Aegon Panorama Derivative Investment Fund institutional 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:	100% RMAX Index
ISIN code:	HU0000714308
Start:	11/27/2014
Currency:	HUF
Total Net Asset Value of the whole Fund:	1,401,653,752 HUF
Net Asset Value of institutional series:	1,041,482,584 HUF
Net Asset Value per unit:	0.832883 HUF

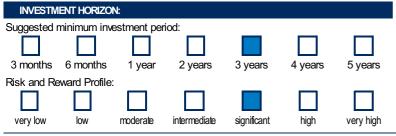
VESTMENT POLICY OF THE FUN

The fund's aim is to earn capital gains by taking positions in a wide range of assets while keeping risk under pre-defined limits. The assets are selected based on fundamental and technical criteria from the widest range of industry and country exposures possible. Based on medium and long-term trends, the fund can buy or sell equities, bonds and other securities, and take various exposures using exchange (futures, options) and OTC derivatives (IRS and currency forwards). Naked shorts on securities are not allowed. The manager selects and builds positions based on fundamental and technical analysis in such a way, that the fund's return can exceed that of bank deposits over a medium-term horizon. Equally important focus is given to risk management which targets Level 5 risk bracket. The fund is not targeting any specific sectors, countries or asset classes, but most of its exposures will be taken on US and European exchanges, or markets regulates by the capital market authorities of the United States of America and the countries of the European Union. The fund's net corrected risk exposure may go up to 200 percent of the portfolio, in accordance with the Hungarian capital market acts and regulations. The fund can also run a net short exposure, also in accordance with the above mentioned regulatory limits



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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.



MARKET SUMMARY:

Positive mood continued in the markets in December since main equity indices soared without exception during the last month of the year. Apart from the supportive technical picture and improving global growth, record inflow into equities in the US, weakening euro and lower weight in equity positions before the Italian referendum in Europe and declining yen and favorable macro data in Japan helped the markets. There were several interesting actions from central banks in December as both ECB and FED made important decisions in their monetary policy. The European Central Bank extended its QE bond purchases program until next December. However, it reduced its monthly purchases from 80 billion to 60 billion. Investors closed their euro long positions because the announcement differed from the previously expected market consensus. Weaker euro had a positive effect on the European markets. The FED raised its key interest rate by 25 bps to 0,75% which were in line with expectations but Yellen indicated a more hawkish view on the anticipated pace of monetary tightening. As a result, increasing dollar power was a determinant market factor during the month. The strength of dollar fueled fears in emerging markets where market participants worry about a prospective currency crisis. Also, rising US yield put high pressure on emerging countries that have huge amounts of dollar-denominated debt. While Italian Prime Minister Renzi resigned after losing the referendum. Oil prices jumped to their year-to-date highs in December thanks to the positive market environment. Additional production cut and closing of short positions supported the strengthening of the commodity. Industrial and precious metals did not perform well during the month as strong dollar had a detrimental effect on their prices.

The fund carried relatively high equity exposure during the month and continuously developed its dollar exposure. Additionally, gold short positions were opened. Equity exposure was comprised of US, EU and Japan stocks, which were paired with agriculture ETFs and farm commodity positions.

ASSET ALLOCATION OF THE FUND ON 12/31/2016

A	sset type	Weight		
Government bonds		31.40 %		
Collective securities		20.48 %		
Corporate bonds		6.93 %		
International equities		5.71 %		
Hungarian equities		4.43 %		
T-bills		2.85 %		
Current account		28.96 %		
Liabilities		-0.88 %		
Receivables		0.18 %		
Market value of open derivative	positions	0.00 %		
total		100,00 %		
Derivative products		58.70 %		
Net corrected leverage		158.33 %		
TOP 3 POSITIONS				
2017C (Államadósság Kezelő ł	Központ Zrt.)			
2017A (Államadósság Kezelő ł	Központ Zrt.)			
MOL 2019/09/26 6,25% USD (I	MOL Group Finance SA)			
Assets with over 10% weight				
2017C (Államadósság Kezelő Központ Zrt.)				
2017A (Államadósság Kezelő ł	Központ Zrt.)			
NET YIELD PERFORMANCE O	F THE SERIES:			
Interval	Yield of note	Benchmark yield		
From start	-8.37 %	1.40 %		
2016	-6.39 %	1.22 %		
2015	-11.07 %	1.50 %		
RISK INDICATORS FOR THE L	AST 12 MONTHS:			
Annualized standard deviation	of the fund's weekly yields:	9.28 %		
Annualized standard deviation	Annualized standard deviation of the benchmark's weekly yields: 0.29 $\%$			





