

INVESTMENT POLICY OF THE FUND

The Fund invests most of its available funds in assets with a lower risk profile, which means bonds issued or guaranteed by states (including their debt management agencies) that have a credit rating, which is equal or higher than the rating of Hungary, quasi sovereign companies[1], national banks, supranational entities. It is allowed for the Fund to hold deposits, cash or invest in REPO and reverse REPO agreements. Allowed duration limit is 3 years for the whole Fund, while the duration limit for individual bonds is 10 years. In case of bonds denominated in other currencies than HUF, the portfolio manager is aiming for a full FX hedge, deviation from this is only allowed as a part of the riskier asset category.

The Fund is permitted to invest in riskier assets to a limited extent: domestic and foreign equities, equity indices, bonds with a higher risk profile, currencies, commodities and collective investment vehicles on spot and futures markets. Long and short trades are both permitted. In case of pair trades[2] the gross extent of the risky assets may reach 10 % of the NAV of the Fund.

Given its approach to the purchase of risky instruments, the fund falls into the category of absolute-return funds: it selects, from among the opportunities available in the domestic and international money and capital markets, the investments with the best expected yield/risk ratio.

The fund management company, exercising all due diligence, based on its own judgement and decisions while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation, determines the means of utilising the Fund's resources, and the weights of the various investments within the portfolio, with a view to ensure that the Fund - in line with our expectations regarding future risks and returns - achieves its objective in the long term.

Reference index of the Fund: 100% RMAX index (Bloomberg ticker: MAX RMAX Index) + 0,5%

MARKET SUMMARY

As infection and death rates from the Covid virus started to rise again in October, fears about the virus have increased too. Unfortunately, the vaccination rate has not reached the herd immunity level and we are again faced with the question of what is worth more. To close the economy again or to ensure that as many people as possible will survive the next wave. The answer varies from continent to continent and from country to country, in a month's time we will know more about the impact of 4th wave on the economies.

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 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. More recently, the Fed's communiqué fine-tuned the word 'transitory', they seem to have accepted the fact that inflation will be here for a longer period of time.

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 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.

During the month, we took a profit on the exposure of the commodity ETF fund as we believe there is an increased chance of a correction in the short term. In the meantime, we invested the capital freed up in shares of the football company Borussia Dortmund, in search of new investment opportunities. International football has also been hit by the corona virus, especially in Germany, where there were no spectators in the stadiums for a very long time, which of course caused a significant loss of revenue for the teams. Dortmund, with normally one of the best stadium occupancy rate in Europe, if not the best, has of course felt the effects of this crisis. To make up for the losses, the company raised additional capital, issuing shares at a price well below the current market share price. As a result, the share price corrected back to these levels, which meant a fall of over 25%. At the same time, Borussia Dortmund is one of the few football companies that can combine sporting success with economic efficiency and value creation for investors: with their excellent scouts, they can buy or train players relatively cheaply at a young age and then sell them at a high price, thus realising a significant profit on the ongoing rotation of players (Dembele, Haaland, etc.). In our view, this could make the company attractive in the long term at these levels.

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 + 0.5%
ISIN code:	HU0000705157
Start:	03/19/2007
Currency:	HUF
Net Asset Value of the whole Fund:	441,728,892 HUF
Net Asset Value of HUF series:	441,728,892 HUF
Net Asset Value per unit:	1.659958 HUF

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

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
T-bills	26.39 %
Government bonds	22.54 %
International equities	3.07 %
Deposit	41.87 %
Current account	6.14 %
Market value of open derivative positions	0.04 %
Liabilities	-0.03 %
Total	100,00 %
Derivative products	3.50 %
Net corrected leverage	100.04 %

Assets with over 10% weight

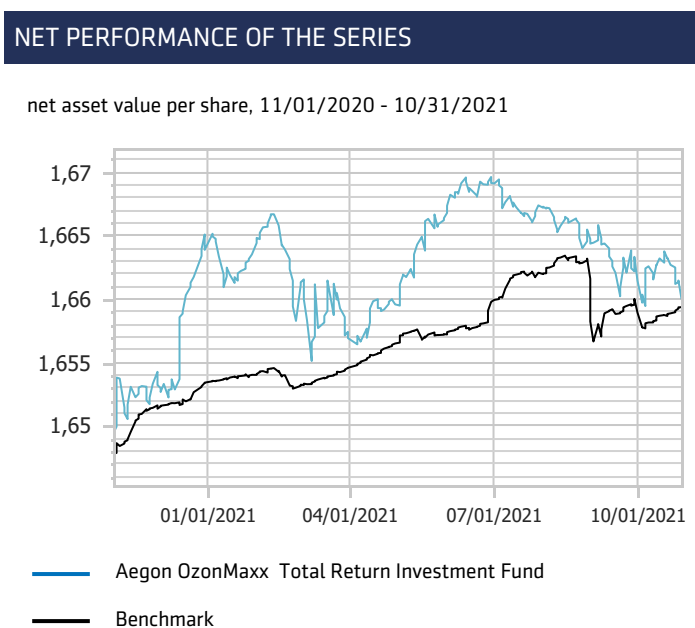
2024C (Államadósság Kezelő Központ Zrt.)
D211201 (Államadósság Kezelő Központ Zrt.)
D211110 (Államadósság Kezelő Központ Zrt.)

RISK PROFILE

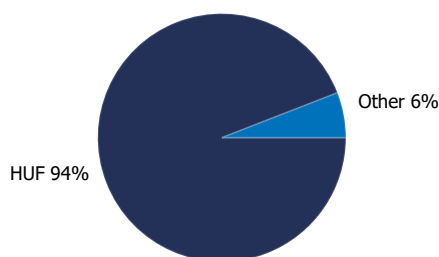
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← Lower risk Higher risk →

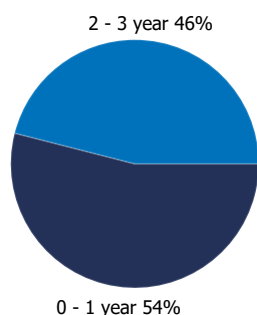
NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.53 %	3.99 %
2020	0.89 %	0.92 %
2019	0.50 %	0.74 %
2018	0.08 %	0.81 %
2017	0.30 %	0.22 %
2016	1.14 %	1.22 %
2015	1.74 %	1.50 %
2014	3.75 %	3.31 %
2013	5.80 %	5.71 %
2012	7.87 %	8.52 %
2011	4.77 %	5.17 %



Currency exposure:



Bonds by tenor:



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	0.98 %
Annualized standard deviation of the benchmark's weekly yields	0.42 %
WAM (Weighted Average Maturity)	0.68 years
WAL (Weighted Average Life)	0.69 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
HUF Betét	Betét	OTP Bank	11/04/2021
Magyar Államkötvény 2024/C	interest-bearing	Államadósság Kezelő Központ Zrt.	10/24/2024
D211201	zero coupon	Államadósság Kezelő Központ Zrt.	12/01/2021
D211110	zero coupon	Államadósság Kezelő Központ Zrt.	11/10/2021
D211215	zero coupon	Államadósság Kezelő Központ Zrt.	12/15/2021

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@aeon.hu | www.aegonalapkezelo.hu