

AEGON EMERGING MARKET ESG 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 Emerging Market ESG 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: Kbtv), 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 Emerging Market ESG Equity Investment Fund

Abbreviated name of the Fund

Aegon Emerging ESG Equity Fund

Registration number of the Fund

1111-221

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	HU0000705272	U	USD	HU0000723705
B	EUR	HU0000705934	R	HUF	HU0000723663
I	HUF	HU0000723655	L	PLN	HU0000724273
P	PLN	HU0000724265	C	CZK	HU0000723697

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 Unicredit Bank Hungary Zrt.
1054 Budapest, Szabadság tér 5-6.

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	1 659 937 155	13,64	1 620 297 969	11,81
Repo				
Negotiable securities	10 528 559 763	86,50	12 556 020 831	91,55
Derivative transactions		0,00		0,00
Other assets	128 566 833	1,06	36 761 154	0,27
Total assets	12 317 063 751	101,20	14 213 079 954	103,64
Liabilities	-145 515 354	-1,20	-498 552 662	-3,64
Net asset value	12 171 548 397	100,00	13 714 527 292	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 Emerging Market ESG Equity Investment Fund	A	HUF	HU0000705272	1 932 197 923	2 206 014 949
Aegon Emerging Market ESG Equity Investment Fund	B	EUR	HU0000705934	932 212	1 136 062
Aegon Emerging Market ESG Equity Investment Fund	I	HUF	HU0000723655	5 172 027 758	5 327 062 634
Aegon Emerging Market ESG Equity Investment Fund	U	USD	HU0000723705	156 338	584 910
Aegon Emerging Market ESG Equity Investment Fund	R	HUF	HU0000723663	233 271 657	240 430 688
Aegon Emerging Market ESG Equity Investment Fund	L	PLN	HU0000723689	3 604 496	13 000
Aegon Emerging Market ESG Equity Investment Fund	P	PLN	HU0000723671	13 000	13 000
Aegon Emerging Market ESG Equity Investment Fund	C	CZK	HU0000723697	80 000	80 000

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 Emerging Market ESG Equity Investment Fund	A	HUF	HU0000705272	2.190348	2.309343
Aegon Emerging Market ESG Equity Investment Fund	B	EUR	HU0000705934	1.505694	1.570747
Aegon Emerging Market ESG Equity Investment Fund	I	HUF	HU0000723655	1.295659	1.382735
Aegon Emerging Market ESG Equity Investment Fund	U	USD	HU0000723705	1.405046	1.351499
Aegon Emerging Market ESG Equity Investment Fund	R	HUF	HU0000723663	1.301864	1.389546
Aegon Emerging Market ESG Equity Investment Fund	L	PLN	HU0000723689	1.238763	1.306492
Aegon Emerging Market ESG Equity Investment Fund	P	PLN	HU0000723671	1.25856	1.310329
Aegon Emerging Market ESG Equity Investment Fund	C	CZK	HU0000723697	1.197923	1.180542

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 (%)
Investment units of EMU non-money-market funds	6 977 876 530	66,28	7 297 033 335	58,12
Investment units of other foreign non-money market funds	925 129 004	8,79	1 734 119 128	13,81
Shares - Hungarian monetary market			38 528 600	0,31
Shares - Other foreign	2 547 366 551	24,19	3 098 405 159	24,68
Total officially listed negotiable securities	10 450 372 085	99,26	12 168 086 222	96,91
Total negotiable securities traded on other regulated markets				
Total recently issued negotiable securities				
Investment units of Hungarian non-money-market funds	78 187 677	0,74	387 934 609	3,09
Other negotiable securities	78 187 677	0,74	387 934 609	3,09
Total debt securities				
Total securities	10 528 559 763	100,00	12 556 020 831	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
Dividends of shares	130 377
Exchange gains on shares	1 593 656
Interest received from financial institutions	1 329
Exchange gains on derivative transactions	39 489
Profits on derivative transactions	258 793
Total:	2 023 644

