

## 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 negative return in July and underperformed the benchmark index. During the month, we reduced the weight of insurance and video games in the fund, while increasing the weight of millennials and emerging market internet sectors. Lithium, developed market technology stocks, and certain commodity sectors helped the fund's returns over the month. In contrast, Chinese technology stocks took away from last month's returns. The fund's equity allocation to the benchmark index is slightly overweight.

## INVESTMENT POLICY OF THE FUND

The objective of the Fund is to benefit from long term, global megatrends. These trends include demographical changes (aging society, emerging markets), efficiency improvements due to depletion of scarce resources (renewable resources, energy efficiency), urbanization, or even technical developments and innovations.

To achieving the main objectives, the Fund primarily invests in exchange traded funds, secondly in open-end mutual funds. Megatrends are long term changes that will permanently and significantly alter our social and economic environment. The Fund wishes to invest in companies and sectors likely to benefit from these trends. Thanks to its characteristic, the Fund mainly holds sector and thematic ETFs and mutual funds. Megatrends are very long-term, generally global trends, which are spanning economic cycles. Therefore the Fund invests in global markets without any geographical specification. As the Funds profit from very long term trends and exposed heavily to equity markets, we recommend the Fund for long term, risk seeking investors.

The type of the Fund is fund of funds, which, according to their investment policy, have to invest in at least 80% of their assets into ETFs and mutual funds. At the same time, the maximum exposure of each fund is not exceeding 20% of their total assets. The Fund only invests in instruments with total expense ratio below 2.5% and intent to maintain the average expense ratio below 1%.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% MSCI AC World Daily Total Return Net USD Index
ISIN code:	HU0000724661
Start:	06/16/2020
Currency:	PLN
Net Asset Value of the whole Fund:	85,530,310 EUR
Net Asset Value of P series:	17,792 PLN
Net Asset Value per unit:	1.368637 PLN

## NET YIELD PERFORMANCE OF THE SERIES

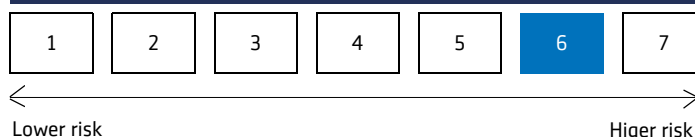
Interval	Yield of note	Benchmark yield
From start	32.24 %	32.42 %

## DISTRIBUTORS

## SUGGESTED MINIMUM INVESTMENT PERIOD

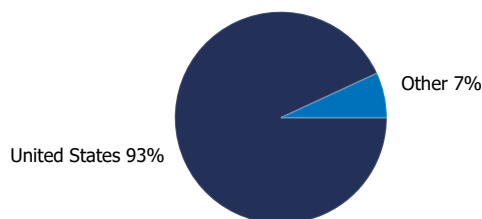
3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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## RISK PROFILE



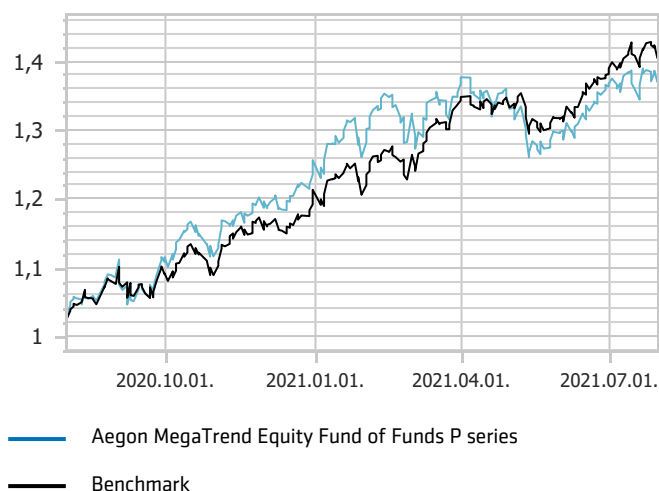
ASSET ALLOCATION OF THE FUND	
Asset	Weight
Collective securities	94.49 %
International equities	3.11 %
Hungarian equities	0.66 %
Current account	2.05 %
Liabilities	-0.32 %
Receivables	0.02 %
<b>total</b>	<b>100,00 %</b>
Derivative products	4.99 %
Net corrected leverage	104.99 %
Assets with over 10% weight	
ISHARES MSCI ACWI INDEX FUND	

### Stocks by countries



### 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	13.82 %
Annualized standard deviation of the benchmark's weekly yields	10.75 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

### TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
ISHARES MSCI ACWI INDEX FUND	investment note	ISHARES MSCI ACWI INDEX FUND	
Invesco QQQ Trust Series 1 ETF	investment note	Invesco QQQ Trust Series 1 ETF	
Global X Millennials Thematic ETF	investment note	Global X Millennials Thematic ETF	
iShares Global Materials ETF	investment note	iShares Global Materials ETF	
iShares PHLX Semiconductor ETF	investment note	iShares PHLX Semiconductor ETF	

### 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@aeon.hu | www.aegonalapkezelo.hu