

## 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

Although the war between Russia and Ukraine is still ongoing, the investment world is much more concerned about inflation and how central banks will respond to it. Inflation around the world is at multi-decade highs. In the Eurozone it is at levels that is similar the early 2000s, in the US it is at a 40-year high, while Hungary has also not seen such high inflation for more than 20 years. The question on everyone's mind is what central banks will do to curb inflation, and whether they can do anything at all.

In March, the US Federal Reserve raised the Fed Funds rate by 25 basis points, which seems ridiculous in the face of inflation of almost 9%. The Fed is not in an easy position. If it raises rates too high, it could very easily create a recession, but if it raises them by only 25-50 basis points, it could be too slow and inflation could rise further. Let's not forget that over the past decade, the US national debt has more than doubled and a sustained rise in interest rates would be disastrous for the US economy. Europe is not better off. Since the 2008-2009 crisis, the ECB's main task has been to support the bond markets of the South-European countries by continuously buying them. If the ECB also raises interest rates, it will hit the South-European countries very badly, and some of them could enter into bankruptcy.

The MNB continued to raise interest rates in April in response to high inflation figures. In April, the MNB raised the base rate by 100 basis points to 5.40% and the one-week deposit rate to 6.45%. The EURHUF exchange rate was highly volatile in April due to the Russian-Ukrainian conflict. During the month, the forint weakened from 367 to 377 against the euro. Currently, higher interest rates are unable to strengthen the Hungarian currency.

The fund achieved a positive return in April, but underperformed the benchmark index. The fund is at 99% against the benchmark index. It is not at 100% because two local stocks cannot be bought due to legal barriers. We closed the previous overweight in the auto sector after the shares reached their target price, but in response to geopolitical risks we have established an overweight in the oil refining sector. We are taking a wait-and-see stance on the other sectors, wanting to see more clearly how the Russia-Ukraine war is developing and what the consequences of this will be for the Turkish economy. In local currency terms, the Turkish market has risen a lot as local investors are trying to hedge the 60% inflationary impact through the equity markets. These investors are mainly buying shares in export companies whose earnings are denominated in dollars.

## 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:	HU0000710173
Start:	02/20/2012
Currency:	TRY
Net Asset Value of the whole Fund:	2,547,629,697 HUF
Net Asset Value of T series:	44,745 TRY
Net Asset Value per unit:	3.629871 TRY

## DISTRIBUTORS

Aegon Turkey Emeklilik ve Hayat A.Ş

## 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	94.57 %
Current account	6.11 %
Liabilities	-0.97 %
Receivables	0.30 %
<b>Total</b>	<b>100,00 %</b>
Derivative products	5.30 %
Net corrected leverage	105.30 %

## Assets with over 10% weight

There is no such instrument in the portfolio

## RISK PROFILE

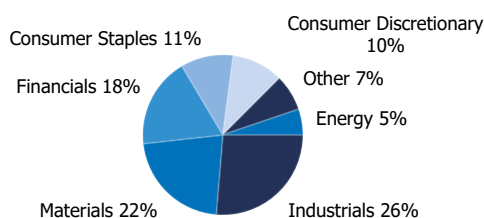
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← Lower risk → Higher risk

## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	13.48 %	15.25 %
2021	17.66 %	28.78 %
2020	15.81 %	30.34 %
2019	30.26 %	25.51 %
2018	-18.46 %	-19.95 %
2017	43.90 %	43.77 %
2016	9.05 %	11.88 %
2015	-12.41 %	-15.63 %
2014	26.42 %	25.81 %
2013	-15.13 %	-12.46 %

## Stocks by sectors



## NET PERFORMANCE OF THE SERIES

net asset value per share, 05/01/2021 - 04/30/2022



## RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	29.91 %
Annualized standard deviation of the benchmark's weekly yields	30.46 %
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	
BIST 30 FUTURES Jun22 Buy	derivatív	Raiffeisen Hun	06/30/2022
AKBANK T.S.A.	share	AKBANK T.A.	
TURKIYE GARANTI BANKASI	share	TURKIYE GARANTI BANKASI	
SISE	share	Sise Ti	

## 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 | alapkezelo@aegon.hu | www.aegonalapkezelo.hu