Aegon Panorama Derivative Investment Fund

EUR series

MONTHLY report - 2021 DECEMBER (made on: 12/31/2021)

INVESTMENT POLICY OF THE FUND

The fund's aim is to earn capital gains by taking positions in a wide range of assets while keeping risk under pre-defined limits. The assets are selected based on fundamental and technical criteria from the widest range of industry and country exposures possible.

Based on medium and long-term trends, the fund can buy or sell equities, bonds and other securities, and take various exposures using exchange (futures, options) and OTC derivatives (IRS and currency forwards). Naked shorts on securities are not allowed. The manager selects and builds positions based on fundamental and technical analysis in such a way, that the fund's return can exceed that of bank deposits over a medium-term horizon. Equally important focus is given to risk management which targets Level 5 risk bracket. The fund is not targeting any specific sectors, countries or asset classes, but most of its exposures will be taken on US and European exchanges, or markets regulates by the capital market authorities of the United States of America and the countries of the European Union.

The fund's net corrected risk exposure may go up to 200 percent of the portfolio, in accordance with the Hungarian capital market acts and regulations. The fund can also run a net short exposure, also in accordance with the above mentioned regulatory limits.

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. During the month we mainly reduced risk in the fund. On the equity side, we reduced exposure in OTP when interest rates in Hungary were frozen at the October levels. On the commodity side we bought oil when the price fell below $65, but sold it when the price rose above $72. We also have a small short position in lumber as we believe the price has risen unrealistically too high.

GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index
ISIN code:	HU0000714274
Start:	12/18/2014
Currency:	EUR
Net Asset Value of the whole Fund:	9,332,423,000 HUF
Net Asset Value of EUR series:	1,854,734 EUR
Net Asset Value per unit:	0.867544 EUR

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., Takarékbank Zrt

ASSET ALLOCATION OF THE FUND

Asset	Weight
T-bills	40.83 %
Collective securities	11.57 %
Corporate bonds	3.78 %
Government bonds	1.25 %
International equities	0.48 %
Hungarian equities	0.23 %
Current account	41.23 %
Receivables	0.74 %
Liabilities	-0.21 %
Market value of open derivative positions	0.11 %
Total	**100,00 %**
Derivative products	63.56 %
Net corrected leverage	124.17 %
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

RISK PROFILE

1	2	3	4	5	6	7

Lower risk ← → Higer risk

NET YIELD PERFORMANCE OF THE SERIES

Interval	Yield of note	Benchmark yield
From start	-2.00 %	0.47 %
2021	9.30 %	-0.60 %
2020	2.14 %	0.41 %
2019	8.20 %	0.23 %
2018	-7.98 %	0.31 %
2017	-1.52 %	0.20 %
2016	-8.82 %	1.22 %
2015	-13.06 %	1.50 %

NET PERFORMANCE OF THE SERIES

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

— Aegon Panorama Derivative Investment Fund EUR series
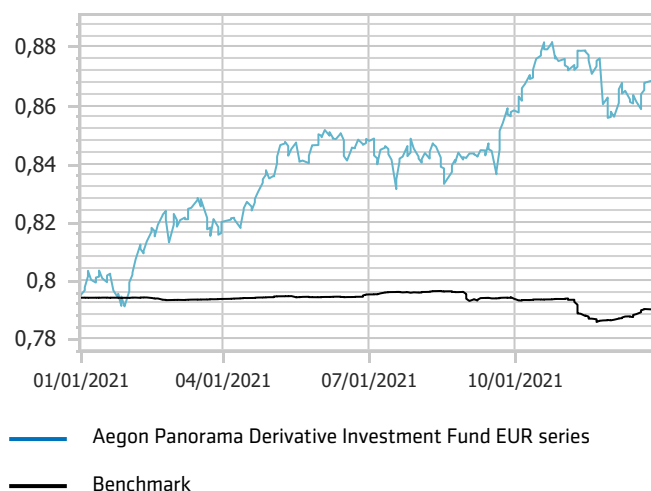
— Benchmark

RISK INDICATORS FOR THE LAST 12 MONTHS

Annualized standard deviation of the fund's weekly yields	5.81 %
Annualized standard deviation of the benchmark's weekly yields	0.87 %
WAM (Weighted Average Maturity)	0.33 years
WAL (Weighted Average Life)	0.53 years

TOP 3 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
US 10YR NOTE (CBT)Mar22 Sell	derivatív	Raiffeisen Hun	03/22/2022
D220309	zero coupon	Államadósság Kezelő Központ Zrt.	03/09/2022
EURO-BUND FUTURE Mar22 Sell	derivatív	Raiffeisen Hun	03/08/2022