

Aegon Emerging Market ESG Equity Investment Fund EUR 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:	HU0000705934
Start:	10/29/2007
Currency:	EUR
Total Net Asset Value of the whole Fund:	14,514,484,323 HUF
Net Asset Value of EUR series:	2,122,870 EUR
Net Asset Value per unit:	1.583222 EUR

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

Aegon Magyarország Befektetési Alapkezelő Zrt., Aegon Životná poistovňa, a.s., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Raiffeisen Bank Zrt., SC Aegon ASIGURARI DE VIATA SA

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 02/29/2020 - 02/28/2021



— Aegon Emerging Market ESG Equity Investment Fund EUR 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:



MARKET SUMMARY:

The fear overwhelmed the stock markets in late February as 5-10-30 year US bond yields hit new highs. What caused the problem was, that not only nominal but also real interest rates rose, which could later be a problem for the economy. The U.S. Federal Reserve has previously communicated that they don't mind if long-term interest rates go up, they monitor short-term ones and make decisions based on it. If interest rates continue to rise, the Fed will have to decide whether, it will keep its promise that it will not raise the benchmark rate for the next 2 years or it will introduce a yield curve control. The European economy is mixed. The Eurozone Services Sector Purchasing Managers' Index fell from 54.4 to 44.7, marking a contraction for the sixth month in a row. In contrast, the manufacturing PMI jumped from 54.8 to 57.7, which has not seen such a high reading since February 2018. The composite indicator, formed by the weighting of the two, climbed back from 47.8 to 48.1, yet it is still the fifth month below the crucial 50 mark. Although China's and other Asian countries' economies may already be behind the coronavirus-induced crisis, China's macro data has begun to weaken. The Caixin Manufacturing PMI, which measures the output of smaller firms and exporters, fell to 51.5 from 53.5 in the previous month, and the index measuring the service sector also fell from 55.7 to 52.4. Although the economies of the Far Eastern countries have been much less affected by the epidemic, booming world trade remains an important factor for them and they will therefore have to wait for the spread of the epidemic to subside in the developed countries. The coronavirus continues to spread in Hungary without control. Although the spread seemed to be slowing down in early February, it unfortunately gained new momentum by the end of the month. Nothing has yet materialized from the previously announced economic stimulus package, and unfortunately more and more small businesses, especially those interested in hospitality, are closing permanently. The forint depreciated by 1.5% against the euro during the month. The fund achieved a positive return in February but slightly underperformed its benchmark after the rise in the commodities sector was not conducive to ESG investments as commodity-related companies have worse ESG rating. In terms of country allocation in the fund, we pursue a dual strategy, continuing to overweight Taiwan and South Korea, which are expensive in terms of valuation, but we also include countries that can be considered cheap but have high growth potential, such as Turkey and South Africa. Within the CEE region, we are optimistic on Hungarian equities. China, on the other hand, is underweighted as Chinese stock valuations are very high and has deviated from reality.

ASSET ALLOCATION OF THE FUND ON 02/28/2021

Asset type	Weight
Collective securities	63.56 %
International equities	20.66 %
Hungarian equities	1.95 %
Current account	13.78 %
Receivables	0.32 %
Liabilities	-0.27 %
total	100.00 %
Derivative products	3.56 %
Net corrected leverage	103.82 %

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	2.19 %	2.73 %
2020	7.83 %	9.11 %
2019	13.91 %	17.14 %
2018	-10.12 %	-11.18 %
2017	17.78 %	20.00 %
2016	5.17 %	5.74 %
2015	0.27 %	0.80 %
2014	17.18 %	17.03 %
2013	-3.06 %	-2.57 %
2012	14.96 %	17.00 %
2011	-16.08 %	-16.74 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	25.89 %
Annualized standard deviation of the benchmark's weekly yields:	25.32 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years

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)	
Lyxor MSCI Taiwan UCITS ETF	investment note	Lyxor MSCI Taiwan UCITS ETF (LU)	
Amundi Msci EM Asia UCITS ETF	investment note	Amundi Msci EM Asia UCITS ETF (LU)	
Xtrackers MSCI EM ESG Leaders	investment note	Xtrackers MSCI Emerging Market (US)	