

Aegon Central European Equity 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: 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: HU0000709530
 Start: 01/11/2011
 Currency: HUF
 Total Net Asset Value of the whole Fund: 20,188,532,221 HUF
 Net Asset Value of institutional series: 12,264,786,719 HUF
 Net Asset Value per unit: 5.975540 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., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	4.46 %	1.39 %
2016	8.12 %	5.96 %
2015	-0.80 %	-2.82 %
2014	3.53 %	0.69 %
2013	-1.31 %	-4.66 %
2012	18.51 %	14.61 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 10/01/2016 - 09/30/2017



— Aegon Central European Equity Fund institutional 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.

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

MARKET SUMMARY:

Positive market sentiment continued in the markets in September thus the American main equity indices reached an absolute peak and the German DAX and the French CAC 40 indices broke out from their decreasing trend channel. In September, rhetorical conflict between the United States and North-Korea continued after the Phenjan regime exploded an underground hydrogen bomb at the beginning of the month. The experimental explosion has increased risk aversion somewhat but investors are getting used to this kind of news. The United Nations Security Council endorsed the tightening of the sanctions against North-Korea; first, the country's textile import has been banned, second, the oil import has been limited and Chinese banks began restricting the financial operations of North-Korean companies. The FOMC (Federal Open Market Committee) is about to start reducing its balance sheet by \$ 10 billion in October. Despite the lower inflation rates, the market expects an interest rate rise in December. Donald Trump agreed with Congressional Democrats to raise the debt limit to 3 months, generating an internal conflict within the Republican Party. Among the European Union member states, for the first time Austria issued a 100-year government bond this month. In the German parliamentary election, the CDU/CSU won by 32.8 percent which is lower than expected, while the anti-immigration and anti-euro AfD proved to be stronger and got 13 percent of the votes. First a "Jamaican" coalition is expected by the market, meaning CDU/CSU, FDP and Greens agreement. All of these have a neutral effect on the Euro, however the British could have more difficulties in dealing with Brexit. In the middle of the month, S&P surprised the market expectations and upgraded the Portuguese government debt to the lowest grade of the investment category (BBB-), while China's long-term government debt was degraded to "A+". Because of the uncertainty of Brexit and deteriorating growth prospects, the British government debt was also degraded to "Aa2" by Moody's. As a result the British currency has plunged. In September, oil price reached a 5-month peak due to the rumor of falling oil exports in the Kurdistan region, the rise in global oil demand and the decline in inventories. In September, the stock markets slumped in the region, but the Austrian and Czech markets continued to perform well. Because of the intensifying tension in connection with the Romanian pension reform and 0,5% tax on banks' assets we underweighted Romanian equities. Furthermore, thanks to the change in benchmark, our Romanian overweight has closed. On the other hand, we hold our Hungarian heavy overweight and Austrian slight overweight positions. In September, in accordance with our analysts' recommendation, we start to increase our Atrium Europe Real Estate exposure instead of Moneta Money Bank overweight.

ASSET ALLOCATION OF THE FUND ON 09/30/2017

Asset type	Weight
International equities	75.60 %
Hungarian equities	19.01 %
Collective securities	1.94 %
Current account	3.36 %
Receivables	1.24 %
Liabilities	-1.14 %
total	100,00 %
Derivative products	6.74 %
Net corrected leverage	106.73 %

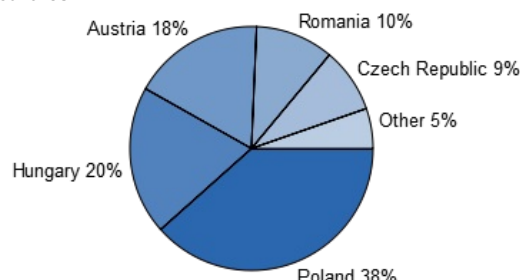
TOP 5 POSITIONS

- PKO Bank
- Erste 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:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 9.74 %
 Annualized standard deviation of the benchmark's weekly yields: 9.65 %