

AEGON CENTRAL EUROPEAN EQUITY INVESTMENT FUND

2021 ANNUAL REPORT (FREE TRANSLATION)

This report has been prepared by AEGON Magyarország Befektetési Alapkezelő Zrt. as the fund manager of Aegon Central Europe Equity Investment Fund (hereinafter: the Fund), on the basis of Sections 131 and 132 of (Hungarian) Act XVI of 2014 on collective investment forms and their managers as well as on the amendment of certain finance-related laws (hereinafter: Kbfv), for the purpose of presenting the Fund's operations in the year 2021.

Further information on the general operation of the Fund is contained in the prospectus approved by the National Bank of Hungary (MNB) for the public offering of the Fund's investment units, which can be found at AEGON Magyarország Befektetési Alapkezelő (AEGON Hungary Investment Fund Management), the places of distribution of the Fund's investment units and on the Fund Manager's website ([www.aegonalapkezelo .hu](http://www.aegonalapkezelo.hu)).

Budapest, 25. April 2022

Péter Kadocsa
Chairman and CEO

Bálint Kocsis
Chief Administration Officer

For security reasons, this document does not include an image of a handwritten signature. The content of this document may be deemed substantially identical in all respects to the original document furnished with an official corporate signature and with the electronic signatures of other responsible persons and is fully valid and authoritative even without a handwritten signature.

GENERAL INFORMATION ABOUT THE FUND

Name of the Fund

Aegon Central Europe Equity Investment Fund

Abbreviated name of the Fund

Aegon Central European Equity Fund

Registration number of the Fund

1111-57

Kind of the Fund

open-end

Type of the Fund

public

Series and type of Investment Units traded in the reporting period

Series	Currency	ISIN code	Series	Currency	ISIN code
A	HUF	HU0000702501	C	CZK	HU0000717392
B	EUR	HU0000705926	L	PLN	HU0000728183
I	HUF	HU0000709530			

Yield Payment

The Fund do not pay a yield against any capital growth; the entire capital growth is reinvested in accordance with the investment policy of the Fund. Investors can realise the capital growth as the difference between the purchase and resale prices of the Investment Units they own, as a price gain.

Eligible Investors

Investment Units may be purchased by both resident (Hungarian) and non-resident (foreign) individuals, juridical entities (e.g. companies) and unincorporated business entities.

Details of the Fund Manager AEGON Magyarország Befektetési Alapkezelő Zrt.
1091 Budapest, Üllői út 1.
Phone: (06-1) 476-20-59

Details of the custodian Citibank Europe plc Magyarországi Fióktelepe
1051 Budapest, Szabadság tér 7.

Details of the auditing firm engaged by the Fund: PricewaterhouseCoopers Könyvvizsgáló Kft.
1055 Budapest, Bajcsy-Zsilinszky út 78.
Trade registry number: 01 09 063022
Registration number: 001464

Details of the auditor employed by the auditing firm: Szilvia Szabados
Chamber membership number: 005314

I. NET WORTH STATEMENT

Composition of the assets and liabilities of the investment fund at the start and at the end of the reporting period and the share of each asset within total assets:

Description	2020.12.31.		2021.12.31.	
	Amount / Value (HUF)	NAV in percent (%)	Amount / Value (HUF)	NAV in percent (%)
Bank balances	1 425 235 344	8,58	2 048 658 446	9,60
Repo				
Negotiable securities	15 277 430 014	92,00	19 328 013 285	90,54
Derivative transactions		0,00		0,00
Other assets	12 811 248	0,08	67 310 036	0,32
Total assets	16 715 476 582	100,66	21 443 981 767	100,45
Liabilities	-110 082 295	-0,66	-97 072 638	-0,45
Net asset value	16 605 394 287	100,00	21 346 909 129	100,00

The table was prepared on the basis of the net asset values valid as at the last trading day of the period.

