AEGON

Aegon Central European Equity Fund
HUF 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:	HU0000702501
Start:	03/16/1998
Currency:	HUF
Total Net Asset Value of the whole Fund:	16,585,474,262 HUF
Net Asset Value of HUF series:	5,784,850,165 HUF
Net Asset Value per unit:	5.451520 HUF

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

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Codex Tőzsdeügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	9.23 %	1.45 %
2016	7.31 %	5.96 %
2015	-1.48 %	-2.82 %
2014	2.70 %	0.69 %
2013	-2.03 %	-4.66 %
2012	17.67 %	14.61 %
2011	-16.30 %	-18.90 %
2010	18.55 %	15.60 %
2009	36.42 %	34.81 %
2008	-40.93 %	-40.96 %
2007	20.99 %	10.19 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 06/01/2016 - 05/31/2017

----- Aegon Central European Equity Fund HUF 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:	11.44 %
Annualized standard deviation of the benchmark's weekly yields:	11.83 %

MARKET SUMMARY:

During May, a slight increase was observable in the price of the main equity indices.

Brexit related news emerged at the beginning of the month: some detail of the Juncker-May supper was leaked out and the EU has raised the Brexit fine to €100Bn (gross). In addition, at the end of the month, a survey was published stating the possibility that the Conservatives may lose majority in parliament at early elections in June - all of which has contributed to the weakening pound during the month.

While European stocks were heavily bought in early May, the oil price dropped to five months low due to the fear of over-supply and poor technical picture. Although the OPEC has prolonged the production restriction for 9 months at its month-end meeting as it was expected, for the Libyan and Nigerian production it did not assign a ceiling. As a result, the oil price closed close to its opening price in May.

The outcome of the French presidential election has also come as it was expected: Emmanuel Macron won 66 while Marine Le Pen got 34 percent of the votes.

News from the US came in relation to the Trump-Russian relations and the dismissal of the FBI President. In the middle of the month, the possibility of launching a resignation process against the President this year was priced at 29% vs. the previous 19%. As political risks increased in the US and decreased in Europe at the same time, investors shifted from Dollar to Euro pulling the EURUSD cross to its new Trump-era high. The banking sector was heavily shorted but short selling dominated in each sector. The turn came at the end of the month, when Trump has signed the Arms Agreement with Saudi Arabia - as a result arm manufacturers' and technological company's stocks were bought. In addition, due to the favorable technical picture and news from supportive monetary policy, S&P 500 closed at all time high.

There was a mixed performance on our regional markets. Best performers were the Hungarian, Austrian and Romanian market - all of which were overweight, having a favorable effect to the fund's performance. In contrast, Czech and Polish markets were underperformers. As far as the transactions are concerned, we sold Immofinanz shares and reduced share of the Polish equities. In addition, we closed the underweight in the Czech banking sector and increased our position in Fondul.

ASSET ALLOCATION OF THE FUND ON 05/31/2017

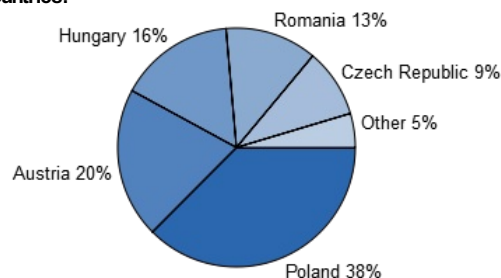| Asset type	Weight
International equities	75.88 %
Hungarian equities	14.55 %
Collective securities	2.34 %
Current account	6.85 %
Receivables	0.51 %
Liabilities	-0.13 %
total	100,00 %
Derivative products	7.59 %
Net corrected leverage	108.18 %

TOP 5 POSITIONS

Erste Bank
PKO Bank
Polski Koncern Naftowy
Bank Pekao SA
POWSZECHNY ZAKŁAD UBEZPIECZEŃ

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by countries:

INVESTMENT HORIZON:

Suggested minimum investment period:

☐	☐	☐	☐	☐	☑	☐
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

☐	☐	☐	☐	☐	☑	☐
very low	low	moderate	intermediate	significant	high	very high

AEGON ⋮ **Befektetési Alapkezelő**