

INVESTMENT POLICY OF THE FUND

The Fund purchases stocks issued by companies in Central and Eastern European region (primarily Hungary, the Czech Republic, Poland, Austria, Romania, secondarily Slovenia, Croatia, Russia, Turkey), but it may also invest in the stocks of other developing and developed foreign companies as well as other collective investment securities. The Fund may hedge some or all of its foreign currency risk using forward currency positions against the target currency composition of the Fund, i.e., the current settlement currency of the benchmark (CEE region currencies), depending on the market processes. In addition, the use of equity and index futures is permitted in order to effectively build the Fund's portfolio. To ensure liquidity, the Fund wishes to add government securities issued by the Government Debt Management Agency on behalf of the Hungarian State to its portfolio. There is no possibility for making individual investor decisions in respect of the Fund.

MARKET SUMMARY

In July, the focus for investors remained on inflation and whether central banks can and will do anything about it. Although the US and European central banks have raised interest rates, these levels are still a long way from being able to make a meaningful impact on inflation. This situation is likely to persist for the rest of the year until investors are convinced that inflation has indeed peaked.

The US Federal Reserve raised interest rates again in July by 75 basis points, so the Fed fund's rate is now 2.50%, which is very low compared to inflation of 9%. Perhaps the biggest challenge facing the Fed is to maintain its creditworthiness. If the markets perceive that the Fed does not want to keep interest rates above a certain level, even though inflation is not yet under control, it may cause very serious structural problems.

Europe faces even bigger problems, which the Russian-Ukrainian war escalates even further. Inflation here is also very high, but the biggest problem is the energy supply. Russian gas is not coming in as much as in the past and this is having a negative impact on economic performance. If this continues into the winter period, some forecasts suggest that European economic performance could fall by 20-30%.

Hungary is no exception to the effects of inflation and the central bank is aggressively raising interest rates to curb consumption. The base rate is already 10.75% and another 100 basis point hike is priced in by the market for August. Unfortunately, Hungarian inflation is being impacted by a steadily weakening forint, but perhaps the region's highest interest rate environment will stop the Hungarian currency from weakening further.

The fund achieved a positive return in July and outperformed its benchmark index. At the sector level, defensive sectors performed well, such as utilities, healthcare and consumer staples. Fortunately, all three sectors were overweight in the fund. By the end of the month, we had further increased the weight of the utilities sector and reduced the weight of the consumer staples sector. In contrast, the commodities, telecom and consumer durables sectors performed poorly, in the latter we are holding an overweight position in the fund. We selectively added to the banking sector during the month. At the country level, we maintained our overweight in Austria and Romania, and added to our underweight in Hungary, as we believe that the extraordinary taxes will have a negative impact on the corporate performance in the future. Overall, the fund is overweight against the benchmark index at around 108% 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:	HU0000730346
Start:	07/18/2022
Currency:	USD
Net Asset Value of the whole Fund:	15,003,677,185 HUF
Net Asset Value of UI series:	2,560 USD
Net Asset Value per unit:	1.045026 USD

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	80.46 %
Hungarian equities	12.82 %
Collective securities	0.00 %
Current account	7.17 %
Liabilities	-1.14 %
Receivables	0.70 %
Market value of open derivative positions	0.00 %
Total	100.00 %
Derivative products	14.63 %
Net corrected leverage	114.65 %
Assets with over 10% weight	
There is no such instrument in the portfolio	

RISK PROFILE

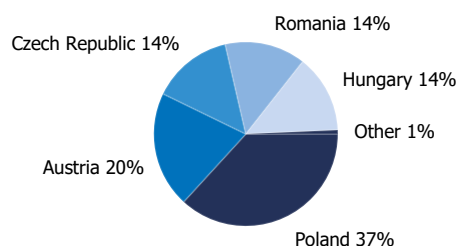
1	2	3	4	5	6	7
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

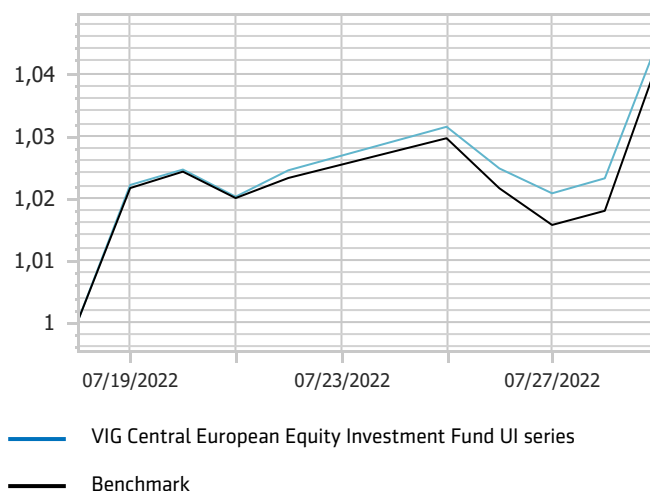
Interval	Yield of note	Benchmark yield
From start	4.50 %	4.17 %

Stocks by countries



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/18/2022 - 07/31/2022



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	1.82 %
Annualized standard deviation of the benchmark's weekly yields	1.77 %
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 Sep22 Buy	derivativ	Erste Bef. Hun	09/16/2022
CEZ	share	CEZ A.S	
Erste Bank	share	ERSTE BANK AG	
VERBUND AG	share	VERBUND	
OTP Bank törzsrészesvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	

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.aegonalapkezo.hu