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

Expenses of financial transactions	2021
Exchange losses on derivative transactions	183 364
Option fees	11 545
Payable interests	740
Exchange losses on shares	517 881
Total:	713 530

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 582K**, a rounding differences of **HUF 1k** as **Other income**, and its special tax of **HUF 6 843K** under **Other expenses**

Costs, fees and taxes recognised in the business year:

Működési költségek	2021
Fund management fees	117 555
Custodial fees	9 937
Auditor's fee	1 987
Supervisory fees	4 901
Commission fees	13 331
Brokerage commission	24 063
Transaction fees	674
Main distributor's commission (trailer fees)	7 006
Distributor's commission (trailer fees)	37 231
KELER (clearinghouse) fees	73
Index usage fee	2 076
Performance fees	1 019
Bank charges	160
Összesen:	220 014

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
Value difference of repurchased investment units	2 229 294
from revaluation difference	1 169 627
from the profit of previous years	880 565
from the profit of the business year	1 083 839
Total:	5 363 325

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 Emerging Market ESG Equity Investment Fund	A	HUF	HU0000705272	2 638 156 965	1,569535	2018.12.28.
Aegon Emerging Market ESG Equity Investment Fund	A	HUF	HU0000705272	2 635 032 633	1,837432	2019.12.31.
Aegon Emerging Market ESG Equity Investment Fund	A	HUF	HU0000705272	4 232 185 856	2,190348	2020.12.31.
Aegon Emerging Market ESG Equity Investment Fund	A	HUF	HU0000705272	5 094 445 180	2,309343	2021.12.31.
Aegon Emerging Market ESG Equity Investment Fund	B	EUR	HU0000705934	346 173	1,225761	2018.12.28.
Aegon Emerging Market ESG Equity Investment Fund	B	EUR	HU0000705934	330 804	1,396314	2019.12.31.
Aegon Emerging Market ESG Equity Investment Fund	B	EUR	HU0000705934	1 403 626	1,505694	2020.12.31.
Aegon Emerging Market ESG Equity Investment Fund	B	EUR	HU0000705934	1 784 466	1,570747	2021.12.31.
Aegon Emerging Market ESG Equity Investment Fund	I	HUF	HU0000723655	6 701 184 313	1,295659	2020.12.31.
Aegon Emerging Market ESG Equity Investment Fund	I	HUF	HU0000723655	7 365 915 951	1,382735	2021.12.31.
Aegon Emerging Market ESG Equity Investment Fund	U	USD	HU0000723705	219 662	1,405046	2020.12.31.
Aegon Emerging Market ESG Equity Investment Fund	U	USD	HU0000723705	790 505	1,351499	2021.12.31.
Aegon Emerging Market ESG Equity Investment Fund	R	HUF	HU0000723663	303 687 972	1,301864	2020.12.31.
Aegon Emerging Market ESG Equity Investment Fund	R	HUF	HU0000723663	334 089 501	1,389546	2021.12.31.
Aegon Emerging Market ESG Equity Investment Fund	L	PLN	HU0000723689	4 465 116	1,238763	2020.12.31.
Aegon Emerging Market ESG Equity Investment Fund	L	PLN	HU0000723689	16 984	1,306492	2021.12.31.
Aegon Emerging Market ESG Equity Investment Fund	P	PLN	HU0000723671	16 361	1,258560	2020.12.31.
Aegon Emerging Market ESG Equity Investment Fund	P	PLN	HU0000723671	17 034	1,310329	2021.12.31.
Aegon Emerging Market ESG Equity Investment Fund	C	CZK	HU0000723697	95 834	1,197923	2020.12.31.
Aegon Emerging Market ESG Equity Investment Fund	C	CZK	HU0000723697	94 443	1,180542	2021.12.31.