II. NUMBER OF INVESTMENT UNITS IN CIRCULATION

Investment unit					2020.12.31.	2021.12.31.
fund	series	currency	ISIN			
Aegon Central Europe Equity Investment Fund	A	HUF	HU0000702501	747 785 588	724 164 479	
Aegon Central Europe Equity Investment Fund	B	EUR	HU0000705926	516 788	496 121	
Aegon Central Europe Equity Investment Fund	I	HUF	HU0000709530	1 923 685 074	1 837 277 824	
Aegon Central Europe Equity Investment Fund	C	CZK	HU0000717392	100 000	100 000	
Aegon Central Europe Equity Investment Fund	L	PLN	HU0000728183		18 156	

The table was prepared on the basis of the net asset values valid as at the last trading day of the period.

III. NET ASSET VALUE PER INVESTMENT UNIT

Investment unit					2020.12.31.	2021.12.31.
fund	series	currency	ISIN			
Aegon Central Europe Equity Investment Fund	A	HUF	HU0000702501	5.595872	7.452729	
Aegon Central Europe Equity Investment Fund	B	EUR	HU0000705926	4.101618	5.404861	
Aegon Central Europe Equity Investment Fund	I	HUF	HU0000709530	6.053698	8.14082	
Aegon Central Europe Equity Investment Fund	C	CZK	HU0000717392	1.095436	1.363527	
Aegon Central Europe Equity Investment Fund	L	PLN	HU0000728183		1.011975	

The table was prepared on the basis of the net asset values valid as at the last trading day of the period

IV. COMPOSITION OF THE INVESTMENT FUND

Description	2020.12.31.		2021.12.31.	
	Amount / Value (HUF)	In percent (%)	Amount / Value (HUF)	In percent (%)
Shares - Domestic - Monetary financial institutions	1 512 539 042	9,90	1 816 504 800	9,40
Shares - Domestic - Non-financial companies	2 206 604 900	14,44	1 406 126 390	7,28
Shares - EMU	3 520 316 685	23,04	3 695 397 699	19,12
Shares - Other foreign	7 814 776 031	51,15	12 409 984 393	64,21
Total officially listed negotiable securities	15 054 236 659	98,54	19 328 013 282	100,00
Total negotiable securities traded on other regulated markets				
Total recently issued negotiable securities				
Investment units of EMU non-money-market funds	223 193 355	1,46		0,00
Other negotiable securities	223 193 355	1,46		0,00
Total debt securities				
Total securities	15 277 430 014	100,00	19 328 013 285	100,00

The table was prepared on the basis of the net asset values valid as at the last trading day of the period

V. Changes in the assets of the investment fund

Income from investment:

	Data in HUF k
Income from financial transactions	2021
Interest received from financial institutions	1 356
Exchange gains on shares	2 640 081
Dividends received	465 367
Exchange gains on securities lent	319 249
Security lending fee	239
Exchange gains on derivative transactions	723 036
Foreign currency exchange rate gains	61 406
Total:	4 210 734

Prepared on the basis of the data in the 2021 accounting records of the Fund

Expenses of financial transactions	2021
Exchange losses on shares	87 530
Exchange losses on derivative transactions	369 971
Payable option premium	23 565
Payable interests	3 464
Exchange losses on foreign shares	515 153
Total:	999 683

Prepared on the basis of the data in the 2021 accounting records of the Fund

Other income and other expenses:

In 2021, the Fund recognised a penalty commission of **HUF 206K** as **Other income**, and its special tax of **HUF 9 749K** and rounding expenses of **HUF 1K** under **Other expenses**

Costs, fees and taxes recognised in the business year:

Működési költségek	2021
Fund management fees	158 130
Custodial fees	12 802
Distributor's commissions	57 681
Performance fees	31 809
Brokerage commissions	7 625
Auditor's fee	3 095
Supervisory fees	6 825
Index usage	893
Commission fees	23 159
Bank charges	67
Total:	302 086

Prepared on the basis of the data in the 2021 accounting records of the Fund.

Net income, changes on the capital account and increases in investment value:

Data in HUF k

Capital growth:	2021
from the value difference of repurchased series "A" investment units	-630 522
from the value difference of repurchased series "B" investment units	483 400
from the value difference of repurchased series "I" investment units	6 628 656
from the value difference of repurchased series "L" investment units	-4
from the revaluation difference of securities	4 019 332
from the profit of previous years	5 255 621
from the profit of the business year	2 899 423
Total:	18 655 906

Prepared on the basis of the data in the 2021 accounting records of the Fund.

