

INVESTMENT POLICY OF THE FUND

The objective of the fund is to get a share of the yields of the Russian equity market, and to benefit on the Russian economy growth through equity rates and dividends incomes. In accordance with the risk features of the equity investments, the fund is considered as a high-risk investment. According to the intentions of the Fund Manager, the portfolio of the Fund is predominantly formed by equities publicly issued by foreign companies. Primary targets of investment are the equities of companies listed on the stock that operate in Russia or countries of the former Community of Independent States or make most of their revenues in those countries. When establishing the portfolio, the equities determine the nature of the fund, so the ratio of equities in the fund may reach the legal maximum at the time. The fund registers its assets in Hungarian Forint. The Fund Manager is entitled to cover part of all the currency risks with forward currency positions, while complying with the effective legal provisions.

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's return was unchanged in December, but it outperformed the benchmark index. During the month we bought shares in a transportation company. The oil sector remains overweight, but within the energy sector we have also increased our weighting in gas producers as we remain positive on this sector. Conversely, technology, gold and internet companies remain underweight. We also still hold airlines as we continue to believe they are fundamentally underpriced. The fund was weighted at 100% against the benchmark index at 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% Msci Russia 10-40 Net TR USD |
| ISIN code: | HU0000707401 |
| Start: | 12/04/2008 |
| Currency: | HUF |
| Net Asset Value of the whole Fund: | 6,836,997,043 HUF |
| Net Asset Value of HUF series: | 3,990,070,825 HUF |
| Net Asset Value per unit: | 3.842594 HUF |

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, MKB Bank Nyrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési 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 |
|--------|--------|------|------|------|------|------|

ASSET ALLOCATION OF THE FUND

| Asset | Weight |
|------------------------|-----------------|
| International equities | 90.98 % |
| Current account | 9.03 % |
| Liabilities | -0.57 % |
| Receivables | 0.57 % |
| Total | 100,00 % |
| Derivative products | 7.63 % |
| Net corrected leverage | 107.92 % |

Assets with over 10% weight

There is no such instrument in the portfolio

RISK PROFILE

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

← Lower risk Higher risk →

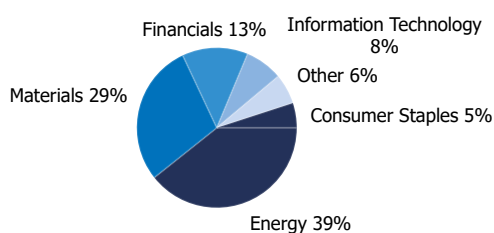
| NET YIELD PERFORMANCE OF THE SERIES | | |
|-------------------------------------|---------------|-----------------|
| Interval | Yield of note | Benchmark yield |
| From start | 10.85 % | 12.34 % |
| 2021 | 24.50 % | 23.94 % |
| 2020 | -7.02 % | -0.73 % |
| 2019 | 47.23 % | 51.89 % |
| 2018 | 6.26 % | 1.31 % |
| 2017 | -11.80 % | -13.91 % |
| 2016 | 50.80 % | 48.83 % |
| 2015 | 11.61 % | 9.86 % |
| 2014 | -32.35 % | -31.22 % |
| 2013 | -1.93 % | -1.19 % |
| 2012 | 4.76 % | 7.91 % |
| 2011 | -11.05 % | -12.34 % |

NET PERFORMANCE OF THE SERIES

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



Stocks by sectors



RISK INDICATORS FOR THE LAST 12 MONTHS

| | |
|--|------------|
| Annualized standard deviation of the fund's weekly yields | 21.91 % |
| Annualized standard deviation of the benchmark's weekly yields | 22.30 % |
| WAM (Weighted Average Maturity) | 0.00 years |
| WAL (Weighted Average Life) | 0.00 years |

TOP 5 POSITIONS

| Asset | Type | Counterparty / issuer | Maturity |
|-------------------------|-----------|-----------------------|------------|
| Gazprom PJSC | share | Gazprom | |
| LUKOIL PJSC | share | LUKOIL | |
| RDX USD Index Mar22 Buy | derivatív | Raiffeisen Hun | 03/18/2022 |
| Yandex NV | share | Yandex NV | |
| SBERBANK-CLS | share | SBERBANK | |

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 | alapkezelo@aegon.hu | www.aegonalapkezelo.hu