VII. Derivative transactions

Transaction	maturity	open	deal price	last f. price	value	currency	day
MSCI EmgMkt Mar21 Vétel	2021.03.19.	11	1 227,618	1 326,1000	16 025 799	HUF	2021.01.29.
MSCI EmgMkt Mar21 Vétel	2021.03.19.	4	1 243,275	1 326,1000	4 901 087	HUF	2021.01.29.
MSCI EmgMkt Mar21 Vétel	2021.03.19.	36	1 271,286	1 326,1000	29 192 014	HUF	2021.01.29.
FTSE Taiwan Index Feb21 Vétel	2021.02.25.	14	1 257,250	1 322,7500	10 852 512	HUF	2021.01.29.
FTSE CHINA A50 Mar21 Vétel	2021.03.30.	60	17 190,533	18 120,0000	16 500 078	HUF	2021.01.29.
Total						HUF	2021.01.29.
FTSE CHINA A50 Mar21 Vétel	2021.03.30.	60	17 190,533	18 204,0000	18 103 758	HUF	2021.02.26.
FTSE Taiwan Index Mar21 Vétel	2021.03.30.	14	1 415,446	1 385,5000	-4 992 764	HUF	2021.02.26.
Total						HUF	2021.02.26.
MSCI EmgMkt Jun21 Vétel	2021.06.18.	21	1 360,752	1 322,5000	-12 437 494	HUF	2021.03.31.
FTSE CHINA A50 Apr21 Vétel	2021.04.29.	60	17 214,333	17 182,0000	-600 740	HUF	2021.03.31.
FTSE Taiwan Index Apr21 Vétel	2021.04.28.	14	1 451,250	1 448,5000	-476 876	HUF	2021.03.31.
Total						HUF	2021.03.31.
MSCI EmgMkt Jun21 Vétel	2021.06.18.	21	1 360,752	1 336,6000	-7 539 528	HUF	2021.04.30.
FTSE CHINA A50 May21 Vétel	2021.05.28.	60	17 172,000	17 277,0000	1 872 990	HUF	2021.04.30.
FTSE Taiwan Index May21 Vétel	2021.05.28.	14	1 549,750	1 547,2500	-416 220	HUF	2021.04.30.
Total						HUF	2021.04.30.
FTSE Taiwan Index Jun21 Vétel	2021.06.29.	14	1 464,911	1 498,0000	5 289 203	HUF	2021.05.31.
FTSE CHINA A50 Jun21 Vétel	2021.06.29.	60	18 299,100	18 158,0000	-2 416 535	HUF	2021.05.31.
Total						HUF	2021.05.31.
MSCI EmgMkt Sep21 Vétel	2021.09.17.	35	1 347,300	1 364,8000	9 066 225	HUF	2021.06.30.
FTSE CHINA A50 Jul21 Vétel	2021.07.29.	60	17 474,000	17 300,0000	-3 090 658	HUF	2021.06.30.
FTSE Taiwan Index Jul21 Vétel	2021.07.29.	14	1 512,500	1 525,2500	2 113 726	HUF	2021.06.30.
Total						HUF	2021.06.30.
FTSE CHINA A50 Aug21 Vétel	2021.08.30.	60	15 381,733	14 974,0000	-7 347 518	HUF	2021.07.30.
FTSE Taiwan Index Aug21 Vétel	2021.08.30.	14	1 479,500	1 494,2500	2 480 808	HUF	2021.07.30.
Total						HUF	2021.07.30.
FTSE Taiwan Index Sep21 Vétel	2021.09.29.	14	1 486,250	1 518,2500	5 282 278	HUF	2021.08.31.
FTSE CHINA A50 Sep21 Vétel	2021.09.29.	150	15 220,440	14 754,0000	-20 623 878	HUF	2021.08.31.
Total						HUF	2021.08.31.
FTSE Taiwan Index Oct21 Vétel	2021.10.28.	14	1 499,000	1 479,0000	-3 479 392	HUF	2021.09.30.
FTSE CHINA A50 Oct21 Vétel	2021.10.28.	75	15 437,013	15 493,0000	1 304 461	HUF	2021.09.30.
Total						HUF	2021.09.30.
FTSE Taiwan Index Nov21 Vétel	2021.11.29.	14	1 485,500	1 476,0000	-1 647 444	HUF	2021.10.29.
FTSE CHINA A50 Nov21 Vétel	2021.11.29.	135	16 111,444	15 866,0000	-10 260 915	HUF	2021.10.29.
MSCI EmgMkt Dec21 Eladás	2021.12.17.	35	1 263,203	1 262,0000	651 901	HUF	2021.10.29.
Total						HUF	2021.10.29.
MSCI EmgMkt Dec21 Eladás	2021.12.17.	35	1 263,203	1 212,3000	28 755 071	HUF	2021.11.30.
FTSE Taiwan Index Dec21 Vétel	2021.12.29.	14	1 510,500	1 511,0000	90 384	HUF	2021.11.30.
FTSE CHINA A50 Dec21 Vétel	2021.12.30.	135	15 398,000	15 394,0000	-174 312	HUF	2021.11.30.
Total						HUF	2021.11.30.
MSCI EmgMkt Mar22 Eladás	2022.03.18.	5	1 223,800	1 226,3000	-203 569	HUF	2021.12.31.
FTSE Taiwan Index Jan22 Vétel	2022.01.25.	14	1 591,286	1 603,5000	2 227 856	HUF	2021.12.31.
FTSE CHINA A50 Jan22 Vétel	2022.01.27.	185	15 845,000	15 699,0000	-8 797 427	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

