

## 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 optimize 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 sub-sector 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 may also buy shares listed in the domestic or foreign share markets, and it may also hold foreign treasury instruments, bank and corporate bonds in its portfolio. The Fund does not follow a fixed benchmark, and does not adhere to a permanent ratio of shares to bonds, but aims at constantly changing this ratio within broad range, indeed, it is also prepared to take on currency risk through the purchase of international government securities and equities. At the same time, the fund maintains the option to hedge currency risks. Keeping in mind the efficient establishment of the portfolio, the Fund may also open futures positions.

## 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 negative return in September. On the bond side, we bought Mexican local currency bonds during the month, took profits on Romanian local currency bonds, sold Turkish bonds after the unexpected interest rate cut and stopped out on some of the Ghanaian bond positions that we bought last month. On the equity side, we bought selective Chinese, global emerging market sector, and uranium mining stocks. On the commodity side, we bought a commodity index sector fund for 1% of the fund. On the currency side, the fund is slightly long the forint against the euro and the dollar, but short the Romanian leu and Mexican peso. We are also long the dollar against the Turkish lira and long the Polish zloty against the euro.

## 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:	HU0000716048
Start:	03/17/2016
Currency:	CZK
Net Asset Value of the whole Fund:	26,383,804,022 HUF
Net Asset Value of CZK series:	313,762 CZK
Net Asset Value per unit:	1.045873 CZK

## DISTRIBUTORS

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

## SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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## ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	39.05 %
Corporate bonds	28.69 %
Collective securities	9.42 %
Hungarian equities	4.85 %
T-bills	4.28 %
International equities	2.95 %
Current account	11.85 %
Receivables	0.69 %
Liabilities	-0.35 %
Market value of open derivative positions	-1.43 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	108.57 %
Net corrected leverage	122.08 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

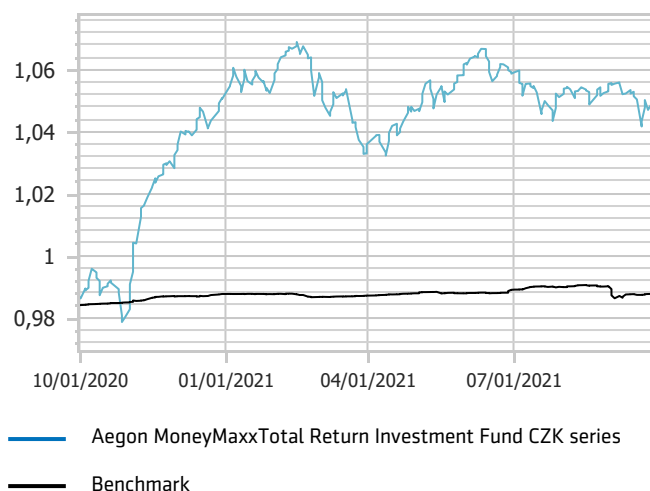
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	0.81 %	0.42 %
2020	3.17 %	0.41 %
2019	3.80 %	0.23 %
2018	-3.91 %	0.31 %
2017	1.47 %	0.20 %

## 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	4.89 %
Annualized standard deviation of the benchmark's weekly yields	0.40 %
WAM (Weighted Average Maturity)	3.70 years
WAL (Weighted Average Life)	5.30 years

## TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT)Dec21 Sell	derivatív	Raiffeisen Hun	12/21/2021
EUR/HUF 21.11.08 Forward Sell	derivatív	ING Bank Hun	11/08/2021
EURO-BUND FUTURE Dec21 Sell	derivatív	Raiffeisen Hun	12/08/2021

### 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.aegonalapkezelo.hu