

INVESTMENT POLICY OF THE FUND

The objective of the fund is to invest in Central and Eastern European equities market. The fund is offered for investors who would like to benefit from the long term performance of regional listed companies. A primary consideration when compiling the fund's portfolio is the need to optimize the aggregate risk of the securities to be included in the fund. The fund buys shares issued by corporations from countries in the Central European region (primarily Hungary, the Czech Republic, Poland, Austria, Romania, and secondarily Slovenia, Croatia, Russia and Turkey), but it may also invest in the shares of companies in other emerging and developed countries, as well as in other collective investment securities. The fund may hedge a part or all of its currency risks with forward currency positions. For the sake of efficient establishment of the fund's portfolio, forward stock index deals can also be applied. In order to ensure liquidity, the fund intends to hold state securities issued by ÁKK, but in accordance with the statutory regulations the proportion of shares in the portfolio may be up to 100% share of bonds in the portfolio.

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. With inflation on the rise around the world, it is possible that the central bank will be forced to raise interest rates further in order to keep Hungarian inflation manageable.

The fund achieved a positive return in September and also outperformed the benchmark index. The fund remains overweight in the Austrian, Hungarian and Polish markets, although the Polish overweight was significantly reduced by the end of the month. The Romanian and Czech markets remain underweight. The retail sector remains overweight and the utilities sector is underweight in the fund. Overall, the fund is overweight against the benchmark index at around 111% due to long-term positions.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	45% MSCI Emerging Markets Poland Net Total Return Local Index + 15% MSCI Austria Net Total Return + 15% MSCI Emerging Markets Czech Republic Net Total Return Local Index + 15% MSCI Emerging Markets Hungary Net Total Return Local Index + 10% MSCI Romania Net Total Return
ISIN code:	HU0000728183
Start:	09/14/2021
Currency:	PLN
Net Asset Value of the whole Fund:	21,521,703,989 HUF
Net Asset Value of PI series:	13,446 PLN
Net Asset Value per unit:	1.026445 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
International equities	70.97 %
Hungarian equities	17.36 %
Collective securities	0.86 %
Current account	8.03 %
Receivables	4.09 %
Liabilities	-1.30 %
Total	100,00 %
Derivative products	18.69 %
Net corrected leverage	118.56 %
Assets with over 10% weight	
OTP Bank tőzsrészevény	

RISK PROFILE

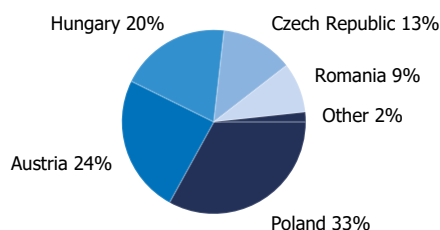
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← Lower risk → Higher risk

NET YIELD PERFORMANCE OF THE SERIES

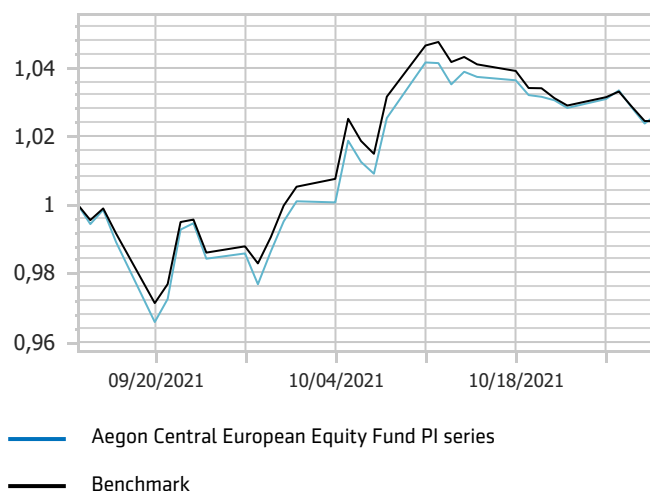
Interval	Yield of note	Benchmark yield
From start	2.64 %	2.42 %
1 month	3.16 %	2.47 %

Stocks by countries



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	4.59 %
Annualized standard deviation of the benchmark's weekly yields	4.71 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
WIG20 INDEX FUT Dec21 Buy	derivatív	Erste Bef. Hun	12/17/2021
OTP Bank törzsrészvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	
Erste Bank	share	ERSTE BANK AG	
OMV	share	OMV AV	
PKO Bank	share	PKO Bank	

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbfv. 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