

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 Index EUR + 5% ZMAX Index
 ISIN code: HU0000709530
 Start: 01/11/2011
 Currency: HUF
 Total Net Asset Value of the whole Fund: 21,169,552,124 HUF
 Net Asset Value of institutional series: 12,704,231,923 HUF
 Net Asset Value per unit: 6.164195 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	4.76 %	1.85 %
2017	27.00 %	25.00 %
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, 01/01/2017 - 12/31/2017



— 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:



Risk and Reward Profile:



MARKET SUMMARY:

Overseas, the good sentiment continued on the stock exchanges in the last month of the year, thus the American main equity indices closed 2017 around their absolute peak prices. On the European market the picture was mixed, the markets of the Region could rise in the last month but the Western-European indices plunged somewhat in December. Overall, the equity markets closed a positive year, the emerging market index could rise by more than 34%, while the developed market index could also increase their value by more than 20%.

The Dollar has weakened against the Euro in the last month of the year, even the successful voting of the tax reform could not help to the US currency, and thus the exchange rate broke through the crucial 1.2 level.

The US Dollar weakened by more than 14% against the Euro in 2017, the change in the Euro-Dollar trend was one of the most important trends in the foreign exchange market over the past year.

December was a busy month in the United States, in the first half of the month Donald Trump announced that he would like to acknowledge Jerusalem as the capital of Israel. In addition, in line with the expectations the FED increased the interest rate by 25 basis points, and the US tax reform has been voted successfully, it is the first significant political success of Donald Trump. In Europe, the Catalan situation continued to strain after the independence supporters gained an absolute majority in the parliamentary elections with 70 mandates. According to the news, the Italian parliamentary elections will be on March 4, this has led to a drop in the Italian assets. Based on a recent survey, 51% of the British people would vote for staying and only 41% would leave the EU. However, there was some good news in the European continent, the national debt of Portugal and Ireland has been upgraded, thus instead of BB+ Portugal has a rate BBB, which is already an investment category.

Oil prices also increased in the last month of the year and hit above 60 dollars per barrel due to the steadily declining oil supply. The price of the natural gas also rebounded this month, because a colder weather is waited in January in the United States.

The fund closed the last month of the year in the black and outperformed its benchmark indices. In the Central European region alone, the Romanian market lost its value in terms of Forint, while the best performance was shown by the Austrian market. In December, the Austrian real estate sector and the Polish retail sector's performance were remarkable but the banking sector also contributed positively to the fund's performance. In December, we realized our Do& Co exposures, furthermore we participated in the Romanian MED Life SPO, and the weight of the Romanian papers was also raised.

ASSET ALLOCATION OF THE FUND ON 12/31/2017

Asset type	Weight
International equities	71.48 %
Hungarian equities	17.56 %
Collective securities	5.01 %
Current account	6.14 %
Liabilities	-0.27 %
Receivables	0.10 %
total	100.00 %
Derivative products	6.55 %
Net corrected leverage	106.54 %

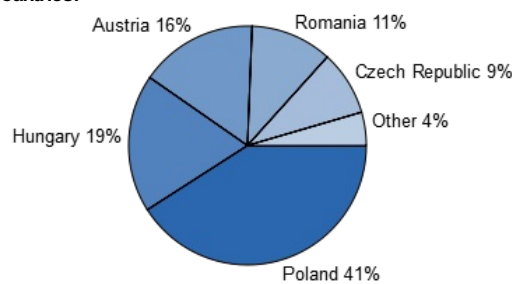
TOP 5 POSITIONS

PKO Bank
 Polski Koncern Naftowy
 Erste Bank
 Powszechny Zakład Ubezpieczeń
 Bank Pekao SA

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: 8.42 %
 Annualized standard deviation of the benchmark's weekly yields: 8.39 %