

## 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 protracted conflict between Russia and Ukraine is likely to mean that the consequences of war will haunt the world's economies for a long time to come. If we analyze just the economic effects, we see that many things have happened that were previously unthinkable to happen to a nuclear superpower. The Russian central bank's reserves held in foreign banks has been frozen and seven Russian banks have been cut off from the SWIFT system. It is too early to analyze the long-term effects of these decisions, but it is likely to fundamentally reshape the financial world.

The war could also affect the US Federal Reserve's interest rate policy. The Fed has recently communicated that it will focus on inflation and raise interest rates. Never before has the US Federal Reserve raised interest rates when nuclear power initiated a war. The problem is that the war has exacerbated inflationary trends, so the Fed has to respond in some way. At its March policy meeting, it raised its benchmark rate by 25 basis points, which seems ridiculous in the face of inflation of nearly 7%. Of course, US investment banks are also not willing to miss the predictions, and Goldman Sachs expects not 4 but 5 more US rate hikes next year, in addition to the 6 for this year.

The MNB continued to raise interest rates in March in response to the high inflation figures. In March, the MNB raised the base rate by 100 basis points to 4.40% and the one-week deposit rate from 4.60 to 6.15. The EURHUF exchange rate was highly volatile in March due to the Russian-Ukrainian conflict. It reached a new all-time high of 400 forints against the euro at the beginning of the month, but as the National Bank raised interest rates the forint strengthened and returned to 370 by the end of the month.

The fund achieved a positive return in March and outperformed the benchmark index. We used the sell-off at the beginning of the month to increase the fund's equity exposure, mainly in the banking sector, and the fund was overweight at 120% against the benchmark index. In the second half of the month, after a significant rise, we took profits in some stocks. At the country level, Romanian, Hungarian and Austrian exposure is overweight in the fund. At sector level, the banking the retail sectors are overweight, while the previously underweight utilities sector has been brought to neutral. Overall, due to long positions, the fund is overweight against the benchmark index at around 108%.

## 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:	HU0000709530
Start:	01/11/2011
Currency:	HUF
Net Asset Value of the whole Fund:	16,122,924,120 HUF
Net Asset Value of institutional series:	10,649,835,461 HUF
Net Asset Value per unit:	7.410673 HUF

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Equilor Befektetési Zrt, Raiffeisen Bank 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
International equities	77.04 %
Hungarian equities	15.77 %
Collective securities	0.00 %
Current account	7.08 %
Receivables	1.39 %
Liabilities	-1.28 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	15.60 %
Net corrected leverage	116.40 %

### Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

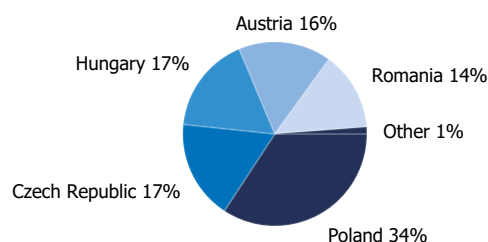
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← Lower risk → Higher risk

## NET YIELD PERFORMANCE OF THE SERIES

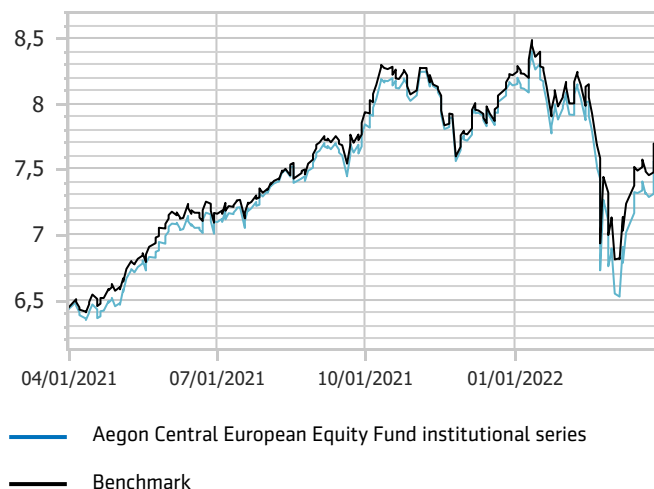
Interval	Yield of note	Benchmark yield
From start	4.63 %	2.75 %
2021	34.48 %	33.21 %
2020	-5.23 %	-5.77 %
2019	11.98 %	12.03 %
2018	-7.46 %	-7.91 %
2017	27.00 %	25.00 %
2016	8.12 %	5.96 %
2015	-0.80 %	-2.82 %
2014	3.53 %	0.69 %
2013	-1.31 %	-4.66 %
2012	18.51 %	14.61 %

## Stocks by countries



## NET PERFORMANCE OF THE SERIES

net asset value per share, 04/01/2021 - 03/31/2022



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	20.09 %
Annualized standard deviation of the benchmark's weekly yields	17.77 %
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 Jun22 Buy	derivatív	Erste Bef. Hun	06/17/2022
CEZ	share	CEZ A.S	
OTP Bank törzsrészvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	
Erste Bank	share	ERSTE BANK AG	
PKO Bank	share	PKO Bank	

## 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.aegonalapkezelo.hu