

# Aegon Central European Equity Fund EUR 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 IndexEUR + 15% HUNGARIAN TRD INDEXEUR + 15% Austrian Traded IndexEUR + 15% CZECH Traded IndexEUR + 10% Romanian Traded IndexEUR + 5% ZMAX Index  
 ISIN code: HU0000705926  
 Start: 10/29/2007  
 Currency: EUR  
 Total Net Asset Value of the whole Fund: 19,506,642,456 HUF  
 Net Asset Value of EUR series: 4,920,487 EUR  
 Net Asset Value per unit: 4.849381 EUR

## 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., Aegon Towarzystwo Ubezpieczeń na Życie Spolka, Aegon Životná poisťovňa, a.s., Codex Tőzsdeügynökség és Értéktár Zrt., CONCORDE Értékpapír Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SC Aegon ASIGURARI DE VATAȘA SPB Befektetési Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-0.11 %	-2.66 %
2016	8.01 %	6.67 %
2015	-0.97 %	-2.27 %
2014	-3.18 %	-5.06 %
2013	-3.93 %	-6.47 %
2012	25.63 %	22.42 %
2011	-19.88 %	-27.34 %
2010	15.18 %	12.32 %
2009	33.36 %	31.79 %
2008	-43.48 %	-43.51 %

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 08/01/2016 - 07/31/2017



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: 10.19 %  
 Annualized standard deviation of the benchmark's weekly yields: 10.36 %

## MARKET SUMMARY:

The American stock market reached an absolute peak in July, for example the Nasdaq and the DJIA indices. However, Merrill Lynch shares the opinion of the technical analyst of JP Morgan that the culmination of the market can be followed by a selling wave in summer or in autumn.

At the beginning of July, the EU-Japan free trade agreement was announced that abolish 99 percent of the duties and many trade barriers between the two countries. In the first half of the month, the German 10-year bond yield passed the 0.5 percent rate which led to a selling wave on other bond and equity markets. In Great Britain, the British currency passed through the 1.31 level for the first time since Brexit which was due to the optimism about the exit negotiations and the slump of the dollar.

Overseas, the dollar weakened further and reached a two year low against the euro. After the FED meeting in July, two main questions remained: the schedule of the decrease of the balance sheet and the decline of the inflation. According to the WSJ, the FED will not increase the base rate until December. Based on a recent survey, the picture about Trump has further worsened thanks to the "Russian scandal" and the infighting within the Republican Party. In accordance with Trump's previous conviction, the USA had an opposite view of climate protection than the other 19 countries on the G20 summit.

The rebound of the oil price that has started in last month continued in July. The oil moved near the 8-week peak, approaching 50 dollars. Beside the weak dollar, the possible culmination of the American production, the export limitation of Saudi and the situation of Venezuela can be important in terms of supply.

In July, we kept Romanian, Austrian and Hungarian overweight and Polish equity underweight which had a positive impact on the performance. We kept a little overweight in the banking sector - mostly non Polish banks - and we closed our Raiffaisen position at the peak. The weak performance of the PKN strengthened our Polish underweight position, but the well-performing PGE weakened it.

## ASSET ALLOCATION OF THE FUND ON 07/31/2017

Asset type	Weight
International equities	76.02 %
Hungarian equities	17.14 %
Collective securities	1.97 %
Current account	5.16 %
Liabilities	-1.20 %
Receivables	0.91 %
total	100,00 %
Derivative products	6.65 %
Net corrected leverage	106.87 %

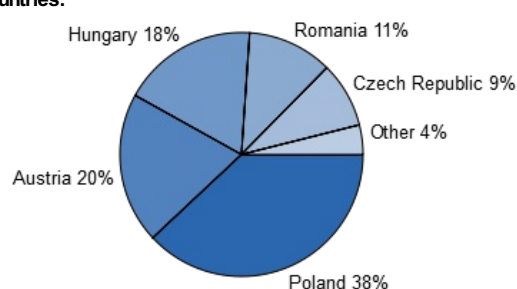
## TOP 5 POSITIONS

Erste Bank
PKO Bank
Bank Pekao SA
Polski Koncern Naftowy
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:



Risk and Reward Profile:

