

## MARKET SUMMARY

Now that people are slowly but surely getting back to their pre-Covid way of life, May was finally about when and how economies can re-open. This varied from country to country, depending on the vaccination rates. In Europe, it was England that led the vaccination rate, but fortunately for us, Hungary was also in the top 5 in the world. The question now is how the emergence of the new Indian mutant in Europe will change the re-opening plan. If we are lucky, the Indian version will be more contagious than the typical strain but not as deadly as the English variant was. There also remains the question of whether existing vaccines are effective against the Indian version or whether new vaccines need to be developed. Although the stock markets continued to rally in May, volatility was higher than in April. Investors also felt that stock market averages did not reflect the performance of the real economies, but as long as central banks provide the markets with the current amount of liquidity, there is little chance of any major correction. Investors will therefore be easily jittered if any announcement from central banks suggests that money supply may be tightening. Additionally, there was finally some good news about the corona virus in Hungary. Both the number of cases and the death toll went down in May. This was mainly due to the fact that Hungary had one of the best vaccination rates in the world. The economy was also picking up but at a price. Accumulated demand flooded into the market all at once, which was reflected in higher prices and the inflation forecasts. In May, inflation was over 5% on a year-on-year basis, which got the National Bank's interest. The bank believes that this is a temporary rise, but if it is not, they are prepared to raise interest rates. On hearing this news, the forint strengthened to below 350 against the euro.

The fund posted a positive return in May and the return was in line with the benchmark index. We realized profits on banking positions during the month. We continued to increase exposure to copper mining and reduced exposure to the telecom sector. The fund participated in the IPO of PETCO. In April, the mid-cap sector remained overweight against the large-cap exposure. Despite the economic shutdown, we believe that the Polish economy will perform well in the coming months and the fund is slightly overweight against the benchmark index at 104%.

## INVESTMENT POLICY OF THE FUND

The fund aims to share in the yields of the Polish equity market, and to profit from Poland's economic growth through share price gains and dividend income. Given the risk profiles of the equity investments, the fund is classified as a high-risk investment.

The fund manager's intentions are that the fund's portfolio should consist predominantly of the publicly traded shares of foreign-domiciled companies. The fund's primary investment targets are the exchange-traded securities of companies that are active in Poland or that generate the bulk of their revenues there, or whose shares are listed on the Warsaw Stock Exchange. The fund may also invest in the shares of other Central and Eastern European corporations. These are listed as Austria, the Czech Republic, Hungary, Russia, Romania and Turkey; although the portfolio will always chiefly consist of the shares of companies listed on the Warsaw Stock Exchange.

When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, only publicly issued securities listed or in the process of being listed on the stock exchange will be purchased as equity investments.

The fund management company, exercising all due care, determines the means of utilising the fund's resources on the basis of its own judgement and decisions, while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation and by taking into account the macroeconomic environment of the investment markets, relying primarily on fundamental analysis. When compiling the portfolio, it is shares that determine the nature of the fund, and thus the proportion of shares that may be held in the fund at any given moment may reach the prevailing statutory maximum. The weights of the shares within the portfolio are determined so as to ensure that the fund - in line with our expectations with regard to future risks and yields - achieves its objective, which is to outperform the benchmark advertised by the fund, over the longer term.

The fund holds more than 30% of its assets in a currency other than the domestic currency (HUF). In accordance with the current legislation, the proportion of shares in the portfolio may be up to 100%.

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% MSCI Poland IMI Loc Net
ISIN code:	HU0000710843
Start:	01/03/2012
Currency:	HUF
Net Asset Value of the whole Fund:	89,288,879 PLN
Net Asset Value of HUF series:	2,244,263,433 HUF
Net Asset Value per unit:	1.423061 HUF

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CONCORDE Értékpapír Zrt., Raiffeisen Bank Zrt.

## SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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## NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	3.82 %	2.62 %
2020	-6.59 %	-7.85 %
2019	0.01 %	-0.29 %
2018	-10.05 %	-10.92 %
2017	28.61 %	28.15 %
2016	6.87 %	4.66 %
2015	-11.01 %	-12.48 %
2014	1.62 %	1.10 %
2013	-0.37 %	-1.33 %

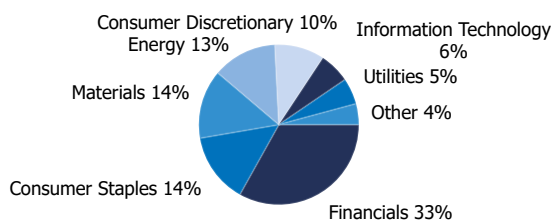
## RISK PROFILE

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

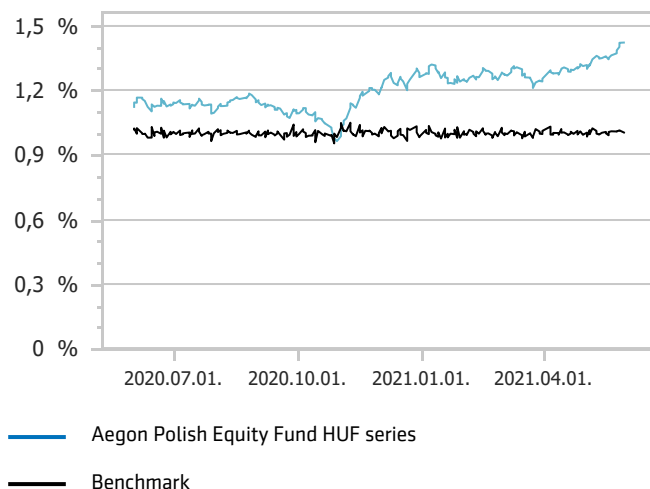
ASSET ALLOCATION OF THE FUND	
Asset	Weight
International equities	94.98 %
Hungarian equities	1.84 %
Receivables	2.94 %
Current account	2.20 %
Liabilities	-1.95 %
<b>total</b>	<b>100,00 %</b>
Derivative products	6.03 %
Net corrected leverage	106.69 %
Assets with over 10% weight	
KGHM Polska SA	
PKO Bank	

### Stocks by sectors



### NET PERFORMANCE OF THE SERIES

net asset value per share, 06/01/2020 - 05/31/2021



### RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	23.43 %
Annualized standard deviation of the benchmark's weekly yields	23.50 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 5 POSITIONS			
Asset	Type	Counterparty / issuer	Maturity
KGHM Polska SA	share	KGHM Ploska SA	
PKO Bank	share	PKO Bank	
POWSZECHNY ZAKŁAD UBEZPIECZEŃ	share	POWSZECHNY ZAKŁAD UBEZPIECZEŃ	
Dino Polska SA	share	DINO POLSKA SA	
MIDWIG INDEX FUT Jun21 Buy	derivatív	Erste Bef. Hun	2021. 06. 18.

### 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@aeon.hu | www.aegonalapkezel.hu