

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

Although the US inflation rate came in better than expected in August, it is still historically very high, with the second quarter GDP coming in at -0.9%, meaning that the US economy is in a stagflationary environment which is the worst of all economic environments. There was precedent for this in the US in the 1970s, when a declining economic environment was combined with high inflation. Paul Volcker, the Federal Reserve Chairman, solved this by raising short interest rates to over 20% in a coup de grace, which pushed the US economy into a severe recession in 1981. We think that in the current political environment, it is unlikely that the Fed chairman will be willing to do the same.

Europe continues to groan from the effects of the Russian-Ukrainian war. The biggest problem, of course, is that the Russians are using gas supplies as a weapon against Europe, and as a result, energy prices have spiraled out of control on the continent. High energy prices are fueling fears of a hard recession in Europe, and the German producer price index suggests that inflationary pressures in Europe are more likely to accelerate if energy prices do not correct.

Inflation is also a major concern in Hungary. The official inflation rate published by the HNB is also above 13%, but real inflation is closer to 20%. The MNB is trying to curb inflation with its own tools, and has raised the base rate further by 100 basis points to 11.75%, and has indicated that it will raise it even higher in the coming period. The forint reacted favorably to the rate hike, with the EUR/USD exchange rate falling below 400.

The fund posted a negative return in August, but outperformed its benchmark index. At sector level, defensive sectors such as healthcare and consumer staples performed well. Utility companies, which had previously performed well, underperformed due to the trend in European gas prices and the potential extra profit taxes. The Polish market was the worst performer in the region as extremely poor macroeconomic data came out on the Polish economy. Growth will be worse and inflation higher than expected. Moreover, sentiment has become very anti-EU, which has not helped the performance of the Polish stock market. On the sector level, the banking and oil sectors were underperformers. At country level, we have cut the Polish and Czech weights to underweight, while the Romanian and Austrian markets are overweight. Overall, the fund is overweight against the benchmark index at around 104% due to long 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:	HU0000730361
Start:	07/18/2022
Currency:	EUR
Net Asset Value of the whole Fund:	13,607,333,718 HUF
Net Asset Value of El series:	6,963 EUR
Net Asset Value per unit:	0.955943 EUR

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	79.24 %
Hungarian equities	14.15 %
Collective securities	0.00 %
Current account	5.80 %
Receivables	0.93 %
Liabilities	-0.12 %
Market value of open derivative positions	0.00 %
Total	100,00 %
Derivative products	12.77 %
Net corrected leverage	112.11 %

Assets with over 10% weight

There is no such instrument in the portfolio

RISK PROFILE

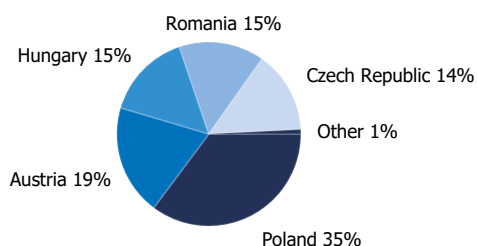
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← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

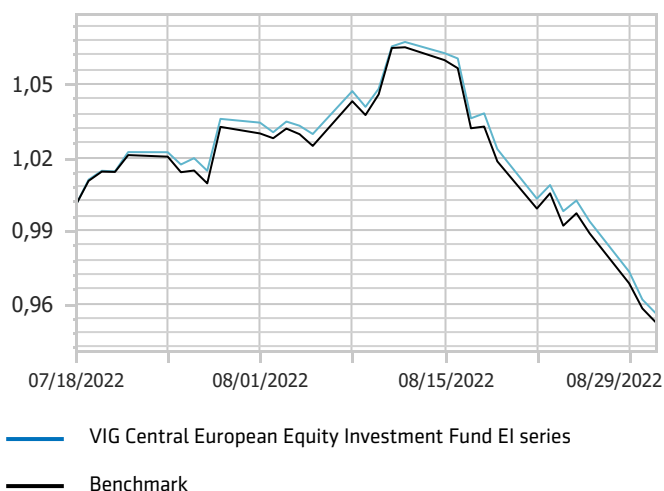
Interval	Yield of note	Benchmark yield
From start	-4.41 %	-4.78 %
1 month	-7.70 %	-7.77 %

Stocks by countries



NET PERFORMANCE OF THE SERIES

net asset value per share, 07/18/2022 - 08/31/2022



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	7.71 %
Annualized standard deviation of the benchmark's weekly yields	7.77 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 10 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
CEZ	share	CEZ A.S	
WIG20 INDEX FUT Sep22 Buy	derivatív	Erste Bef. Hun	09/16/2022
Erste Bank	share	ERSTE BANK AG	
OTP Bank törzsrészvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt.	
VERBUND AG	share	VERBUND	
Dino Polska SA	share	DINO POLSKA SA	
OMV	share	OMV AV	
OMV PETROM SA	share	OMV PETROM	
BANCA TRANSILVANIA	share	BANCA TRANSILVANIA	
PKO Bank	share	PKO Bank	

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.aegonalapkezelo.hu