

INVESTMENT POLICY OF THE FUND

The objective of the Fund is to provide capital return for the investors within the appropriate risk limits. The aim of the Fund is to achieve the highest possible return for a given risk level by buying undervalued stocks and fixed income assets and selling overvalued instruments. The Fund is allowed to buy shares, bonds and other instruments, to open short positions on the spot market, to take long and short forward and future positions. Moreover, the Fund can trade on the option market. The portfolio of the

Fund is separated into three classes according to their investment objective: Instruments of the first class consist of long positions of long term, fundamentally undervalued, and short positions of overvalued equities. The method of stock picking is identical with the applied methods of Aegon equity related funds and mainly concentrate to the CEE regional markets, although the Fund is allowed to invest in other emerging and developed market instruments. The second class of the Fund's instruments implement the top-down equity strategy of Aegon Asset Management Co., mainly with long and short positions on the futures markets. These positions are based on the scores of the so-called "quadrant model", which is the internal asset allocation model of the Asset Management Company. Instruments of the third class involve the fixed income part of the Fund. The aim of the third class is to reach or exceed the performance of the RMAX Index. The target weight of the first and second classes altogether is 45%.

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. On the sector side, commodities and the Taiwan exposure were the main positive contributors to the fund's return, while on the equity side, positions in Vitesco and Dunahouse helped. What reduced the fund's return were OTP, in which we reduced our weight in December, and the renewable energy sector. The fund's currency exposure is largely hedged against the euro and dollar, as we increased these positions in December. We sold the entire semiconductor position during the month and reduced the commodity exposure. By the end of the month, the equity weight in the fund was 15- 20%.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index
ISIN code:	HU0000714886
Start:	07/17/2015
Currency:	HUF
Net Asset Value of the whole Fund:	21,272,969,167 HUF
Net Asset Value of HUF series:	2,832,958,928 HUF
Net Asset Value per unit:	1.189616 HUF

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., MKB Bank Nyrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Unicredit Bank Hungary Zrt.

ASSET ALLOCATION OF THE FUND

Asset	Weight
Collective securities	21.44 %
Corporate bonds	16.54 %
Government bonds	9.24 %
T-bills	7.74 %
Hungarian equities	5.59 %
International equities	4.16 %
Current account	35.14 %
Market value of open derivative positions	0.32 %
Liabilities	-0.20 %
Receivables	0.04 %
Total	100,00 %
Derivative products	65.59 %
Net corrected leverage	101.27 %

Assets with over 10% weight

There is no such instrument in the portfolio

SUGGESTED MINIMUM INVESTMENT PERIOD

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

1	2	3	4	5	6	7
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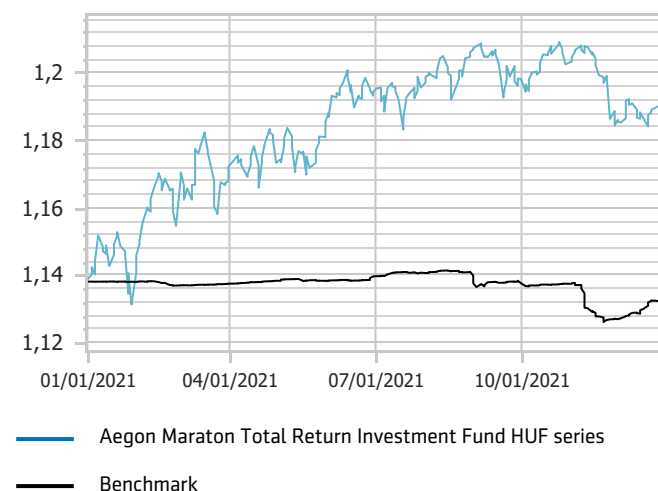
← Lower risk Higher risk →

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	2.73 %	0.34 %
2021	4.54 %	-0.60 %
2020	0.71 %	0.41 %
2019	8.26 %	0.23 %
2018	-4.82 %	0.31 %
2017	3.94 %	0.20 %
2016	6.27 %	1.22 %

NET PERFORMANCE OF THE SERIES

net asset value per share, 01/01/2021 - 12/31/2021



RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	4.48 %
Annualized standard deviation of the benchmark's weekly yields	0.87 %
WAM (Weighted Average Maturity)	1.32 years
WAL (Weighted Average Life)	1.61 years

TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
Adventum MAGIS Zártkörű Alapok Alapja	investment note	Adventum MAGIS Zártkörű Alapok	
KAZAKS 2.375 11/09/28	interest-bearing	Kazah állam	11/09/2028
Invesco Bloomberg Commodity UCITS ETF	investment note	Invesco Bloomberg Commodity UCITS ETF	
MVMHU 2027/11/18 0.875% EUR	interest-bearing	MVM Energetika ZRt.	11/18/2027
EUR/HUF 22.02.07 Forward Sell	derivatív	ING Bank Hun	02/07/2022

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.

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