The fund had no distributed or reinvested income in 2021.

VI. Change in the net asset values and the net asset value per unit

Fund	Serie	Currency	ISIN	Net Asset Value	Unit price	Value date
Aegon Central Europe Equity Investment Fund	A	HUF	HU0000702501	5 449 034 893	5,364994	2018.12.28.
Aegon Central Europe Equity Investment Fund	A	HUF	HU0000702501	4 655 435 423	5,949989	2019.12.31.
Aegon Central Europe Equity Investment Fund	A	HUF	HU0000702501	4 184 512 434	5,595872	2020.12.31.
Aegon Central Europe Equity Investment Fund	A	HUF	HU0000702501	5 397 001 613	7,452729	2021.12.31.
Aegon Central Europe Equity Investment Fund	B	EUR	HU0000705926	3 681 033	4,466969	2018.12.28.
Aegon Central Europe Equity Investment Fund	B	EUR	HU0000705926	1 714 046	4,819040	2019.12.31.
Aegon Central Europe Equity Investment Fund	B	EUR	HU0000705926	2 119 667	4,101618	2020.12.31.
Aegon Central Europe Equity Investment Fund	B	EUR	HU0000705926	2 681 465	5,404861	2021.12.31.
Aegon Central Europe Equity Investment Fund	I	HUF	HU0000709530	11 025 636 048	5,704105	2018.12.28.
Aegon Central Europe Equity Investment Fund	I	HUF	HU0000709530	12 142 311 461	6,387725	2019.12.31.
Aegon Central Europe Equity Investment Fund	I	HUF	HU0000709530	11 645 408 485	6,053698	2020.12.31.
Aegon Central Europe Equity Investment Fund	I	HUF	HU0000709530	14 956 948 055	8,140820	2021.12.31.
Aegon Central Europe Equity Investment Fund	C	CZK	HU0000717392	116 829	1,168285	2018.12.28.
Aegon Central Europe Equity Investment Fund	C	CZK	HU0000717392	124 186	1,241858	2019.12.31.
Aegon Central Europe Equity Investment Fund	C	CZK	HU0000717392	109 544	1,095436	2020.12.31.
Aegon Central Europe Equity Investment Fund	C	CZK	HU0000717392	136 353	1,363527	2021.12.31.
Aegon Central Europe Equity Investment Fund	L	PLN	HU0000728183	18 373	1,011975	2021.12.31.

