

# Aegon Central European Equity Fund CZK series

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Citibank Europe plc Magyarországi Fióktelepe
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	40% POLISH Traded Index EUR + 15% HUNGARIAN TRD INDEX EUR + 15% Austrian Traded Index EUR + 15% CZECH Traded Index EUR + 10% Romanian Traded Index EUR + 5% ZMAX Index
ISIN code:	HU0000717392
Start:	09/01/2016
Currency:	CZK
Total Net Asset Value of the whole Fund:	12,737,293,270 HUF
Net Asset Value of CZK series:	105,363 CZK
Net Asset Value per unit:	1.053634 CZK

## INVESTMENT POLICY OF THE FUND:

The objective of the fund is to invest in Central and Eastern European equities. The fund is offered for investors who would like to benefit from the long term performance of regional listed companies. The average equity exposure of the fund is 95%. A primary consideration when compiling the fund's portfolio is the need to optimize the aggregate risk of the securities to be included in the fund. In the interest of reducing the risk, the utmost care is taken when selecting the securities to include in the fund's portfolio. The fund buys shares issued by corporations from countries in the Central European region (primarily Hungary, Poland, the Czech Republic, Romania, Slovenia and Croatia, and secondarily, Austria, Russia and Turkey), but it may also invest in the shares of companies in other emerging and developed countries, as well as in other collective investment securities. The fund may hedge a part or all of its currency risks with forward currency positions. To ensure liquidity the fund aims to hold in its portfolio the government securities on behalf of the State of Hungary and bonds issued by the National Bank of Hungary, but in accordance with the statutory regulations the proportion of shares in the portfolio may be up to 100%.

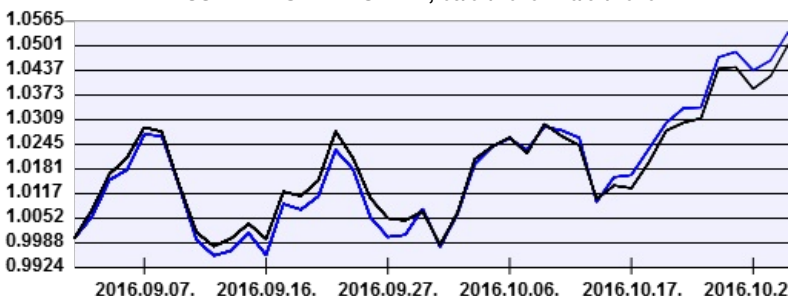
## DISTRIBUTORS

## NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	5.36 %	5.03 %
1 month	5.61 %	5.23 %

## NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 09/01/2016 - 10/31/2016



— Aegon Central European Equity Fund CZK series — Benchmark

Past performance is no guarantee of future results. This report should not be considered as an offer or investment advisory. The Fund Prospectus contains the detailed conditions of the investment. The distribution costs of the fund purchase can be found at the distributors.

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	4.50 %
Annualized standard deviation of the benchmark's weekly yields:	4.77 %

## MARKET SUMMARY:

Equities did not close strongly in October as except for the Japanese market, main equity indices lost from their value. The increasing fear of FED rate hike and the risk aversion caused by the US presidential election did not support equities. The banking sector was the best performing industry in October as a result of rising interest rates and better-than-expected corporate earnings. The probability of FED rate hike in December escalated during the month and because of that USD was strong compared to major currencies in October. European Central Bank postponed its decision about the future of its QE program due to the fact that decision makers want to wait for the result of FED meeting in December. GBP was punished during the month since it seems like British government pursues a "hard Brexit", which means that Britons will not only leave EU, but also EU's single market in exchange for regaining better control of their immigration policy. Investors started to accommodate themselves to US presidential election at the end of the month by decreasing their risky assets. According to polls, Hillary Clinton has better chances to win the election, which would be a more pleasant outcome for equity markets. After starting strong, oil prices fell from their one-year highs thanks to OPEC, which backed out from its oil freezing agreement, and the strong USD. As a result, oil ended up in the negative territory in October.

Central European equities had an especially good month in October. Equity indices in the region were able to outperform MSCI Emerging Market Index too. Apart from the Romanian market, all equities in the region achieved healthy profits during the month. The fund also had a good performance thanks to the overweight in the region, including Hungarian, Czech, Austrian banking and telecom sector overweight.

## ASSET ALLOCATION OF THE FUND ON 10/31/2016

Asset type	Weight
International equities	74.51 %
Hungarian equities	19.60 %
Collective securities	3.22 %
Current account	2.83 %
Liabilities	-1.12 %
Receivables	0.79 %
Repos	0.17 %
total	100.00 %
Derivative products	9.08 %
Net corrected leverage	109.08 %

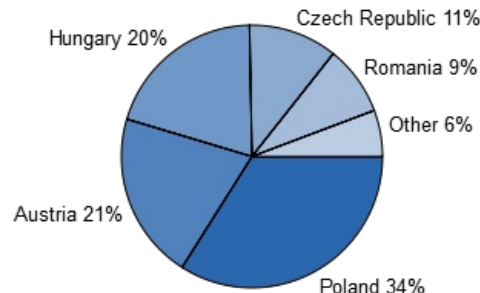
## TOP 5 POSITIONS

Erste Bank
PKO Bank
Polski Koncern Naftowy
Richter Nyrt. Részv. Demat
Magyar Telekom Nyrt. részv.

## Assets with over 10% weight

There is no such instrument in the portfolio

## Stocks by countries:



## INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
very low	low	moderate	intermediate	significant	high	very high