

Aegon Emerging Market ESG Equity Investment Fund PI 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:	HU0000723689
Start:	06/09/2020
Currency:	PLN
Total Net Asset Value of the whole Fund:	12,171,548,396 HUF
Net Asset Value of PI series:	4,465,116 PLN
Net Asset Value per unit:	1.238763 PLN

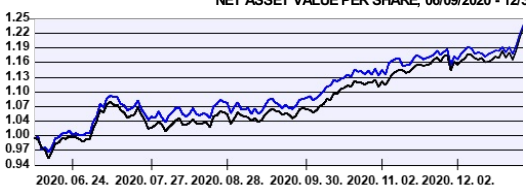
INVESTMENT POLICY OF THE FUND:

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, 06/09/2020 - 12/31/2020



— Aegon Emerging Market ESG Equity Investment Fund PI 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.

INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



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)	
Amundi Msci EM Asia UCITS ETF	investment note	Amundi Msci EM Asia UCITS ETF (LU)	
MSCI EmgMkt Mar21 Buy	derivativ	Ersle Bef. Hun (HU)	2021.03.19.
Lyxor MSCI Taiwan UCITS ETF	investment note	Lyxor MSCI Taiwan UCITS ETF (LU)	

MARKET SUMMARY:

In December, the Covid-19 vaccine has finally arrived, giving a big boost to the markets. The vaccine will be of great help to the world's economies, and now it is a possibility that in the summer of 2021, the economies could reach the levels where they were before the virus broke out. U.S. stock markets continued to rise on vaccine news. The Dow Jones was able to stay above the psychologically important 30,000 level, the Russel 2000 has also reached a new all-time high, and broken through the 2000 level. Capital markets are already confident that the world's economies will recover by next summer, so fresh capital has not only gone into the growth sectors, but value-based investments have become very popular too. Because of this, the best performing index has been the Russel 2000 in the last 2 months. At the December Fed meeting, the US Federal Reserve changed only one thing in its monetary policy announcement: \$ 120 billion a month in bond purchases will be maintained until significant progress is made on inflation and on unemployment, while longer-term bond purchases were not mentioned. The European economy is mixed. Although the expectations of the German ZEW Institute's economic sub-index sentiment jumped from 39 to 55 in November, exceeding the expected value of 46, the German consumer sentiment index came in at -7.3 in December, compared to the revised -6.8- by reading. The Brexit has been finalized on Christmas Day, so the uncertainty has disappeared, and this could also have a positive effect on the future performance of the European economy. The economies of China and other Asian countries may already be thru the pandemic, at least macroeconomic data suggest so. The Caixin / Markit Chinese Manufacturing Purchasing Managers' Index was higher than expected at 54.9 in November, the highest number in a decade. A similar indicator for South Korea was 52.9, a level not seen since 2011. Looking back to 2020, we can say that the Asian countries, but mainly China, that have managed the epidemic the best, and this is reflected in the economic data. The corona virus continues to spread uncontrollably in Hungary. Nothing has been implemented from the previously announced economic stimulus package, and the Hungarian forint shows the vulnerability of the economy as well. The forint gave back all its gains from the beginning of the month, and by the end of the year it had fallen to an 8-week low against the euro. The fund achieved a positive return in December, but slightly underperformed its benchmark. Our ESG investments did not participate in the value-based rally in recent months, as the rally was mainly driven by lower ESG-rated equities. The fund is overweight in the Taiwanese, South African, South Korean, and Mexican equities. In the Taiwanese and Korean markets, we are seeing strong earnings growth, while Mexico and South Africa continue to have an attractive pricing structure, alongside with the growth potential. Measured in dollars in emerging markets, the best returns within the larger markets were in Turkey and Korea, while Chinese stocks underperformed again. In December, we increased the fund's exposure in companies with good ESG ratings in the emerging market Internet and e-commerce sector. We continue to view emerging markets positively, due to the weakening dollar and the ability to stop the spreading of the virus.

ASSET ALLOCATION OF THE FUND ON 12/31/2020

Asset type	Weight
Collective securities	65.54 %
International equities	20.92 %
Current account	13.63 %
Liabilities	-1.05 %
Receivables	0.96 %
total	100.00 %
Derivative products	12.36 %
Net corrected leverage	112.63 %

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	23.88 %	23.21 %
1 month	7.25 %	7.76 %
3 months	14.16 %	16.13 %
6 months	22.58 %	23.54 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	10.43 %
Annualized standard deviation of the benchmark's weekly yields:	10.72 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years