

INVESTMENT POLICY OF THE FUND

The Fund's objective is to establish a portfolio for its Investors that generates positive yields – higher than the yields available in the domestic money market – under all circumstances, in other words the Fund pursues a so-called absolute yield strategy. It intends to accomplish this goal primarily by investing in the bond and equity market of the emerging European region. The Fund's asset allocation is aligned with the given capital market conditions.

The Fund applies special investment strategies used by hedge funds to establish its strategy. The fund is willing to buy or sell all available investment instruments – domestic and foreign bonds (treasury bonds, discounted treasury bills, bonds issued by the National Bank of Hungary, as well as low-risk bank and corporate bonds expected to bring higher yields than the state securities) Equities and other securities, indices and currencies – provided it sees the opportunity to make substantial gains – up to the maximum limit allowed by the law, which allows double leverage for the Fund. To the extent set out in the investment strategy, the Fund may also invest in so-called non-investment grade securities, which represent additional risk compared to assets that are classed as investment-grade in terms of creditworthiness. In its investment decision-making mechanism, the Fund considers and weighs fundamental, pricing, technical and behavioural/psychological factors. To ensure liquidity the Fund aims to hold government securities issued by the State Debt Management Centre (ÁKK) on behalf of the State of Hungary.

MARKET SUMMARY

In November, it seemed that the Covid pandemic became a non-factor because of the vaccination and would be just a bad memory, but unfortunately, a potentially more infectious strain had developed in South Africa by the end of the month. Within a short period of time, the new strain has appeared around the world and the question now is how governments will respond to this new challenge. Very little is known about the new variant, communication will mostly consist of encouraging the public to take the 3rd jab. If we are lucky, the current vaccines will provide enough protection against the new variant, if not then the corona virus will continue to cause problems for a long time. We do not think that there will be the repeat of the level of closures that we saw in the first or second wave.

In the US, speculation continues as to when the Fed will raise interest rates. Current pricing suggests the first hike will be next June, followed by two more. At the November Fed meeting, it was also announced that they would start the tapering by \$15 billion per month.

In Europe, the ECB President again rejected the possibility of any monetary tightening, in contrast to the Fed, stating that rising energy prices have already pushed household spending incomes into negative territory.

In Hungary, the central bank raised the benchmark interest rate by a further 30 basis points in November to 2,10%. In addition, the Hungarian National Bank reintroduced the 2-tier interest rate regime in order to stabilize the forint exchange rate. The result is that the official interest rate is 2.10% while the weekly deposit rate is 3.10%. 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 around the EUR/USD 360 level.

The fund posted a negative return in November. We suffered losses on both the equity and bond portfolios during the month due to the general market fall and a rising interest rate environment. In November, we tried to hedge our equity exposure with DAX and SP500 futures, but this was not enough to compensate for the fall in the equity markets. We intend to reduce the level of hedging by the end of the year to have a higher risk level in the fund. During the month, we opened a 15-20% forint position, taking advantage of favorable swap points around the EURHUF 370 level. Due to profit realization, we sold our position in a Covid vaccines manufacturer during last month. The stock was very volatile, we took advantage a sell-off to buy and sold the position on a rally. We kept our positions in European bank shares unchanged. If there is a major correction in the markets during the month, we will increase our risk exposure. We reduced the equity exposure in the fund to below 10% by the end of the month.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index
ISIN code:	HU0000715974
Start:	03/08/2016
Currency:	HUF
Net Asset Value of the whole Fund:	40,877,549,591 HUF
Net Asset Value of institutional series:	7,513,442,697 HUF
Net Asset Value per unit:	1.199250 HUF

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Equilor Befektetési Zrt, Raiffeisen Bank Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

SUGGESTED MINIMUM INVESTMENT PERIOD

3 mths	6 mths	1 yr	2 yr	3 yr	4 yr	5 yr
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ASSET ALLOCATION OF THE FUND

