

Aegon Emerging Market ESG Equity Investment Fund P 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:	HU0000723671
Start:	06/16/2020
Currency:	PLN
Total Net Asset Value of the whole Fund:	15,347,562,758 HUF
Net Asset Value of P series:	17,606 PLN
Net Asset Value per unit:	1.354314 PLN

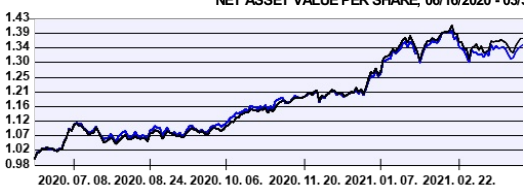
INVESTMENT POLICY OF THE FUND:

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, 06/16/2020 - 03/31/2021



— Aegon Emerging Market ESG Equity Investment Fund P 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:

Although the major stock indices closed at new all-time highs by the end of the month, the markets were volatile in March. U.S. long-term yields hit a 2-year high, to which stock markets reacted with fierce price movements. At first, investors reallocated from the growth sector to the value-based sector because of the rate rise, but when interest rates fell slightly, money flowed back into the growth sector again. It didn't help the investment environment that after the March the FOMC decision, the Fed president could not reassure the markets. Powell has finally stated that the central bank will not raise interest rates until at least 2023, but has not been able to give a meaningful answer as to what they will do if inflation is significantly higher than the forecast. Although the virus is still not under control in Europe, economic data show that the light is already visible at the end of the tunnel. The Manufacturing Purchasing Managers' Index jumped to an all-time high of 62.4 from a previous month's 57.9 and an expected 57.6. The key interest rate and the asset purchase program were not changed by the ECB at the interest rate decision meeting, and it was heavily emphasized, that they would not intervene during a temporary rise of inflation. Although the economies of China and other Asian countries may already be behind the crisis caused by the corona virus, it seems that, even temporarily, the Chinese economy has begun to slow down. The official Chinese manufacturing PMI fell to 50.5 after 51.3 in January, while Caixin's smaller company index fell from 51.5 to 50.9. The coming months will show whether this is just a temporary slowdown or whether we can expect a more serious slowdown. The forint approached last November's high in March, but by the end of the month closed where it started. The MNB fine-tuned its framework of the asset purchase program: they announced that the 50 per cent purchase limit on bonds' series had been abolished, while the weekly purchase volume would not change. They basically expanded the room for maneuvering in longer-term papers, having previously reached the earlier limits here. What is also worth mentioning is that the central bank is already expecting inflation of 4% or more for this year. The fund achieved a positive return in March, but slightly underperformed its benchmark because our exposure in the emerging market internet sector underperformed. This sector was further regulated in China and the positions of an Asian hedge fund were suddenly liquidated, which affected the sector's negative performance. In March, we increased the weight of the emerging market small-cap stocks after believing that they were trading at a high discount compared to their own historical, and the market average, accompanied by EPS growth which is several times higher than the market average. We are still slightly underweight in the emerging markets and slightly overweight in the developed markets, but we are tactically overweighting emerging markets that are highly priced but technically and fundamentally well supported, such as South Korea and Taiwan, but we are also overweight the low-priced but high expected EPS growth countries like South Africa and Mexico. In addition, we went underweight the Brazilian equity exposure this month after political leadership re-intervened in the markets, which we believe was not a market-friendly move. We keep unchanged the Chinese underweight after the Chinese's market pricing is very strained and has deviated from reality, coupled with much lower EPS growth than the market average this year and the next.

ASSET ALLOCATION OF THE FUND ON 03/31/2021

Asset type	Weight
Collective securities	63.48 %
International equities	23.48 %
Hungarian equities	1.98 %
Current account	11.05 %
Receivables	0.12 %
Liabilities	-0.11 %
total	100.00 %
Derivative products	6.51 %
Net corrected leverage	106.43 %

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	35.43 %	37.37 %
1 month	4.26 %	4.90 %
3 months	7.61 %	8.26 %
6 months	22.72 %	25.73 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	13.23 %
Annualized standard deviation of the benchmark's weekly yields:	13.72 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Xtrackers ESG MSCI EM UCITS ETF	investment note	Xtrackers ESG MSCI EM UCITS ETF (IE)	
Lyxor MSCI Korea UCITS ETF	investment note	Lyxor MSCI Korea UCITS ETF (LU)	
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)	