Aegon IstanBull Equity Fund

TRY series

MONTHLY report - 2021 JULY (made on: 07/31/2021)

MARKET SUMMARY

In July, stock markets continued their rally, and all but the Russell 2000 index reached new all-time highs. In our view, this is invariably due to the central bank's action of supplying an unlimited amount of liquidity. If we look at the valuations' of equities, we see that they are relatively higher than they were when the Nasdaq bubble burst in 2000 and the housing bubble burst in 2007. If you compare it to the previous quarter, stocks have also continued to appreciate relative to that quarter. At the end of March, the BF P/E was 22, also considered extremely high, but that number had risen to 23 by the end of July. What is noticeable, however, is that investors are not so confident that at these levels stock market values are pegged at realistic prices. Amid a minor scare in the middle of the month, there were almost no buyers and the indices fell more than 1.5% in 1 day. As we have pointed out many times before, this investment environment is solely due to the central bank's supply of unlimited liquidity. The problem will arise if inflation, contrary to the central bank's expectations, becomes permanent rather than temporary. The financial authorities will also have no choice but to raise interest rates, which in turn will hit equity investments very hard. Europe's economy has continued to improve over the past month, and this is likely to have been helped by the fact that recovery aid set up during the epidemic has started to be distributed to the member countries. The preliminary reading is that activity in the Eurozone's services sector showed a third month of growth, strengthening to 58 from 55.2 in May. At the same time, manufacturing was also strong, with a reading of 63.1 reflecting 12 months of expansion. Of course, these macroeconomic numbers could quickly turn negative if the virus starts to spread again. In addition, the ECB raised its inflation target from less than 2 percent to above 2 percent, while accepting a temporary overshoot. The move, while not new, could help the industrial sectors.
China's economy is contracting again after rising in recent months. China's manufacturing PMI was 50.9 in June after 51 in May. Caixin's China manufacturing index fell to 51.3 in June from 52 in May. The Caixin China Services Sector Purchasing Managers' Index fell sharply in June to 50.3 from 55.1 the previous month, a 14-month low. China's GDP grew by 7.9% on a year-on-year basis in the second quarter, slightly below expectations. As we can see China is slowing down and the question is what impact this will have on the world economy.
Hungary continues on the path it started in mid-May. The economy continues to open up, but the problem is the rise of inflation. In June, the central bank raised the base rate by 30 basis points, and in July raised it again by another 30 basis points. So now the base rate is 1.20 percent. The inflation figures caused the forint to weaken against the euro from 352 to 362 during the month, but it strengthened back to 358 after the announcement of the rate hike. The fund posted a positive return in July and outperformed the benchmark index. Although the Turkish lira has stabilized during the month, risks remain on the Turkish market and the fundamentals of the Turkish economy are still weak. The biggest risk is the interest rate decision meeting in August and if the central bank decides to cut interest rates it will cause serious problems for the Turkish economy. For this reason, the banking sector is still underweight in the fund. We are holding positions in companies that can benefit from the European re-opening. During the month, we made took profits in a jeans producer. The fund was underweight the benchmark index by 10% at the end of the month.

INVESTMENT POLICY OF THE FUND

The fund aims to share in the yields of the Turkish equity market, and to profit from Turkey's economic growth through share price gains and dividend income. Given the risk profiles of the equity investments, the fund is classified as a high-risk investment.
The fund manager's intentions are that the fund's portfolio should consist predominantly of the publicly traded shares of foreign-domiciled companies. The primary investment targets are the stock exchange-traded shares of companies that maintain an active presence in Turkey, or that generate a substantial proportion of their revenues in the Turkish market. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed.
The fund management company, exercising all due care, determines the means of utilising the fund's resources on the basis of its own judgement and decisions, while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation and by taking into account the macroeconomic environment of the investment markets, relying primarily on fundamental analysis. When compiling the portfolio, it is shares that determine the nature of the fund, and thus the proportion of shares that may be held in the fund at any given moment may reach the prevailing statutory maximum. When determining the weights, within the equity investments, of shares traded in the Turkish market, we aim to ensure that the fund - in line with our expectations with regard to future risks and yields - achieves its objective, which is to outperform the benchmark advertised by the fund, over the longer term.
The fund records its assets in forint; the fund management company may, at its own discretion, choose to hedge all or a part of its currency risks with forward currency positions, in compliance with the applicable statutory requirements.
Under the current legislation the proportion of shares in the portfolio may be up to 100%.

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% MSCI Turkey 10/40 Net Total Return USD Index
ISIN code:	HU0000710173
Start:	02/20/2012
Currency:	TRY
Net Asset Value of the whole Fund:	3,812,653,530 HUF
Net Asset Value of TRY series:	26,356 TRY
Net Asset Value per unit:	2.138096 TRY

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	8.38 %	9.65 %
2020	15.81 %	30.34 %
2019	30.26 %	25.51 %
2018	-18.46 %	-19.95 %
2017	43.90 %	43.77 %
2016	9.05 %	11.88 %
2015	-12.41 %	-15.63 %
2014	26.42 %	25.81 %
2013	-15.13 %	-12.46 %

DISTRIBUTORS

Aegon Turkey Emeklilik ve Hayat A.Ş

SUGGESTED MINIMUM INVESTMENT PERIOD

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

RISK PROFILE

1	2	3	4	5	**6**	7

Lower risk — Higer risk

Aegon IstanBull Equity Fund

TRY series

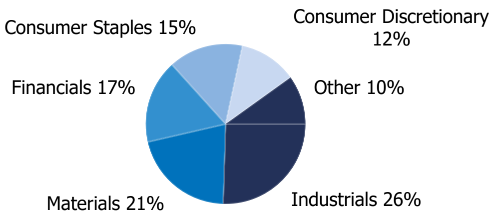
MONTHLY report - 2021 JULY (made on: 07/31/2021)

ASSET ALLOCATION OF THE FUND

Asset	Weight
International equities	91.99 %
Current account	8.49 %
Liabilities	-2.88 %
Receivables	2.41 %
total	**100,00 %**
Derivative products	0.00 %
Net corrected leverage	100.00 %

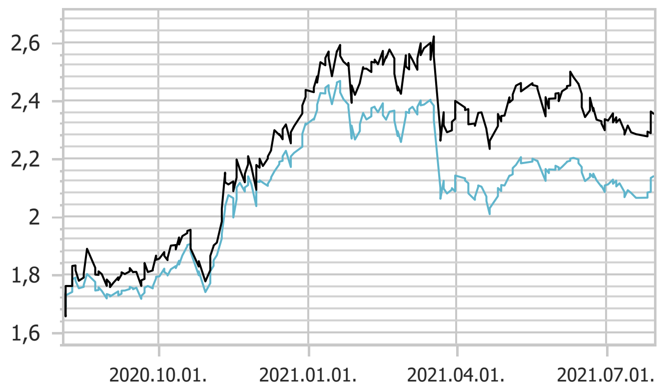
Assets with over 10% weight
EREGLI DEMIR VE CELIK FABRIK

Stocks by sectors



NET PERFORMANCE OF THE SERIES

net asset value per share, 08/01/2020 - 07/31/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	24.20 %
Annualized standard deviation of the benchmark's weekly yields	24.48 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
EREGLI DEMIR VE CELIK FABRIK	share	EREGLI DEMIR VE CELIK FABRIK	
BIRLESIK MAGAZALAR	share	BIM BIRLESIK MAGAZALAR	
Aselsan Elektronik Sanayi	share	Aselsan Elektronik Sanayi	
AKBANK T.S.A.	share	AKBANK T.A.	
KOC HOLDING AS	share	KOC HOLDING AS	

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