

Aegon Central European Equity Fund CZK series

GENERAL INFORMATION

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| 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: | HU0000717392 |
| Start: | 09/01/2016 |
| Currency: | CZK |
| Total Net Asset Value of the whole Fund: | 18,458,859,042 HUF |
| Net Asset Value of CZK series: | 118,965 CZK |
| Net Asset Value per unit: | 1.189648 CZK |

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

NET YIELD PERFORMANCE OF THE SERIES:

| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 10.46 % | 10.31 % |
| 2017 | 19.60 % | 18.61 % |

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 06/01/2017 - 05/31/2018



— Aegon Central European Equity Fund CZK 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: 10.97 %

Annualized standard deviation of the benchmark's weekly yields: 11.24 %

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:

However, the US equity market managed to rise in May, the European and Regional equity indices suffered a fall. The Dollar was able to strengthen significantly against the Euro, thus the EURUSD cross reached the 1.151 rate. At the beginning of the month, the US currency was boosted by the record high US export data, while the European geopolitical tension and the widening US-German yield gap have put pressure on the Euro, after the 10-year US government yield hit a 7-year-high and reached the 3.1 level.

Last month, the fears of some vulnerable emerging markets' currency crisis come to the light. In May, the Argentine peso weakened by more than 20 percent in one week compared to the Dollar. At the beginning of the month, the foreign exchange intervention did not bring the expected result, thus the local central bank had to raise the base rate to 40% to reduce the pressure on the Argentine currency. Moreover, the Argentine President Macri had to request for an IMF help to save the Peso. Similar situation took place in Turkey in May, the Turkish Lira fell to a new absolute low against the Dollar, which only the local central bank was able to curb somewhat by an extra 300 basis point interest rates raise. The fears of the emerging market currencies also reached Hungary, thus the Forint has weakened over the 320 limit against the Euro, which has not been seen since June 2016.

In Europe, the Italian political tensions were in the limelight. At the end of the month, State-President Mattarella did not endorse Giuseppe Conte's Financial Minister nominee, the euro-skeptic Paolo Savona, in response to this, the League and the Five Star Movement have gave back the mandate of the government formation. Investors were afraid that Italy will leave the Eurozone, thus the Italian 10-year government yield has jumped to levels not seen since 2014.

Overseas, Trump's politics was a real roller coaster. In May, the US president declared that the US will officially quit the nuclear agreement with Iran, which the European countries are trying to maintain. Variable news came on the US-China trade war front as well, in the middle of the month we could hear some news about a cease-fire but by the end of the month, another tariff increase was announced. Similar situation took place in connection with the US-North-Korean summit (planned on June 12), the US president firstly resigned the meeting but by the end of the month, some good news emerged about this issue.

Oil price hit a new 3.5-year high in May, after the market participants worried about a significant downturn in Iran's oil supply, but the end of the month, the investors realized profit before the OPEC/Russian production negotiation.

In the region, the best performance was achieved by the Austrian market followed by the Czech and Polish market, while the worst performer proved to be the Hungarian market last month. Currently in the fund the Romanian, Austrian and Hungarian equity markets are overweighted, while we hold the other regional markets at their long-term-target weight, the fund focuses on the growth of the banking sector and the real estate sector.

ASSET ALLOCATION OF THE FUND ON 05/31/2018

| Asset type | Weight |
|------------------------|----------|
| International equities | 77.72 % |
| Hungarian equities | 16.18 % |
| Collective securities | 1.09 % |
| Liabilities | -7.21 % |
| Receivables | 6.71 % |
| Current account | 5.52 % |
| total | 100.00 % |
| Derivative products | 9.28 % |
| Net corrected leverage | 108.77 % |

TOP 5 POSITIONS

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

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by countries:

