

INVESTMENT POLICY OF THE FUND

The Fund's objective is to establish a portfolio for its Investors that generates positive yields – higher than the yields available in the domestic money market – under all circumstances, in other words the Fund pursues a so-called absolute yield strategy. It intends to accomplish this goal primarily by investing in the bond and equity market of the emerging European region. The Fund's asset allocation is aligned with the given capital market conditions.

The Fund applies special investment strategies used by hedge funds to establish its strategy. The fund is willing to buy or sell all available investment instruments – domestic and foreign bonds (treasury bonds, discounted treasury bills, bonds issued by the National Bank of Hungary, as well as low-risk bank and corporate bonds expected to bring higher yields than the state securities) Equities and other securities, indices and currencies – provided it sees the opportunity to make substantial gains – up to the maximum limit allowed by the law, which allows double leverage for the Fund. To the extent set out in the investment strategy, the Fund may also invest in so-called non-investment grade securities, which represent additional risk compared to assets that are classed as investment-grade in terms of creditworthiness. In its investment decision-making mechanism, the Fund considers and weighs fundamental, pricing, technical and behavioural/psychological factors. To ensure liquidity the Fund aims to hold government securities issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary.

MARKET SUMMARY

September had similar movements in the stock markets just like the previous months. Indices rose to new highs, but unlike in the previous period, stock markets got over valued I'll after the first week and ended the month in negative territory. The US legislature failed to agree on the budget for next year and the US is in danger of another government shutting down. This already has happened in the early 2010s, when a credit rating firm downgraded the US government's debt in response. In the middle of the month, the US Federal Reserve also met and gave the strongest signal yet that it would start reducing liquidity as early as this year, and aim to complete the process by next summer, which would mean a \$15 billion a month reduction in bond buying. Nine of the 13 voting FOMC members expect an interest rate hike as early as next year. That would put the Fed funds rate to 1% by the end of 2023 which would also be higher than expected. Investors have grown accustomed to the abundance of money provided by the central banks in recent years, and this withdrawal could cause serious problems. The central bank chairman is trying in vain to communicate that reducing liquidity is not the same as raising interest rates if the combined effect is the same for financial markets. In Europe, the ECB took a similar decision to the US at its September meeting, except that they are targeting yields rather than volume. The ECB's communication for years has been that they are targeting an inflation rate of 2%. In Hungary, the central bank raised the benchmark interest rate by a further 15 basis points in September to 165 basis points. The MNB's communication shows that QE has been reduced from 50 billion to 40 billion, bond purchases are mainly targeting the long side and forint swap liquidity is being reduced to achieve higher interest rates. The central bank's clear aim is to contain inflation without torpedoing economic growth. At the same time, they also want to stabilize the forint exchange rate, preferably in the EUR/USD 350-360 range. The fund posted a slight negative return in September. During the month we bought Greek banks, Chinese technology and European value stocks, but these were hedged by selling SP500 futures, so the fund has a 10% equity exposure now. We believe the market is starting to price in the taper which will not be good for the growth sector. In sectors where there is significant over-positioning we expect a correction, but there are investments where pricing is attractive and where we expect price appreciation. We therefore remain optimistic on value-based investments. If there is a major correction in the markets this month we will increase our risk exposure. During the month we gradually increased our hedging as the forint weakened. We have also fully hedged the currency exposure at very good levels of the fund's 5% gold position.

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:	HU0000716006
Start:	03/17/2016
Currency:	CZK
Net Asset Value of the whole Fund:	41,443,221,265 HUF
Net Asset Value of CZK series:	335,768 CZK
Net Asset Value per unit:	1.119226 CZK

DISTRIBUTORS

ERSTE Group Bank AG Austria, Patria Finance, a.s.

ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	42.04 %
T-bills	15.38 %
Hungarian equities	12.51 %
Collective securities	9.74 %
Corporate bonds	8.19 %
International equities	7.54 %
Current account	7.12 %
Liabilities	-2.81 %
Receivables	0.58 %
Market value of open derivative positions	-0.27 %
Total	100,00 %
Derivative products	57.48 %
Net corrected leverage	116.31 %

Assets with over 10% weight

There is no such instrument in the portfolio

SUGGESTED MINIMUM INVESTMENT PERIOD

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

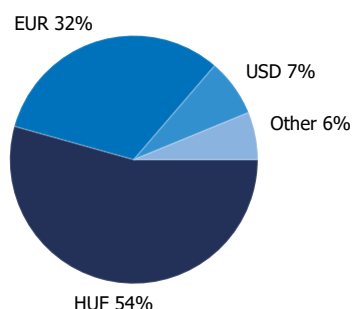
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

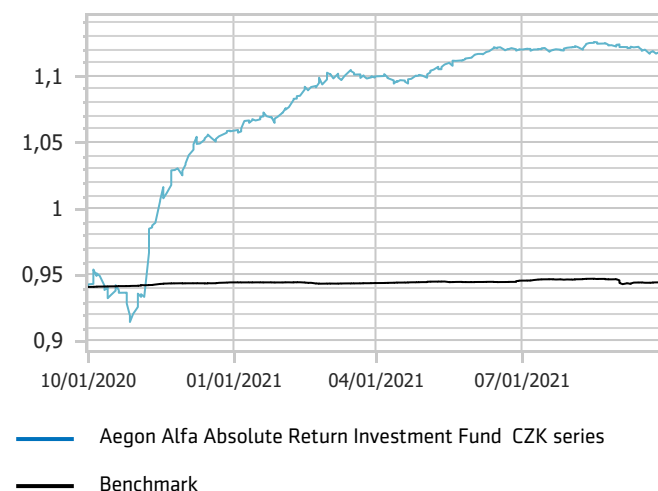
Interval	Yield of note	Benchmark yield
From start	2.05 %	0.42 %
2020	-0.29 %	0.41 %
2019	8.35 %	0.23 %
2018	-3.69 %	0.31 %
2017	2.30 %	0.20 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 10/01/2020 - 09/30/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	6.56 %
Annualized standard deviation of the benchmark's weekly yields	0.40 %
WAM (Weighted Average Maturity)	2.29 years
WAL (Weighted Average Life)	2.72 years

TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
EUR/HUF 21.11.17 Forward Sell	derivatív	Raiffeisen Hun	11/17/2021
2026F	interest-bearing	Államadósság Kezelő Központ Zrt.	08/26/2026
Magyar Államkötvény 2023C	interest-bearing	Államadósság Kezelő Központ Zrt.	08/23/2023

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.aegonalapkezel.hu