Aegon MoneyMaxxTotal Return Investment Fund

institutional 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. 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 slight negative return in July. Last month, before the correction, we slightly reduced the fund's risk exposure: in addition to selling the DAX index and copper positions, we later reduced our exposure to Cameco (uranium) shares at low prices, which ended the month around the opening levels, and copper also rose, which was unfavorable for us. However, we took profits on our modest RON exposure during the month and then increased our exposure to Romanian government bonds, as Romanian long yields are the most attractive in the region. During the month, the forint weakened further and we gradually opened forint longs against the euro and the dollar. Core bond yields fell quite sharply, so we looked for short opportunities here. We opened new shorts in the US 10-year, while we also swapped the German 10-year short for US as the ECB continued to be very supportive, with further moves towards very loose monetary policy. Finally, at the end of the month, we swapped our emerging market equity index exposure for Russian equity index exposure, as the broad emerging index has a large weight in China, Asia, where neither the Covid situation nor the macroeconomic cycle nor the not very market-friendly measures by the Chinese authorities are helping at the moment, and the technical picture is also not positive, whereas we see better potential in the Russian market based on the commodity/energy linked exposures and other indicators.

INVESTMENT POLICY OF THE FUND

The fund's aim is to assemble an investment portfolio for its investors that is comprised of both Hungarian and international money and capital-market instruments, which the fund can optimise through ongoing dynamic asset allocation in order to attain the highest possible yield. The fund is a 'total-return fund', which means that instead of concentrating on just one subsector of the money or capital market, at any given moment it focuses its investments on the area that holds the promise of the highest possible return.

Accordingly, the fund may hold government securities and discount treasury bills issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary, as well as bonds issued by the National Bank of Hungary, and also bank and corporate bonds that are low risk but are nevertheless likely to earn a higher return than government securities. Besides these the fund's portfolio may also contain shares listed on the domestic stock exchange and the bourses of OECD countries, as well as the government securities, bank and corporate bonds of OECD countries. The fund does not follow a fixed benchmark, and does not adhere to a permanent ratio of shares to bonds, but aims to constantly change this ratio within a broad range; indeed, it is also prepared to take on currency risk (just as international bond/equity funds tend to) through the purchase of international government securities and equities. At the same time, the fund maintains the option to hedge currency risks.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index
ISIN code:	HU0000716014
Start:	03/08/2016
Currency:	HUF
Net Asset Value of the whole Fund:	26,589,220,849 HUF
Net Asset Value of institutional series:	13,908,670,640 HUF
Net Asset Value per unit:	1.119347 HUF

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	2.11 %	0.47 %
2020	4.59 %	0.41 %
2019	3.73 %	0.23 %
2018	-3.63 %	0.31 %
2017	3.28 %	0.20 %

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

RISK PROFILE

1	2	3	**4**	5	6	7

Lower risk — Higer risk

Aegon MoneyMaxxTotal Return Investment Fund

institutional series

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

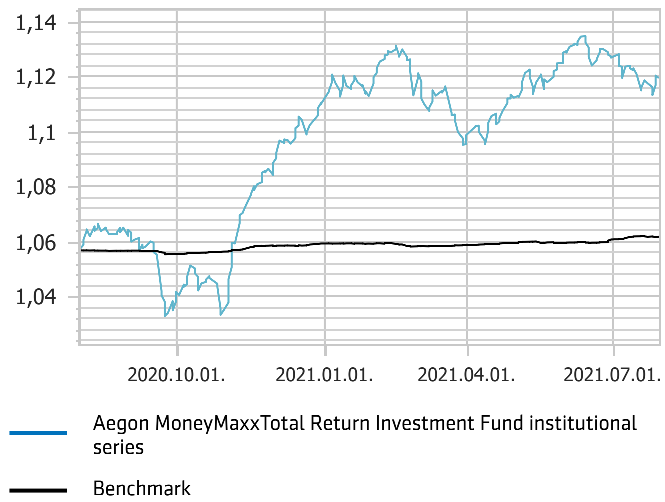
ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	38.44 %
Corporate bonds	26.80 %
Collective securities	8.39 %
Hungarian equities	5.59 %
T-bills	5.32 %
International equities	0.61 %
Current account	16.24 %
Liabilities	-0.88 %
Receivables	0.00 %
Market value of open derivative positions	-0.50 %
total	**100,00 %**
Derivative products	104.83 %
Net corrected leverage	118.20 %

Assets with over 10% weight

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	4.88 %
Annualized standard deviation of the benchmark's weekly yields	0.23 %
WAM (Weighted Average Maturity)	3.35 years
WAL (Weighted Average Life)	4.75 years

TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
EUR/HUF 21.11.08 Forward Sell	derivatív	ING Bank Hun	2021. 11. 08.
EURO-BUND FUTURE Sep21 Sell	derivatív	Raiffeisen Hun	2021. 09. 08.
US 10YR NOTE (CBT)Sep21 Sell	derivatív	Raiffeisen Hun	2021. 09. 21.

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