VII. Derivative transactions

Transaction	maturity	open	deal price	last f. price	value	currency	day
WIG20 INDEX FUT Mar21 Vétel	2021.03.19.	500	2 000,231	1 950,0000	-39 687 577	HUF	2021.01.29.
Total						HUF	2021.01.29.
WIG20 INDEX FUT Mar21 Vétel	2021.03.19.	500	2 000,231	1 920,0000	-64 088 588	HUF	2021.02.26.
Total						HUF	2021.02.26.
WIG20 INDEX FUT Jun21 Vétel	2021.06.18.	500	1 956,800	1 941,0000	-12 325 580	HUF	2021.03.31.
Total						HUF	2021.03.31.
WIG20 INDEX FUT Jun21 Vétel	2021.06.18.	500	1 956,800	2 035,0000	61 590 320	HUF	2021.04.30.
WIG20 INDEX FUT Jun21 Vétel	2021.06.18.	500	2 008,814	2 035,0000	20 624 094	HUF	2021.04.30.
Total						HUF	2021.04.30.
WIG20 INDEX FUT Jun21 Vétel	2021.06.18.	500	1 956,800	2 231,0000	213 053 400	HUF	2021.05.31.
WIG20 INDEX FUT Jun21 Vétel	2021.06.18.	500	2 008,814	2 231,0000	172 638 522	HUF	2021.05.31.
BUX INDEX FUTURE Dec21 Vétel	2021.12.17.	500	45 096,980	46 170,0000	5 365 100	HUF	2021.05.31.
Total						HUF	2021.05.31.
BUX INDEX FUTURE Dec21 Vétel	2021.12.17.	500	45 096,980	47 350,0000	11 265 100	HUF	2021.06.30.
WIG20 INDEX FUT Sep21 Vétel	2021.09.17.	1 000	2 179,948	2 192,0000	18 767 374	HUF	2021.06.30.
Total						HUF	2021.06.30.
BUX INDEX FUTURE Dec21 Vétel	2021.12.17.	500	45 096,980	48 580,0000	17 415 100	HUF	2021.07.30.
WIG20 INDEX FUT Sep21 Vétel	2021.09.17.	1 000	2 179,948	2 234,0000	84 602 190	HUF	2021.07.30.
Total						HUF	2021.07.30.
BUX INDEX FUTURE Dec21 Vétel	2021.12.17.	500	45 096,980	51 750,0000	33 265 100	HUF	2021.08.31.
WIG20 INDEX FUT Sep21 Vétel	2021.09.17.	1 000	2 179,948	2 343,0000	250 317 430	HUF	2021.08.31.
Total						HUF	2021.08.31.
BUX INDEX FUTURE Dec21 Vétel	2021.12.17.	500	45 096,980	52 600,0000	37 515 100	HUF	2021.09.30.
WIG20 INDEX FUT Dec21 Vétel	2021.12.17.	1 000	2 360,000	2 303,0000	-88 703 400	HUF	2021.09.30.
Total						HUF	2021.09.30.
BUX INDEX FUTURE Dec21 Vétel	2021.12.17.	500	45 096,980	54 130,0000	45 165 100	HUF	2021.10.29.
WIG20 INDEX FUT Dec21 Vétel	2021.12.17.	1 000	2 360,000	2 410,0000	78 050 000	HUF	2021.10.29.
Total						HUF	2021.10.29.
BUX INDEX FUTURE Dec21 Vétel	2021.12.17.	500	45 096,980	51 200,0000	30 515 100	HUF	2021.11.30.
WIG20 INDEX FUT Dec21 Vétel	2021.12.17.	880	2 360,000	2 194,0000	-228 790 496	HUF	2021.11.30.
Total						HUF	2021.11.30.
BUX INDEX FUTURE Dec22 Vétel	2022.12.16.	500	50 600,000	51 100,0000	2 500 000	HUF	2021.12.31.
WIG20 INDEX FUT Mar22 Vétel	2022.03.18.	730	2 195,000	2 279,0000	98 749 728	HUF	2021.12.31.
Total						HUF	2021.12.31.

VIII. Changes in the operations of the investment fund manager and major factors affecting developments in the investment policy

The following major changes took place with regard to the operations of the Fund Manager

Aegon N.V. In November 2020, Vienna Insurance Group AG agreed with Wiener Versicherung Gruppe (VIG) to sell its insurance, pension savings and fund management businesses in Hungary, Poland, Romania and Turkey. The Contracting Parties have initiated the acquisition of the necessary official permits in each of the countries concerned in accordance with the relevant legal provisions.

In April 2021, the Hungarian Ministry of the Interior vetoed the planned transaction, due to which VIG initiated negotiations with the Hungarian Ministry of Finance. As a result of the negotiations, the parties signed an agreement in February 2022, on the basis of which Corvinus Befektetési Zrt., Representing the Hungarian side, will acquire a 45% minority stake in Aegon Biztosító and Union Biztosító under the 55% controlling influence of VIG. The transaction was completed in two stages: on March 23, 2022, VIG acquired Aegon Insurance together with its Hungarian subsidiaries from the Aegon Group, and on March 25, 2022, VIG sold a 45% stake in Aegon and Union Insurers to Magyar For the state. As a result, Aegon Magyarország Befektetési Alapkezelő Zrt. Indirectly became 55% VIG and 45% Hungarian state-owned.