Due to the increasing Russian-Ukrainian political tension, the asset 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 Asset 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 of 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 Fund's official documents incorporate the Disclosure Regulation [Regulation 2019/2088 of the European Parliament and of the Council on disclosure disclosures in the financial services sector (27 November 2019, hereinafter SFDR)] and the Taxonomy Parliament and Advisory Regulation [European Regulation 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework for the promotion of sustainable investment and amending 2019/2088].

In July 2021, compliance with Article 8 of the Disclosure Regulation (SFDR Regulation) to supplement the Fund's investment policy and regulatory compliance resulted in a change in the Fund's benchmark index, the new index being named 100% MSCI Emerging Markets ESG FOCUS Net Total Return USD Index (Bloomberg ticker: M1CXBLX Index). During 2021, the Fund's distribution network was expanded with a new distributor, Erste Group Bank AG, and the Fund's asset management fee was increased.

The fund aims to share the GDP growth of developing economies through stock price increases or dividend payments of listed companies directly (individual equity investments) or indirectly (ETFs, investment funds), taking into account environmental, social and governance (ESG) criteria. The geographical distribution is determined by MSCI's emerging market specification, in which, in addition to its significant Asian weight, the size of European and Latin American companies is also emphasized. The use of forward equity and index futures is also permitted for the purpose of hedging and efficiently building the Fund's portfolio. Thus, there was a significant change in the equity composition of the portfolio during the year.

Product disclosure

Aegon Hungary Investment Fund Manager (the "Fund Manager") informs investors that the Aegon Emerging Market ESG Equity Investment Fund (the "Fund") falls into the category of financial products that promote environmental or social characteristics or a combination thereof, but does not classify it as a sustainable investment product. As a result, the Fund is classified as a product referred in Article 8(1) of the

regulation 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR Regulation).

The Fund Manager meets the product disclosures requirement on the environmental or social characteristics defined by Article 11 of SFDR Regulation with the following report.

(a) ‘To what extent were the environmental and/or social characteristics promoted by this financial product met?’;

The Fund’s ESG characteristics are captured by a number of sustainability aspects. The Fund Manager follows the methodology of Sustainalytics. In 2021, on average, the portfolio had an overall ESG risk rating of 24.8 (vs. 25.5 for the parent index: MSCI Emerging Market Index). The ESG risk is considered as Medium, and was 3% lower (i.e. more favourable) than the parent index. The ESG risk rating measures the degree to which a company’s economic value is at risk driven by ESG factors, as assessed through Sustainalytics’ calculation of the company’s unmanaged ESG risks. Companies are placed into one of five risk categories (negligible, low, medium, high, severe). These risk categories are absolute, meaning that a “high risk” assessment reflects a comparable degree of unmanaged ESG risk across the research universe, regardless of which sector the company operates in. One point of risk is the same, no matter which company or which issue it applies to, and points of risk add up across issues to create overall scores. Companies with lower risk ratings scores have lower ESG risk.

