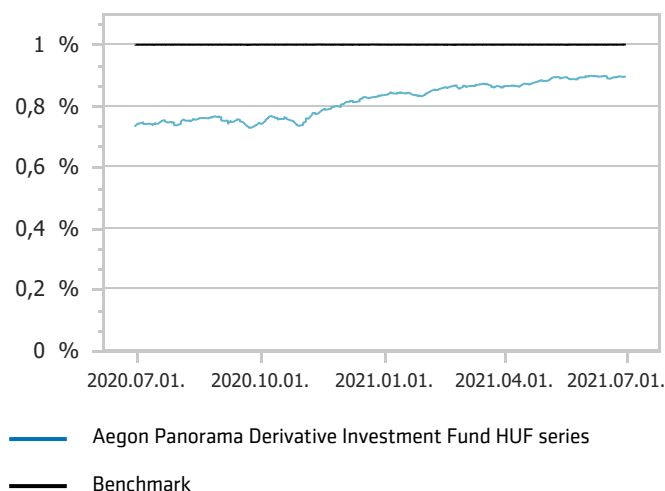
1	2	3	4	5	6	7
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← Lower risk Higher risk →

ASSET ALLOCATION OF THE FUND	
Asset	Weight
T-bills	18.47 %
Collective securities	14.04 %
Corporate bonds	6.03 %
Hungarian equities	3.52 %
Government bonds	1.48 %
International equities	0.76 %
Current account	55.87 %
Liabilities	-0.35 %
Receivables	0.31 %
Market value of open derivative positions	-0.12 %
<b>total</b>	<b>100,00 %</b>
Derivative products	68.72 %
Net corrected leverage	130.09 %
<b>Assets with over 10% weight</b>	

## 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	8.40 %
Annualized standard deviation of the benchmark's weekly yields	0.20 %
WAM (Weighted Average Maturity)	0.29 years
WAL (Weighted Average Life)	0.58 years

## TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
EURO-BUND FUTURE Sep21 Sell	derivatív	Raiffeisen Hun	2021. 09. 08.
US ULTRA BOND CBT Sep21 Sell	derivatív	Raiffeisen Hun	2021. 09. 21.
D220504	zero coupon	Államadósság Kezelő Központ Zrt.	2022. 05. 04.

## 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