Effects of Covid-19

At the end of 2019, the first news about Covid-19 (Coronavirus) released in China was published. In the first few months of 2020, the virus will spread globally and feel its effects on both society and the economy in several waves. Although a small number of vaccines appeared and became available at the end of 2020, the mass spread of vaccines took place in 2021. Given that vaccination is on the rise worldwide and that drugs are already appearing on the market in addition to vaccines, we expect that any Covid mutants that may emerge in the coming years will have no significant impact on money and capital market movements - hence the Fund's operations. as in the early years of the epidemic.

The effects of the Ukrainian crisis on the Fund Manager

Due to the increasing Russian-Ukrainian political tension, the fund manager's risk management department has been conducting enhanced monitoring since the end of January 2022 to monitor relevant exposures and prepare the necessary decisions. The investment department closely monitored geopolitical developments and assessed possible scenarios. The extremely negative scenario was considered by our investment department to be one of the low-probability scenarios.

On February 24, 2022, the conflict escalated into a war, so based on the Liquidity Policy, the Chief Risk Officer convened the Liquidity Committee, which meets several times a day if necessary, analyzes the situation and performs decision-making tasks. Our funds that directly or indirectly contained a significant amount of assets issued in Russia or Ukraine were in the focus.

The Fund Manager shall take the necessary measures without delay in accordance with the legal provisions, taking into account the interests of investors. Pursuant to the decision taken under this measure, on 24 February 2022 it decided to temporarily suspend the continuous marketing of the following 5 investment funds:

Aegon Russia Equity Investment Fund

Aegon Emerging Europe Bond Investment Fund

Aegon Premium Dynamic Funds Sub-Fund

Aegon Premium Expert Fund of Funds Sub-Fund

Aegon Tempo Maxx Funds Sub-Fund

With the exception of the Aegon Russia Equity Fund, the continuing trading of the suspended funds resumed on March 1, 2022 and has been ongoing ever since. In the case of the Aegon Russia Equity Investment Fund, at the request of the Fund Manager, the Hungarian National Bank, as the Supervisor,

extended the suspension until the date of termination of the reasons for the suspension, but not later than March 25, 2023.

Nevertheless, the direct assets managed by the Fund Manager has little Russian or Ukrainian exposure overall, but the indirect negative impact of the conflict has been significant in regions and markets that have traditionally been significant in the investment mix of the portfolios managed. Effective management of the latter situation is currently the strategic focus of the investment department.

Changes in the documents of the Fund

In March 2021, the Publication Regulations [Regulation 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability disclosures in the financial services sector] and the Taxonomy Regulation [European Parliament and Council 2020/852] were incorporated into the Fund's official documents. Regulation establishing a framework for the promotion of sustainable investment and amending 2019/2088 (18 June 2020)].

In September 2021, while maintaining the investment objective of the Fund, the Fund Manager launched a new series. In addition, the audit fee and the benchmark usage fee have been amended.

In line with the Fund's investment policy, the majority of the portfolio consists of Central European equities. There was no significant change in the composition of the portfolio, the changes in the composition of the Fund were justified by the purpose of exploiting the various market opportunities.

IX. Remuneration paid by the Fund Manager

(a)- (b) the total amount of remuneration, broken down by fixed and variable remuneration paid to employees and by employee category, with an indication of the number of beneficiaries

	Total amount of remuneration	Persons who have a significant impact on the risk profile of the AIF through their activities (including senior managers)
Headcount data (persons)	57	6
Fixed	707 123 791	219 556 085
Variable	109 889 812	54 523 947
Profit share	0	0

c) Method for calculating pay and benefits

The bonus system is meant to reward the members of the management team, non-junior asset managers, analysts, experienced salespeople, the head of risk management and the head of finance for excellent

performance based on criteria tailored to the individual concerned. Based on the rating of the employees working in the above areas, the maximum payable bonus can be anything between 45% and 100% of the annual basic salary. The Chairman and CEO sets the specific objectives for the individuals concerned, which the Head of Risk Management reviews in the case of Identified Employees. The job-related duties of the Chief Executive Officer and the Head of Risk Management are approved by the Supervisory Board and/or the representative of owner Company. The fulfilment of the objectives is assessed, monitored and approved in accordance with the above.