Asset	Weight
Government bonds	30.91 %
T-bills	12.34 %
Hungarian equities	12.33 %
Corporate bonds	10.86 %
International equities	9.80 %
Collective securities	9.67 %
Current account	16.90 %
Liabilities	-2.21 %
Receivables	0.23 %
Market value of open derivative positions	-0.80 %
Total	100,00 %
Derivative products	89.17 %
Net corrected leverage	121.75 %

Assets with over 10% weight

There is no such instrument in the portfolio

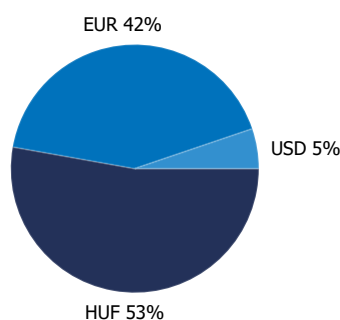
RISK PROFILE

1	2	3	4	5	6	7
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Lower risk Higher risk

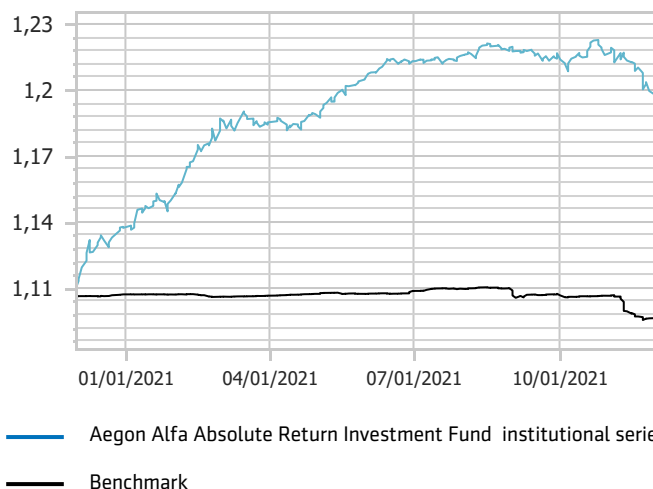
NET YIELD PERFORMANCE OF THE SERIES		
Interval	Yield of note	Benchmark yield
From start	3.22 %	0.23 %
2020	1.29 %	0.41 %
2019	8.26 %	0.23 %
2018	-2.67 %	0.31 %
2017	3.91 %	0.20 %

Currency exposure:



NET PERFORMANCE OF THE SERIES

net asset value per share, 12/01/2020 - 11/30/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	2.92 %
Annualized standard deviation of the benchmark's weekly yields	0.82 %
WAM (Weighted Average Maturity)	1.65 years
WAL (Weighted Average Life)	1.83 years

TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
S&P500 EMINI FUT Dec21 Sell	derivatív	Erste Bef. Hun	12/17/2021
US 10YR NOTE (CBT)Mar22 Sell	derivatív	Raiffeisen Hun	03/22/2022
EUR/HUF 22.01.18 Forward Sell	derivatív	Raiffeisen Hun	01/18/2022

Legal declaration

The recent document qualifies as Portfolio Report according to the Kbtv. requirements. It contains the following elements based on the last net asset value of the reporting month: presentation of the assets of the fund regarding asset type of portfolio investment and regarding other categories detailed in its investment policy; list of assets (issuers) representing more than 10% of the portfolio; net asset value of the fund, including the cumulated and the calculated value per unit share. Investors are kindly advised, that past performance of the fund does not guarantee future performance. The returns presented are to be considered without applicable taxes, distribution fees and commissions, fees related to account keeping and other costs in relation with holding an investment fund unit. Information presented in the Portfolio Report are for information purposes only, not intended to serve as investment advice, or any other offer. Investors are kindly advised to carefully read the Key Investors Document and Prospectus of the fund, in order to understand the risks of investing into the fund, and to be able to make an informed investor decision. The referred documents are available at the distribution locations and on the official website of Aegon Alapkezelő Zrt. Aegon Magyarország Befektetési Alapkezelő Zrt. | 1085 Budapest, Kálvin tér 12-13. | +36 1 477 4814 | alapkezel@egon.hu | www.aegonalapkezel.hu