



# Budapest Fund Management

## Budapest Controll Absolute Return Derivative Fund

May 2018



### Purpose of Fund, investment strategy

#### Fund manager



Pál Richter

In the hope of achieving a balanced return and accepting average price risks, the Fund's assets are invested into instruments with as wide a risk profile as possible. The majority of the price risks assumed by the Fund are (likely to be) due to stock market and OTC derivatives.

The strategic objective of the Fund is to offer competitive returns over a 3-year period that exceed the yields provided by money-market funds under all capital market conditions. With foreign currency, interest rate and security transactions alongside

derivatives, the Fund tracks prevailing market trends and tries to estimate its positions with a view to growing the value of the capital invested by the unitholders in the medium term.

#### Fund risk

1	2	3	4	5	6	7
medium						

#### Recommended investment horizon

1 month	6 months	1 year	2 years	3 years	5 years

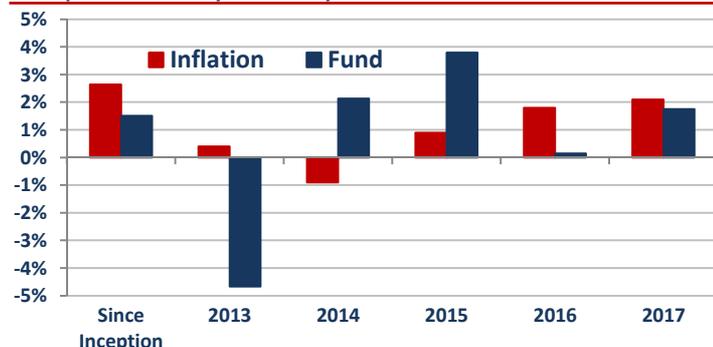
#### Investor profile

We recommend this Fund to our clients with an average risk appetite, who wish to obtain a higher yield on their invested capital over 2-3 years than deposits or money-market investments, but are also not opposed to adverse returns for a few months. That said, they do not want to monitor market changes on a daily basis, and transfer their saved capital accordingly from the money and bond markets to the equity markets and vice versa; instead they prefer to entrust this to financial professionals.

#### Unit price



#### Fund performance by calendar year



### Fund description

Series	Series A
Type	Absolute return
Fund launch	24 February 1995
Custodian	Unicredit Bank Hungary Zrt.
Fund management fee	1.60%

### Fund performance

	3 months*	6 months*	1 year	3 years	5 years
Return	-1.32%	-1.16%	-2.70%	0.76%	0.50%

\* Less than one year, data not annualised; more than one year, annualised data

### Fund size and price

31 May 2018

Net asset value (HUF)	5,638,266,624
Unit price (HUF)	1.5701

### Breakdown of investments

Equity	36.16%
Government bond	26.18%
Corporate bond	1.79%
Cash, other	35.87%

### Securities exceeding 10% of net asset value:

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### Risk indicators

Months with positive return (ratio)	55.45%
Volatility of weekly returns (last 5 years)	3.66%
Max downside (last 5 years)	-7.30%
Net aggregate risk exposure	115.45%

### Portfolio summary

May was a good month for the Kontroll fund as its price rose by 50 basis points. Two issues helped in this respect: firstly the good performance of the US market – the S&P 500 increased by 2.16% – and secondly the general strengthening of the US dollar. During May the fund had a dollar exposure of 20% for a few days, which helped capture a significant slice of the more than 5% swing in the USD/HUF exchange rate. By the end of the period we closed 75% of the exposure. Looking at corporates, energy sector stocks performed outstandingly well in the first 2 weeks as a result of the increase in the oil price, which among other issues was fuelled by the interruptions in oil production in Venezuela and the worsening USA-Iran relations. Tech stocks put in the second-best performance, with Apple and Microsoft among others posting record figures after management at both companies published optimistic projections for the future. Gold has been fluctuating around the 1300 mark for weeks, but interestingly, it did not slump even during the significant strengthening of the dollar, so we bumped our exposure here up a little at the end of the month.

The returns on this page were calculated based on Section 25 (3) of the Act on Collective Investment Forms and on guidelines from the Association of Hungarian Investment Fund and Asset Management Companies

Past performance of funds provides no guarantee as to the level of future returns. Before making your investment decision, please study the Fund's prospectus and management policy, which provide details on the Fund's investment policy and potential investment risks. The Fund's prospectus and management policy are available where the Fund units are traded, or can be downloaded from the [www.bpalap.hu](http://www.bpalap.hu) website.

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