When determining the disburseable bonus amount, the bonus budget calculated according to the conditions laid down by the remuneration committee of owner company and approved by the same is another control besides the attainment of individual goals.

d) results of the review of the remuneration policy

Internal audit had no findings to report in the annual review of the remuneration policy and found everything to be in accordance with the requirements. The Fund Manager's Supervisory Board was briefed about the report of the audit.

e) substantive changes in the remuneration policy

There were no significant changes in the remuneration policy during the reporting year.

X. In respect of all EU AIFs distributed by the AIFM and all AIFs distributed by the AIFM in EEA countries, not including AIFMs referred to under Section 2, subsection (2),

a) the share of the AIF's assets to which, due to their non-liquid nature, special rules apply:

The share of non-liquid assets in the Fund, as defined in the Fund's Liquidity Policy, is 0,79%.

b) all new agreements made in the relevant period relating to the liquidity management of the AIF,

The Fund Manager did not conclude any new agreements in the reporting period in relation to the liquidity management of the Fund.

c) Current risk profile of the AIF and the risk management systems applied by the AIFM to manage these risks.

Series "A" of the Fund, denominated in the base currency of the Fund, has the following investor profile:

Name of Fund	Base currency of Fund	recommended minimum investment period (Series A)	risk classification
AEGON CENTRAL EUROPEAN EQUITY FUND	HUF	4 years	6 (high)

The Fund is primarily intended for Investors who plan to invest for at least the recommended minimum investment period and who consider the indicated value on a scale of 1 to 7 of the risk/reward profile to be acceptable in light of their risk appetite.

The Fund purchases shares issued by companies in the countries of the Central European region (primarily Hungary, the Czech Republic, Poland, Austria, Romania, and secondarily Slovenia, Croatia, Russia, Turkey), but the Fund may invest in shares of other developing and developed foreign companies and other also in collective investment schemes. The Fund may hedge some or all of its foreign exchange risk with forward foreign exchange positions. For the purpose of efficiently building the Fund's portfolio, futures and index futures may also be used. In order to ensure liquidity, the Fund intends to keep in its portfolio government securities marketed by ÁKK on behalf of the Hungarian State.

The Fund Manager establishes a separate department to perform risk management and compliance tasks, with the risk management and compliance officer being responsible for its operation. Within the department, the risk management unit aims to develop risk management practices that are suitable for identifying, measuring, continuously monitoring and managing the Fund's risks. The procedures and rules applied ensure that the risk profile disclosed to investors is in line with the risk limits set out in the Fund's management regulations.

As part of the risk management process, the risk management unit operates a limit system, which monitors, in separate subsystems, the legal, contractual and internal limits on the conclusion of individual transactions, the exposure to each partner, and the investment limits set by the Fund Manager in the Fund's management regulations and communicated to its investors.

The Fund Manager applies a liquidity management system for the Fund to monitor the liquidity risks of the Fund and to ensure that the liquidity profile of the investments of the Fund comply with the obligations of the Fund.

XI. Use of leverage

The Fund may apply leverage only within the legal limits: The total net risk exposure of the investment fund may not be higher than twice the net asset value of the investment fund, i.e. the maximum leverage that may be applied by the Fund is 2. The Fund's investment policy has no other restrictions.

In the reporting period, the Fund concluded derivative transactions for hedging purposes and for efficient portfolio development. The Fund also concluded hedging transactions to reduce the foreign exchange

risks of its various individual series against the base currency. The total netted risk exposure of the Fund as at 31 December 2021 was as follows: 1,14.

XII. Income Statement

Aegon Central Europe Equity Investment Fund

	2020	2021
	eFt	eFt
I. Income from financial transactions	2 711 801	4 210 734
II. Expenses of financial transactions	2 815 669	999 682
III. Other income	9 348	206
IV. Operating costs	237 799	302 085
V. Other expenses	7 378	9 750
VI. Paid and payable yields	0	0
Profit/loss for the reporting year (I.-II.+III.-IV.-V.-VI.)	-339 697	2 899 423

Prepared using the data in the 2021 accounting records of the Fund