

## INVESTMENT POLICY OF THE FUND

The Fund's investment goal is to generate yields that are higher than those available on the Hungarian money market for its investors, primarily by investing in the bond market of the emerging European region. The Fund's objective is to establish a portfolio for its Investors that generates positive yields – higher than the yields available on 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 market of the emerging European region.

In the context of the implementation of its investment strategy, the Fund Manager first and foremost focuses on emerging European hard currency (USD and EUR-denominated) government and corporate bonds, exploiting its expertise and know-how of the region. For diversification purposes, the Fund may also purchase other bonds (government securities, corporate bonds, mortgage bonds) typically issued in the region and denominated in local currency and, furthermore, may also conclude forward and other derivative transactions to establish an efficient portfolio.

The Fund's general risk level is determined based on the Fund Manager's four-pillared (foundations, valuation levels, market sentiment, technical factors) regular market analysis and situational assessment. The in-depth analysis also has a substantial impact on the selection of individual securities in terms of region, sector and interest-rate risk. In the course of the selection of the various securities, the thorough financial analysis of the issuer (aimed at creditworthiness) is also essential. Risk management and the regular monitoring of issuers are of paramount importance in the case of the Fund.

The Fund may enter into derivative transactions only for hedging purposes or for the purpose of development of an efficient portfolio. The Fund may keep collective investment forms following derivative indices, without leverage. The Fund may take significant foreign exchange exposures as well, which, in a basic situation, is fully funded by the Fund Management Company but, depending on the market circumstances, the Fund may have even an open foreign exchange position. The Fund primarily aims to generate yields for its Investors through its bond investments.

## MARKET SUMMARY

It was a pretty mixed month for financial markets in October. Commodities put in another strong performance, with WTI oil prices leading again, whilst equities also rebounded from their losses in September. However, fresh signs of inflation put more pressure on sovereign bonds, whilst other assets including HY credit and EM debt lost ground as well.

Our overall stance towards EM debt instruments and FX was more cautious as capital inflow into EM seemed quite weak. We decreased our overall stance toward HY names. We sold our Ghana exposure and also reduced Ukraine. We keep our cautious stance in the upcoming month as we see US QE tapering and uncertainties around the inflation outlook as headwinds for EM.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index + 1%
ISIN code:	HU0000727391
Start:	09/14/2021
Currency:	PLN
Net Asset Value of the whole Fund:	31,771,785,692 HUF
Net Asset Value of PI series:	13,050 PLN
Net Asset Value per unit:	0.996211 PLN

## DISTRIBUTORS

## 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	38.54 %
Corporate bonds	25.66 %
T-bills	10.31 %
Collective securities	0.12 %
Current account	27.64 %
Liabilities	-1.05 %
Receivables	0.02 %
Market value of open derivative positions	-1.24 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	72.90 %
Net corrected leverage	103.03 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

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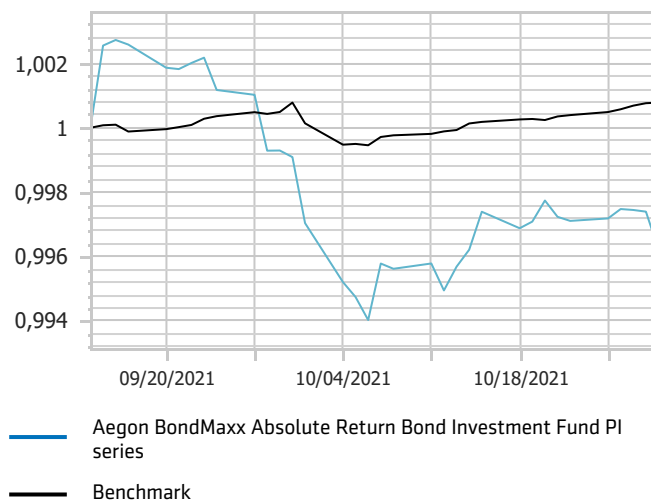
← Lower risk Higher risk →

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-0.38 %	0.08 %
1 month	-0.29 %	0.00 %

## NET PERFORMANCE OF THE SERIES

net asset value per share, 09/14/2021 - 10/31/2021



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	0.62 %
Annualized standard deviation of the benchmark's weekly yields	0.14 %
WAM (Weighted Average Maturity)	2.73 years
WAL (Weighted Average Life)	4.02 years

## TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT)Dec21 Sell	derivatív	Raiffeisen Hun	12/21/2021
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MOL 2023/04/28 2,625%	interest-bearing	MOL Nyrt.	04/28/2023

## 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.

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