

INVESTMENT POLICY OF THE FUND

The objective of the fund is to get a share of the yields of the Turkish equity market, and to benefit on the Turkish economy growth through equity rates and dividends incomes. In accordance with the risk features of the equity investments, the fund is considered as a high-risk investment. According to the intentions of the Fund Manager, the portfolio of the Fund is predominantly formed by equities publicly issued by foreign companies, so the ratio of equities in the fund may reach the legal maximum at the time. Primary targets of investment are the equities of companies listed on the stock that operate in Turkey or make most of their revenues in those countries. The fund registers its assets in Hungarian Forint, the Fund Manager is entitled to cover part of all the currency risks with forward currency positions, while complying with the effective legal provisions.

MARKET SUMMARY

The main concern for the investment world remains when and how much the US Federal Reserve will raise interest rates. It is now widely accepted that tapering will start soon, but opinions are still divided on the timing of the rate hikes. The Fed chairman has repeatedly stressed that the ending of monetary easing does not equate to an interest rate rise, the question is how the equity markets will interpret the Fed's action. The bigger issue is inflation. At the beginning of the year, the Fed chairman was emphatic that inflation would only be temporary and that he did not think it would cause serious problems for the economy. Later, when asked for his definition of "temporary", he gave an interesting answer that risked losing the rest of his credit. More recently, not once did the Fed's communiqué use the word 'transitory', they seem to have accepted the fact that inflation will be here for a longer period of time.

In Europe, the ECB is communicating exactly the same as the US Federal Reserve, and facing the same problems. High frequency indicators show that Eurozone residential activity is back to pre-pandemic levels, with the use of many services, while job vacancies are rising steadily. As in the United States, with inflation soaring, more and more German employees are demanding higher wages from their employers, and a wave of strikes could be on the way. This is of course generating inflation, which is reflected in the monthly economic figures.

In Hungary, the central bank raised the benchmark interest rate by a further 15 basis points in September to 180 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 in the EUR/USD 350-360 range.

The fund delivered a positive return in October, but underperformed its benchmark. The main reason for the underperformance is that some sectors that we were underweight have risen a lot in the last month. The Turkish central bank cut interest rates again after the unexpected rate cut in September, but managed to surprise the markets again as the market was expecting a 100 basis point rate cut but the central bank cut it by 200 basis points, which caused the Turkish lira to hit a new all-time low against the dollar. The fund continues to hold positions in export-oriented and cash-rich companies as we believe these are the companies that will weather this turbulent period the best. The banking sector remains underweight in the fund, which unfortunately was a bad decision as banks have rallied significantly over the past month. However, the oil refining and petrochemicals sectors were overweight which was a good call because these two sectors rose significantly in October. The fund was underweight against the benchmark by 97% at the end of the month.

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% MSCI Turkey 10/40 Net Total Return USD Index |
| ISIN code: | HU0000713151 |
| Start: | 12/30/2013 |
| Currency: | PLN |
| Net Asset Value of the whole Fund: | 2,773,928,649 HUF |
| Net Asset Value of PI series: | 5,606 PLN |
| Net Asset Value per unit: | 0.687256 PLN |

DISTRIBUTORS

Aegon Towarzystwo Ubezpieczeń na Życie Spółka

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 |
|--|-----------------|
| International equities | 96.51 % |
| Liabilities | -23.43 % |
| Receivables | 19.84 % |
| Current account | 7.10 % |
| Total | 100,00 % |
| Derivative products | 0.00 % |
| Net corrected leverage | 100.00 % |
| Assets with over 10% weight | |
| There is no such instrument in the portfolio | |

RISK PROFILE

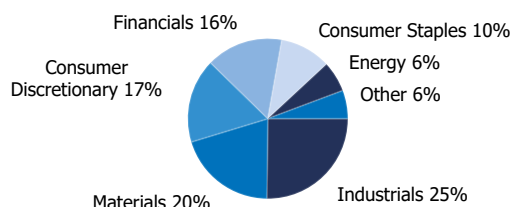
| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

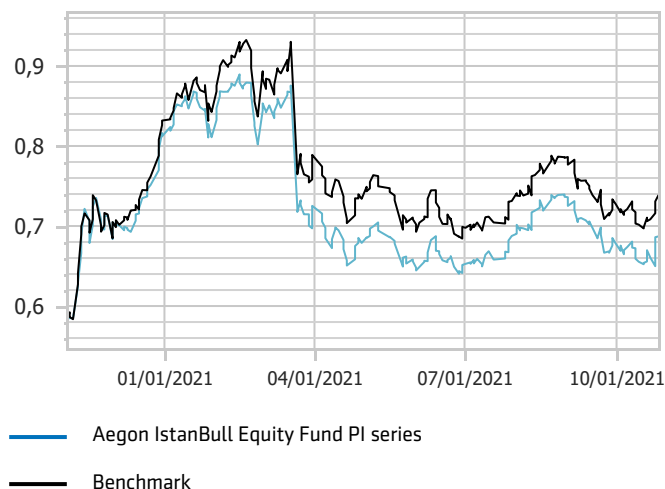
| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | -4.67 % | -4.38 % |
| 2020 | -8.73 % | 2.15 % |
| 2019 | 18.45 % | 12.54 % |
| 2018 | -36.71 % | -38.25 % |
| 2017 | 13.18 % | 12.08 % |
| 2016 | -2.04 % | -0.48 % |
| 2015 | -21.97 % | -25.44 % |
| 2014 | 36.87 % | 34.30 % |

Stocks by sectors



NET PERFORMANCE OF THE SERIES

net asset value per share, 11/01/2020 - 10/31/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

| | |
|--|------------|
| Annualized standard deviation of the fund's weekly yields | 30.31 % |
| Annualized standard deviation of the benchmark's weekly yields | 29.89 % |
| WAM (Weighted Average Maturity) | 0.00 years |
| WAL (Weighted Average Life) | 0.00 years |

TOP 5 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|------------------------------|-------|------------------------------|----------|
| EREGLI DEMIR VE CELIK FABRIK | share | EREGLI DEMIR VE CELIK FABRIK | |
| PETKIM PETROKIMYA HOLDING SA | share | PETROKIMYA HOLDING SA | |
| TUPRAS | share | TUPRAS | |
| BIRLESIK MAGAZALAR | share | BIM BIRLESIK MAGAZALAR | |
| KOC HOLDING AS | share | KOC HOLDING AS | |

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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