Aegon Emerging Market ESG Equity Investment Fund

institutional series

MONTHLY report - 2021 OCTOBER (made on: 10/31/2021)

INVESTMENT POLICY OF THE FUND

The aim 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, 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 Fund Manager seeks to build a portfolio in which the positive ESG characteristics of companies prevail, i.e. companies with high ESG scores are overrepresented in the portfolio as companied to companies with low ESG scores. The environmental criterion covers the elements where a business interacts with the environment. Environmental criteria include elements in the course of which the company comes into contact with the environment. 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. The Fund's main strategy is to provide broad emerging equity market exposure and to achieve performance above the emerging market index through active equity market allocation. An active strategy enables the Fund to achieve a return in excess of the benchmark. The Fund's risk exposure due to its geographical distribution is close to the benchmark.

MARKET SUMMARY

The main concern for the investment world remains when and how much the US Federal Reserve will raise interest rates. It is now widely accepted that tapering will start soon, but opinions are still divided on the timing of the rate hikes. The Fed chairman has repeatedly stressed that the ending of monetary easing does not equate to an interest rate rise, the question is how the equity markets will interpret the Fed's action. The bigger issue is inflation. At the beginning of the year, the Fed chairman was emphatic that inflation would only be temporary and that he did not think it would cause serious problems for the economy. Later, when asked for his definition of "temporary", he gave an interesting answer that risked losing the rest of his credit. More recently, not once did the Fed's communiqué use the word 'transitory', they seem to have accepted the fact that inflation will be here for a longer period of time.

In Europe, the ECB is communicating exactly the same as the US Federal Reserve, and facing the same problems. High frequency indicators show that Europone residential activity is back to pre-pandemic levels, with the use of many services, while job vacancies are rising steadily. As in the United States, with inflation soaring, more and more German employees are demanding higher wages from their employers, and a wave of strikes could be on the way. This is of course generating inflation, which is reflected in the monthly economic figures.

In Hungary, the central bank raised the benchmark interest rate by a further 15 basis points in September to 180 basis points. The central bank's clear aim is to keep inflation in check without torpedoing economic growth. At the same time, they also want to stabilize the forint exchange rate, preferably in the EUR/USD 350-360 range. With inflation on the rise around the world, it is possible that the central bank will be forced to raise interest rates further in order to keep Hungarian inflation manageable.

The fund achieved a positive return in October and outperformed the benchmark index. During the month we reduced the underweight in China, but we continue to underweight Chinese equities in the fund. We made 2 pair trades in October. We increased the Russian overweight and in turn decreased the Brazilian weight and overweighed the Taiwanese exposure versus the Korean exposure. CEE region papers are significantly overweighed in the fund, and in October we also added to the already existing positions in the Qatar, Malaysia, Indonesia and Saudi Arabia markets. The fund is slightly underweight at 95% against the benchmark index.

GENERAL INFORMATION

Fund Manager: AEGON Hungary Fund Manager Ltd.

Custodian: Unicredit Bank Hungary Zrt.

Main distributor: AEGON Hungary Fund Manager Ltd.

HU0000723655

100% MSCI EM (EMERGING Benchmark composition:

MARKETS) ESG

Start: 05/19/2020

Currency: HUF

Net Asset Value of the whole Fund: 13.466.400.762 HUF

Net Asset Value of institutional

6,957,715,990 HUF

1.358102 HUF Net Asset Value per unit:

DISTRIBUTORS

Raiffeisen Bank Zrt.

SUGGESTED	MINIMUM	INVESTMENT	PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr

Asset	Weight
Asset	vveigitt
Collective securities	65.14 %
International equities	24.66 %
Hungarian equities	2.57 %
Receivables	7.45 %
Current account	3.75 %
Liabilities	-3.56 %
Total	100,00 %
Derivative products	11.88 %
Net corrected leverage	111.89 %
Assets with over 10% weight	



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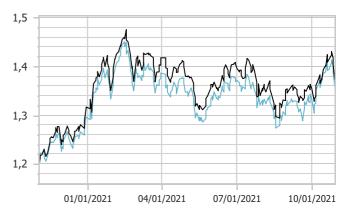
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NET YIELD PERFORMANCE OF THE SERIES			
Interval	Yield of note	Benchmark yield	
From start	23.49 %	24.01 %	

NET PERFORMANCE OF THE SERIES

net asset value per share, 11/01/2020 - 10/31/2021



Aegon Emerging Market ESG Equity Investment Fund institutional series

---- Benchmark

RISK INDICATORS FOR THE LAST 12 MONTHS	
Annualized standard deviation of the fund's weekly yields	16.20 %
Annualized standard deviation of the benchmark's weekly yields	16.27 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 5 POSITIONS			
Asset	Туре	Counterparty / issuer	Maturity
Lyxor MSCI Taiwan UCITS ETF	investment note	Lyxor MSCI Taiwan UCITS ETF	
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	
Xtrackers ESG MSCI EM UCITS ETF	investment note	Xtrackers ESG MSCI EM UCITS ETF	
Xtrackers MSCI EM ESG Leaders	investment note	Xtrackers MSCI Emerging Market	
MSCI EmgMkt Dec21 Sell	derivatív	Erste Bef. Hun	12/17/202

Legal declaration