

Investment Market Overview 2021

The 10 and 15-year average net return rates of **Aegon Voluntary Pension Fund** continue to be well above inflation.

Changes in the money and capital markets in 2021 that significantly affected the prices of pension fund portfolios:

- 1.** Major tech stocks (chip and semiconductor sectors, which benefit from the need for data, and electric cars) as well as regional bank and oil stocks achieved an outstanding performance in the capital market.
- 2.** Inflation increased by 4%, reaching a high of 7.4% which was last recorded in 2007.
- 3.** **In Hungary, as a result of base interest rate hikes by the Central Bank,** the prices of sovereign bonds decreased in the second half of the year, and the forint hit a historic low against the euro, trading at 370.

Overall, the Hungarian sovereign debt market closed the worst year in its history after the Change of Regime, which had a negative impact on the performance of optional portfolios with a high share of sovereign bonds. **Portfolios with a higher share of stocks closed positively** owing to the outstanding performance of the capital market.

Results of the Aegon Voluntary Pension Fund

Pension fund savings are a form of long-term investment, and therefore, their performance should only be interpreted for a similar time period. The decrease in returns in a bad year **is expected to be offset in the longer term in above-average years.**

This is well illustrated by the **10 and 15-year average net return rates** of the Aegon Voluntary Pension Fund, which show that the Fund performed particularly well – **above inflation.**

Portfolios and inflation	Net returns (%) and inflation in 2021	Portfolio's asset ratio (31.12.2021, %)	10-year average net return rate and inflation (2012-2021)	15-year average net return rate and inflation (2007-2021)
Classic	-5.84	6	3.66	4.10
Balanced	-2.75	56	6.07	4.99
Growth	6.04	17	7.60	5.66
Expert absolute yield*	5.55	12	6.38	6.66
MegaTrend*	8.11	9	10.66	9.96
Inflation	7.4	-	2.59	3.40

Considering the 10-year average net return rates and inflation, despite the negative investment market effects, **we increased our members' retirement savings by achieving high returns of 3.66-10.66% in the long term.**

Source: Pension Fund returns and inflation disclosed by the National Bank of Hungary (mnb.hu).

* The Experts Absolute Yield and MegaTrend portfolios were set up in February 2008, so 15-year returns data are not available. Instead, we looked at the average returns for the period 2009-2021 in accordance with the statutory provisions. The average inflation for the period 2009-2021 was 3.09% per year.

Past performance shall not guarantee future returns.