

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

At the beginning of December, it seemed that the Covid epidemic was no longer a concern, but unfortunately the Omicron variant started to spread very quickly. According to a recent study it was spreading four times as fast as Delta, and by the end of the month there was hardly a country without a case. So far, all we know is that it is more infectious than the earlier mutations, and we can only hope that it is not as deadly as the Delta variant was. Political leaders want to avoid widespread closures, but restrictions have been imposed in almost every country. Unless the death toll starts to rise sharply, we can be sure that widespread economic closures are nowhere to be expected, but problems could re-emerge in the supply chain which was just beginning to recover from the shock of the past year and a half.

The US Federal Reserve in its December meeting also made a decision that suggests that the cheap money policy may soon be over. The current liquidity program of 120 billion per month will be reduced by 30 billion per month over the next four months, and 2 or 3 interest rate hikes are planned for 2022.

The ECB is facing similar problems as the US Federal Reserve. Inflation is already significantly higher in Europe, but the central bank does not want to raise interest rates. Rising energy prices have been an impactful economic issue for the past month. This is having an impact on the performance of the economy, but the spike in inflation has been the biggest issue.

Hungary has been no exception to the rising inflation environment. Inflation in Hungary is also hitting record highs, in November it was at a 14-year high of 7.4%, and we are not expecting it to improve for 2022. The MNB has been trying to curb inflation with little success so far. It has continued to raise interest rates, with the 1-week depo rate at 4% and the base rate at 2.4%. Contrary to the central bank's expectations, the forint has not strengthened in response to the rate hikes, but sank to a new low against the euro at the end of the year.

The fund achieved a positive return in December and outperformed the benchmark index. The biggest contributors to the outperformance were the Taiwan-Korea "pair" and the overweight in the CEE region, India and Saudi Arabia. What hurt the fund's performance was the underweight in South Africa and Thailand, after both indices outperformed emerging markets. The Chinese underweight was fully closed out during the month. While we are a little more pessimistic on the whole equity asset class in 2022, we think emerging markets, especially China, will perform relatively better this year. The fund is weighted at 100% against benchmark.

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:	HU0000723697
Start:	06/16/2020
Currency:	CZK
Net Asset Value of the whole Fund:	13,714,527,292 HUF
Net Asset Value of CZK series:	94,443 CZK
Net Asset Value per unit:	1.180542 CZK

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	68.59 %
International equities	22.56 %
Hungarian equities	0.28 %
Current account	11.80 %
Liabilities	-3.44 %
Receivables	0.22 %
Total	100,00 %
Derivative products	9.75 %
Net corrected leverage	109.71 %

Assets with over 10% weight

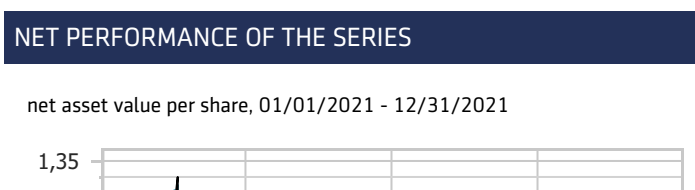
There is no such instrument in the portfolio

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	11.37 %	12.59 %
2021	-1.45 %	-0.59 %



— Aegon Emerging Market ESG Equity Investment Fund CZK series
 — Benchmark

RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	14.36 %
Annualized standard deviation of the benchmark's weekly yields	14.69 %
WAM (Weighted Average Maturity)	0.00 years
WAL (Weighted Average Life)	0.00 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Lyxor MSCI India UCITS ETF	investment note	Lyxor MSCI India UCITS ETF	
iShares MSCI Taiwan UCITS ETF	investment note	iShares MSCI Taiwan UCITS ETF	
FTSE CHINA A50 Jan22 Buy	derivatív	Erste Bef. Hun	01/27/2022
Xtrackers MSCI EM ESG Leaders	investment note	Xtrackers MSCI Emerging Market	
Lyxor MSCI China UCITS ETF	investment note	Lyxor MSCI China UCITS ETF	

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