

Aegon Emerging Market ESG Equity Investment Fund institutional series

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 Emerging Net Total Return USD Index
ISIN code:	HU0000723655
Start:	05/19/2020
Currency:	HUF
Total Net Asset Value of the whole Fund:	8,404,686,422 HUF
Net Asset Value of institutional series:	5,162,576,032 HUF
Net Asset Value per unit:	1.153010 HUF

INVESTMENT POLICY OF THE FUND:

The objective of the fund is to benefit on the economical growth of emerging countries. The fund accomplishes this goal basically via individual equity investments, however it may also hold collective investment instruments, if it is necessary for the efficient management of the portfolio. These can primarily be ETFs listed on the stock exchange, bank deposit, account money, repo transactions, and open-end public investment funds. In the course of selecting the equities the Fund dedicates special attention to the compliance of individual companies with ESG (environmental, social, governance) criteria, so in addition to analyzing the financial factors, portfolio managers also take into consideration environmental, social and governance factors during the investment decision making process. The goal of the Fund Manager is to establish a portfolio, in which the average of indicators measuring ESG compliance of the individual companies is more favorable than the aggregated indicator of the benchmark index, i.e. their operation is characterized by more advanced environmental, social and governance responsibility. Environmental criteria include elements in the course of which the company comes into contact with the environment. Besides these, no additional special goals are set by the Fund. These include for example the energy utilization, waste management, pollutant emission and/or the preservation of natural resources. Social criteria include all relations maintained by the company with its external partners, customers and internal employees. Corporate governance criteria are legal factors impacting reliable operation of a company.

DISTRIBUTORS

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 05/19/2020 - 09/30/2020



— Aegon Emerging Market ESG Equity Investment Fund institutional series — Benchmark

Past performance is no guarantee of future results. This report should not be considered as an offer or investment advisory. The Fund Prospectus contains the detailed conditions of the investment. The distribution costs of the fund purchase can be found at the distributors.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	9.66 %
Annualized standard deviation of the benchmark's weekly yields:	10.30 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years

MARKET SUMMARY:

The second wave of the coronavirus arrived to Europe in September, but the attitude of the governments are radically different from what it was in the spring. It seems that the political leadership is not risking another total economic shutdown, rather, albeit unspoken, they are trying to apply the model that the Swedes used in the spring. The defense against the virus is passed on to people and the political leadership try to pass laws that can slow down the spread of the virus. The chairman of the US Federal Reserve reaffirmed the new monetary policy framework for average inflation outlined in his Jackson Hole speech in September, in which no interest rate hikes are planned until at least 2023 and all means are used to meet monetary policy targets. Contrary to expectations, the dollar began to strengthen against both developed and emerging market currencies. Brexit became the headline news again in Europe after Boris Johnson announced a deadline of 15 October to conclude the Brexit talks, after which they would be ready to leave without an agreement. Experts say "hard-Brexit" is thus again a real alternative. The European economy slowed slightly after the Eurozone Purchasing Managers' Index slowed to 51.9 in August. In China, the economic growth continues after the Caixin's manufacturing PMI jumped to 53.1 in August, and the export orders sub-index became positive for the first time this year. The Caixin service sector PMI rose to 54 in August, continuing to expand in the sector, which now accounts for the bulk of the economy. In Hungary, the MNB surprised the markets when it raised the depo rate by 15 basis points from 60 to 75. Most likely they would like to prevent the forint from weakening further with this move. The EURHUF exchange rate went above 366 after the announcement, but by the end of the month the forint had strengthened slightly. The spread of the coronavirus in Hungary is the second worst in Europe and this also affects the performance of the economy. The MNB has already put together an economic package designed to help the recovery of the Hungarian economy. The fund achieved a positive return in September and performed the same as the benchmark. Although developed markets have fallen in dollar terms over the past month, the weakening of the forint against emerging market currencies has significantly improved the fund's performance. Within the larger markets, South Korea and Taiwan achieved the best returns, while China and Brazil underperformed. We took advantage of the fall in the Brazilian market and closed our underweight positions after the Brazilian stocks improved a lot in terms of valuation. The Chinese market was unable to depreciate despite last month's decline, making it relatively more expensive within emerging markets, and the Chinese over performance within emerging markets also stopped last month, so we closed the Chinese overweight for the first time since March. The fund is currently underweight in Thailand, while it is overweight in Taiwan and Korea, and we significantly increased the weight of Brazilian and Mexican equities with good ESG certificate in September.

ASSET ALLOCATION OF THE FUND ON 09/30/2020

Asset type	Weight
Collective securities	58.50 %
International equities	28.95 %
Current account	19.18 %
Liabilities	-6.73 %
Receivables	0.11 %
total	100.00 %
Derivative products	6.74 %
Net corrected leverage	106.72 %

Assets with over 10% weight

There is no such instrument in the portfolio

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	15.30 %	14.71 %
1 month	3.12 %	3.06 %
3 months	8.33 %	7.34 %

INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
very low	low	moderate	intermediate	significant	high	very high

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF (LU)	
Xtrackers ESG MSCI EM UCITS ETF	investment note	Xtrackers ESG MSCI EM UCITS ETF (IE)	
HSBC MSCI CHINA UCITS ETF	investment note	HSBC MSCI CHINA UCITS ETF (IE)	
Lyxor MSCI Taiwan UCITS ETF	investment note	Lyxor MSCI Taiwan UCITS ETF (LU)	
Alibaba Group Holding Ltd	share	Alibaba Group Holding Ltd (CN)	