

## INVESTMENT POLICY OF THE FUND

The objective of the fund is to benefit on the economical growth of emerging countries. The fund accomplishes this goal basically via individual equity investments, however it may also hold collective investment instruments, if it is necessary for the efficient management of the portfolio. These can primarily be ETFs listed on the stock exchange, bank deposit, account money, repo transactions, and open-end public investment funds. In the course of selecting the equities the Fund dedicates special attention to the compliance of individual companies with ESG (environmental, social, governance) criteria, so in addition to analyzing the financial factors, portfolio managers also take into consideration environmental, social and governance factors during the investment decision making process. The goal of the Fund Manager is to establish a portfolio, in which the average of indicators measuring ESG compliance of the individual companies is more favorable than the aggregated indicator of the benchmark index, i.e. their operation is characterized by more advanced environmental, social and governance responsibility.

Environmental criteria include elements in the course of which the company comes into contact with the environment. Besides these, no additional special goals are set by the Fund.

These include for example the energy utilization, waste management, pollutant emission and/or the preservation of natural resources. Social criteria include all relations maintained by the company with its external partners, customers and internal employees. Corporate governance criteria are legal factors impacting reliable operation of a company.

## MARKET SUMMARY

In August, markets continued their march to new highs and another record was broken. So far, the number of new highs set in August was 11, which occurred in 1929, followed by 10 in 1987. Both are notable, as these two years saw the two biggest market falls of the 20th century. We don't know if 2021 will be remembered for this, but it is safe to say that the current market overvaluation far exceeds that of 1929 and 1987. The economic structure now is completely different from what it was then. The growth of the economies was not so dependent on the performance of stock markets, which puts the current market conditions in a different perspective. Thanks to the continuous intervention of central banks, stock markets no longer reflect the real valuation of the real economies, but the liquidity provided by central banks. If this flow of money were suddenly stopped, there would be another crash regardless of the performance of the real economies. The US Federal Reserve wants to avoid this at all costs, and will do everything in its power to do so. The Jackson Hole meeting in August was held in this spirit, when Fed President Jay Powell implicitly suggested that the money supply would not be turned off. Although he hinted that not everything is going the way the Fed would like, he said that the time for financial tightening had not yet come. In Hungary the central bank has raised the interest rate by another 30 basis points to 150 basis points. The central bank's clear aim is to keep inflation in check without torpedoing economic growth. At the same time, they also want to stabilize the forint exchange rate, preferably around the EUR/HUF 350 exchange rate. With inflation on the rise around the world, it is possible that the central bank will be forced to raise interest rates further in order to keep Hungarian inflation inline. The fund posted a negative return in August and underperformed the benchmark index. Emerging market performance continued to be affected by the news flow from China. Because of this we took profits in the middle of the month, closing half of the Chinese underweight. Currently, the fund is overweight in Mexico, Russia, Taiwan and the CEE region. Going forward, we intend to selectively buy individual stocks within the underperforming Chinese internet sector to increase our China exposure.

## 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 EM (EMERGING MARKETS) ESG |
| ISIN code:                         | HU0000705272                        |
| Start:                             | 05/11/2007                          |
| Currency:                          | HUF                                 |
| Net Asset Value of the whole Fund: | 13,014,914,868 HUF                  |
| Net Asset Value of HUF series:     | 5,246,219,321 HUF                   |
| Net Asset Value per unit:          | 2.206048 HUF                        |

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., ERSTE Group Bank AG Austria, OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési 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 |
|--------|--------|------|------|------|------|------|

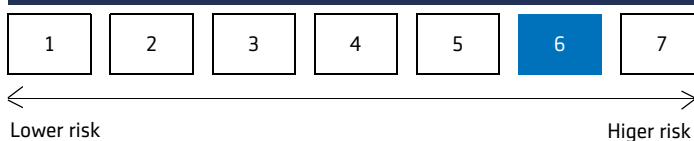
## ASSET ALLOCATION OF THE FUND

| Asset                  | Weight          |
|------------------------|-----------------|
| Collective securities  | 66.89 %         |
| International equities | 25.92 %         |
| Hungarian equities     | 3.69 %          |
| Current account        | 3.54 %          |
| Liabilities            | -0.08 %         |
| Receivables            | 0.05 %          |
| <b>Total</b>           | <b>100,00 %</b> |
| Derivative products    | 6.92 %          |
| Net corrected leverage | 106.82 %        |

### Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

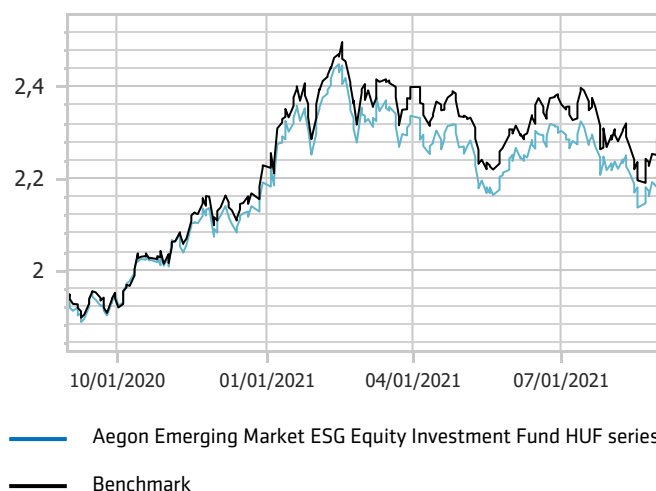


## NET YIELD PERFORMANCE OF THE SERIES

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 5.69 %        | 5.21 %          |
| 2020       | 19.21 %       | 20.53 %         |
| 2019       | 17.07 %       | 20.43 %         |
| 2018       | -6.84 %       | -7.93 %         |
| 2017       | 17.45 %       | 19.66 %         |
| 2016       | 4.46 %        | 5.03 %          |
| 2015       | -0.31 %       | 0.23 %          |
| 2014       | 24.30 %       | 24.12 %         |
| 2013       | -1.18 %       | -0.69 %         |
| 2012       | 7.61 %        | 9.54 %          |
| 2011       | -6.33 %       | -7.06 %         |

## NET PERFORMANCE OF THE SERIES

net asset value per share, 09/01/2020 - 08/31/2021



## RISK INDICATORS FOR THE LAST 12 MONTHS

|  |            |
|--|------------|
| Annualized standard deviation of the fund's weekly yields      | 14.07 %    |
| Annualized standard deviation of the benchmark's weekly yields | 15.20 %    |
| WAM (Weighted Average Maturity)                                | 0.00 years |
| WAL (Weighted Average Life)                                    | 0.00 years |

## TOP 5 POSITIONS

| Asset                           | Type            | Counterparty / issuer           | Maturity |
|---------------------------------|-----------------|---------------------------------|----------|
| Lyxor MSCI Taiwan UCITS ETF     | investment note | Lyxor MSCI Taiwan UCITS ETF     |          |
| Lyxor MSCI India UCITS ETF      | investment note | Lyxor MSCI India UCITS ETF      |          |
| Xtrackers ESG MSCI EM UCITS ETF | investment note | Xtrackers ESG MSCI EM UCITS ETF |          |
| Lyxor MSCI Korea UCITS ETF      | investment note | Lyxor MSCI Korea UCITS ETF      |          |
| Xtrackers MSCI EM ESG Leaders   | investment note | Xtrackers MSCI Emerging Market  |          |

## 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.

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