

INVESTMENT POLICY OF THE FUND

The fund's investment objective is to provide investors with capital appreciation by investing in the sovereign- and quasi-sovereign bond market of Emerging European countries. The fund has no rating constraints, the fund has a permission to invest in any kind of issuer without limitation on its long-term foreign currency debt rating. The fund aims to reach the highest capital gain with rational risk taking. The fund primarily invests on the sovereign- and quasi-sovereign bond market of Emerging European countries denominated in foreign currency, but holds Hungarian local currency, long- and short-term bonds with diversification and liquidity management purposes. The fund may also invest in mortgage backed securities, and short- and long-term, fixed or floating securities of other financial institutions, municipalities or other business corporations, structured and convertible bonds. The fund's general risk level and the measure of the deviation from the target weights are determined on the basis of a regular market analysis and situational analysis relating to four main aspects (fundamentals, valuation levels, market sentiment, technical factors). The core part of the fund consists of the foreign currency denominated, sovereign and quasi-sovereign bonds of Central and Eastern Europe (Hungary, Croatia, Poland, Romania, Slovakia, Ukraine), Southeast Europe (Serbia, Turkey), Baltic states (Lithuania, Latvia) and the countries of the Commonwealth of Independent States (Azerbaijan, Belarus, Kazakhstan, Russia, Georgia, Armenia) and also holds Hungarian local currency bonds with diversification and liquidity management purposes. In case of attractive market conditions (e.g. possible upgrade of an issuer's long-term foreign currency debt rating, change of the yield curve, market mispricing, etc.) the fund may invest in bonds of issuers not listed above. The fund does not intend to invest more than 25% of its assets in a single country. The target weight for the fund's fixed income investments in the above listed countries (target countries) is 95%. The aimed risk profile of the fund is intermediate. We do not use constraints on foreign currency debt ratings. The fund may only conclude derivative transactions for the purpose of hedging or ensuring an efficient portfolio structure. The fund may also hold unleveraged debt-type collective investments linked to derivative indexes. The fund also has the option of taking on a substantial currency exposure, which will ordinarily be fully hedged to the target currency (USD), although depending on market circumstances the fund may even have an open currency position.

The investment policy of the fund changed on the 30th of December, 2016. Since then the fund has no benchmark, and fund performance before the change is not applicable.

MARKET SUMMARY

The ECB provided new forward guidance on the monetary policy, stating that a key condition for lift-off is that inflation is seen to be reaching 2% "well ahead of the end of the projection horizon and durably for the rest of the projection horizon". The EU inflation reading for last month accelerated more than expected, to 3.0% YoY from 2.2%, driven by a well-built rebound in core inflation. ECB hawks are more vocal now, call for a reduction of PEPP purchases in Q4 '21 and termination of the program in the first quarter next year. 10Y Bund yields have risen further, consolidating above the -0.40% mark. Bond markets were calm for most of August before the surprise in Eurozone inflation triggered a sell-off in EGBs. Equity markets recorded modest gains, continuing their positive trend in the last few weeks, with the STOXX Europe 600 and the S&P 500 reaching new all-time highs ten times in August. Overall commodity market stayed range-bound. Exchange rates have remained mostly within tight trading ranges. Prospects of dovish Fed tapering ultimately lifted EUR-USD back above 1.18. We increased exposure to Azerbaijan, Ghana and Ukraine on improved fundamentals and attractive valuation while kept all other positions unchanged.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	The fund has no benchmark
ISIN code:	HU0000724232
Start:	05/26/2020
Currency:	USD
Net Asset Value of the whole Fund:	23,492,085 EUR
Net Asset Value of V series:	3,485 USD
Net Asset Value per unit:	0.995791 USD

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő 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
Government bonds	85.36 %
Corporate bonds	9.28 %
Current account	4.42 %
Market value of open derivative positions	1.67 %
Liabilities	-0.76 %
Receivables	0.03 %
Total	100.00 %
Derivative products	13.47 %
Net corrected leverage	102.65 %

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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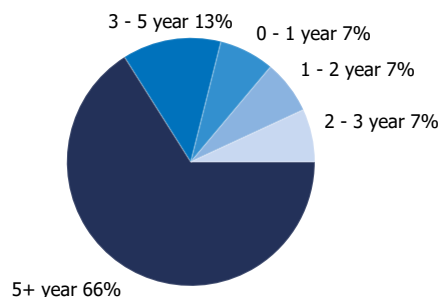
←
Lower risk

→
Higher risk

NET YIELD PERFORMANCE OF THE SERIES

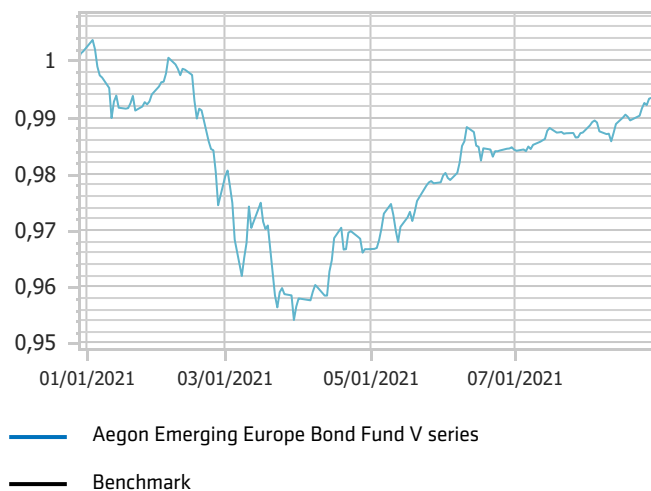
Interval	Yield of note	Benchmark yield
From start	-0.33 %	

Bonds by tenor:



NET PERFORMANCE OF THE SERIES

net asset value per share, 09/01/2020 - 08/31/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	3.52 %
WAM (Weighted Average Maturity)	7.23 years
WAL (Weighted Average Life)	9.54 years

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