

## INVESTMENT POLICY OF THE FUND

The fund's aim is to earn capital gains by taking positions in a wide range of assets while keeping risk under pre-defined limits. The assets are selected based on fundamental and technical criteria from the widest range of industry and country exposures possible.

Based on medium and long-term trends, the fund can buy or sell equities, bonds and other securities, and take various exposures using exchange (futures, options) and OTC derivatives (IRS and currency forwards). Naked shorts on securities are not allowed. The manager selects and builds positions based on fundamental and technical analysis in such a way, that the fund's return can exceed that of bank deposits over a medium-term horizon. Equally important focus is given to risk management which targets Level 5 risk bracket. The fund is not targeting any specific sectors, countries or asset classes, but most of its exposures will be taken on US and European exchanges, or markets regulated by the capital market authorities of the United States of America and the countries of the European Union.

The fund's net corrected risk exposure may go up to 200 percent of the portfolio, in accordance with the Hungarian capital market acts and regulations. The fund can also run a net short exposure, also in accordance with the above mentioned regulatory limits.

## 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 achieved a slight positive return in September. We used the weakening of the forint during the month to close some of our short positions. In addition, we also opened a dollar long position against the Turkish lira and a Polish zloty long position against the euro. We increased our commodity exposure during the month after the Bloomberg Commodity Index broke out to a new multi-year high. On the equities side, we bought Central European bank stocks and millennial sector funds and significantly reduced exposure to copper mining and took profits on the lithium exposure.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index
ISIN code:	HU0000714316
Start:	01/21/2015
Currency:	HUF
Net Asset Value of the whole Fund:	7,099,294,825 HUF
Net Asset Value of R series:	3,153,937,969 HUF
Net Asset Value per unit:	0.949439 HUF

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank Zrt.

## ASSET ALLOCATION OF THE FUND

Asset	Weight
T-bills	32.38 %
Collective securities	22.83 %
Corporate bonds	5.94 %
International equities	2.81 %
Hungarian equities	1.64 %
Government bonds	1.53 %
Current account	33.54 %
Liabilities	-0.35 %
Receivables	0.23 %
Market value of open derivative positions	-0.53 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	97.20 %
Net corrected leverage	139.10 %

### 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

1	2	3	4	5	6	7
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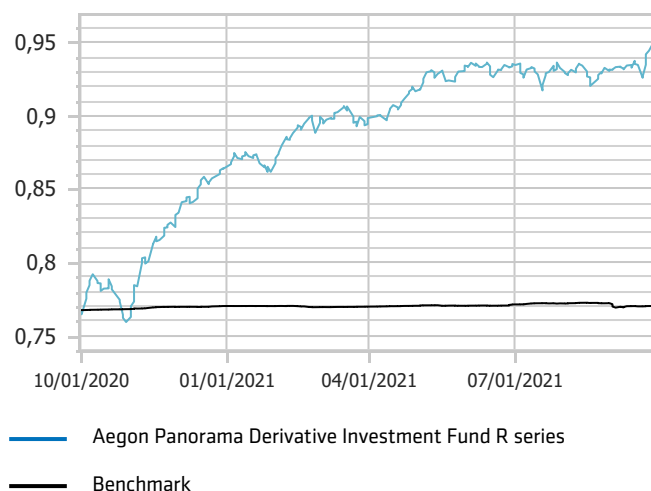
← Lower risk Higher risk →

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-0.77 %	0.58 %
2020	3.55 %	0.41 %
2019	10.30 %	0.23 %
2018	-6.60 %	0.31 %
2017	0.50 %	0.20 %
2016	-8.96 %	1.22 %

## 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	7.92 %
Annualized standard deviation of the benchmark's weekly yields	0.40 %
WAM (Weighted Average Maturity)	0.34 years
WAL (Weighted Average Life)	0.59 years

## TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT)Dec21 Sell	derivatív	Raiffeisen Hun	12/21/2021
EURO-BUND FUTURE Dec21 Sell	derivatív	Raiffeisen Hun	12/08/2021
D220504	zero coupon	Államadósság Kezelő Központ Zrt.	05/04/2022

## 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