The risk exposure was also medium, with a score of 43.5 (vs. 42.7 for the parent index). Hence, the portfolio’s exposure to ESG issues was 2% higher than the parent index. The risk exposure considers a company’s sensitivity or vulnerability to ESG risks. Lower exposure scores indicate that the constituent companies face less ESG risk.

Better Management of ESG issues counterbalanced this. The management score was 45.2 (vs. 42.6 for the parent index), hence 6% stronger. Management evaluates a company's performance on managing its exposure to ESG issues. Higher management scores indicate the constituent companies have stronger management of their exposure.

(b) ‘What were the top investments of this financial product?’;

Top investments in terms of their ESG attributes were 8 companies with Negligible ESG Risk, i.e. risk scores below 10.

(c) ‘What was the proportion of sustainability-related investments?’;

The Fund Manager considers investments in the negligible and low ESG risk categories as sustainability-related, due to their negligible or low risk of material financial impacts driven by ESG factors. The proportion of these investments was 33% of the portfolio on average in 2021. This compares against a 31% proportion within the parent index.

(d) ‘What actions have been taken to meet the environmental and/or social characteristics during the reference period?’; and

The Fund Manager aligned the portfolio to minimise ESG risks within each sector and geography. The best-in-class approach meant that we applied pair trades, or held proxy positions with superior ESG characteristics vs the parent index investments. Where applicable, we refrained from investing into severe category positions.

(e) for a financial product that designated an index as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, ‘How did this financial product perform compared to the designated reference benchmark?’.

The designated sustainable benchmark is the MSCI Emerging Markets ESG FOCUS Net Total Return USD index (Bloomberg ticker: M1CXBLX index). The Fund achieved a medium ESG risk, similarly to the benchmark. The overall risk rating score was 24.8 for the portfolio, 4% higher (ie. behind) the sustainability benchmark that scored 23.9. The overall exposure to ESG issues was medium, similarly to the benchmark. The exposure score was 43.5, 3% higher vs the benchmark. In term of management of ESG issues, the portfolio achieved a 45.2 score, 1% weaker vs the benchmark.

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 EMERGING ESG 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 aims to benefit from the economic growth of emerging countries. The fund achieves this objective primarily through individual equity investments, however, it may also hold collective investment instruments if this is justified for the efficient management of the portfolio. These may be, in particular, exchange-traded ETFs and open-ended public investment funds. In selecting shares, the Fund pays special attention to the compliance of individual companies with ESG criteria, so in addition to analyzing financial factors, portfolio managers also take environmental, social and corporate governance factors into account in the investment decision process. The Fund Manager seeks to build a portfolio in which the positive ESG characteristics of companies prevail, with a predominance of companies with high ESG ratios over those with low ESG ratios. The environmental criterion includes the elements during which a company comes into contact with the environment. This includes, for example, a company's energy use, waste management, pollutant emissions and the conservation of natural resources. Social criteria include all the relationships a company has with external partners, customers, and internal employees. Corporate governance criteria are the legal factors that affect the sound operation of a company. The Fund's main strategy is to provide broad emerging equity market exposure and to outperform the emerging market index through active equity market allocation. An active strategy allows you to achieve a surplus over the reference index. The risk exposure arising from the geographical distribution of the Fund is close to the benchmark.

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: 1,1.

XII. Income Statement

Aegon Emerging Market ESG Equity Investment Fund

	2020	2021
	eFt	eFt
I. Income from financial transactions	1 211 302	2 023 644
II. Expenses of financial transactions	345 796	713 530
III. Other income	740	582
IV. Operating costs	86 880	220 014
V. Other expenses	2 634	6 843
VI. Paid and payable yields	0	0
Profit/loss for the reporting year (I.-II.+III.-IV.-V.-VI.)	776 732	1 083 839

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