

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 compared 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

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 and slightly underperformed the benchmark. The underperformance was due to the fund's overweight in the Russian and CEE markets. The Russian market has seen political tensions, while regional equities have seen significant profit realization over the past month. The fund continues to hold the "pair" trades that were created last month. Although we have reduced our underweight in China, this segment remains underweight in the fund, but we believe that we will close this underweight by next year as the Chinese economy continues to outperform. We remain overweight in the CEE region, although we reduced the size of this in November by selling OTP and KGHM shares. In addition, we are overweight in Saudi Arabia as we believe that oil has fallen to levels that could be a very good entry point for the future. The fund is slightly underweight against its benchmark index at 98%.

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 EM (EMERGING MARKETS) ESG
ISIN code:	HU0000723671
Start:	06/16/2020
Currency:	PLN
Net Asset Value of the whole Fund:	12,830,368,915 HUF
Net Asset Value of P series:	16,992 PLN
Net Asset Value per unit:	1.307051 PLN

DISTRIBUTORS

ERSTE Group Bank AG Austria

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
Collective securities	70.50 %
International equities	24.71 %
Hungarian equities	1.56 %
Liabilities	-7.65 %
Current account	6.66 %
Receivables	4.23 %
Total	100,00 %
Derivative products	12.67 %
Net corrected leverage	112.92 %

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	20.19 %	21.99 %

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	15.34 %
Annualized standard deviation of the benchmark's weekly yields	15.89 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	
Xtrackers MSCI EM ESG Leaders	investment note	Xtrackers MSCI Emerging Market	
MSCI EmgMkt Dec21 Sell	derivativ	Erste Bef. Hun	12/17/2021
FTSE CHINA A50 Dec21 Buy	derivativ	Erste Bef. Hun	12/30/2021

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.

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