

# Aegon Maraton Active Mixed Investment Fund institutional series

## GENERAL INFORMATION

|  |                                 |
|--|---------------------------------|
| Fund Manager:                            | AEGON Hungary Fund Manager Ltd. |
| Custodian:                               | Raiffeisen Bank Zrt.            |
| Main distributor:                        | AEGON Hungary Fund Manager Ltd. |
| Benchmark composition:                   | 100% RMAX Index                 |
| ISIN code:                               | HU0000714928                    |
| Start:                                   | 07/09/2015                      |
| Currency:                                | HUF                             |
| Total Net Asset Value of the whole Fund: | 27,615,301,901 HUF              |
| Net Asset Value of institutional series: | 4,713,219,719 HUF               |
| Net Asset Value per unit:                | 1.141269 HUF                    |

## INVESTMENT POLICY OF THE FUND:

The objective of the Fund is to provide capital return for the investors within the appropriate risk limits. The aim of the Fund is to achieve the highest possible return for a given risk level by buying undervalued stocks and fixed income assets and selling overvalued instruments. The Fund is allowed to buy shares, bonds and other instruments, to open short positions on the spot market, to take long and short forward and future positions. Moreover, the Fund can trade on the option market. The portfolio of the Fund is separated into three classes according to their investment objective: Instruments of the first class consist of long positions of long term, fundamentally undervalued, and short positions of overvalued equities. The method of stock picking is identical with the applied methods of Aegon equity related funds and mainly concentrate to the CEE regional markets, although the Fund is allowed to invest in other emerging and developed market instruments. The second class of the Fund's instruments implement the top-down equity strategy of Aegon Asset Management Co., mainly with long and short positions on the futures markets. These positions are based on the scores of the so-called "quadrant model", which is the internal asset allocation model of the Asset Management Company. Instruments of the third class involve the fixed income part of the Fund. The aim of the third class is to reach or exceed the performance of the RMAX Index. The target weight of the first and second classes altogether is 45%.

## 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 | 4.67 %        | 0.61 %          |
| 2017       | 4.78 %        | 0.20 %          |
| 2016       | 6.95 %        | 1.22 %          |

## NET PERFORMANCE OF THE SERIES

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



— Aegon Maraton Active Mixed Investment 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:

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 May, we realized profit on our exposure of OMV, Raiffeisen, Fondul and Richter equities, while the short Forint position was also closed in line with the weakening of the Hungarian currency. During the month, we entered into a long position in the Polish Benefit System's equities, while OTP and BRD long positions were also opened, currently, emerging markets short position is also held in the fund.

## ASSET ALLOCATION OF THE FUND ON 05/31/2018

| Asset type                                | Weight   |
|---|----------|
| T-bills                                   | 48.24 %  |
| Government bonds                          | 14.92 %  |
| International equities                    | 10.02 %  |
| Corporate bonds                           | 6.87 %   |
| Hungarian equities                        | 5.77 %   |
| Collective securities                     | 4.50 %   |
| Mortgage debentures                       | 0.77 %   |
| Current account                           | 19.19 %  |
| Liabilities                               | -15.56 % |
| Receivables                               | 4.81 %   |
| Market value of open derivative positions | 0.48 %   |
| total                                     | 100.00 % |
| Derivative products                       | 40.11 %  |
| Net corrected leverage                    | 116.70 % |

## TOP 5 POSITIONS

|  |
|--|
| D181227 (Államadósság Kezelő Központ Zrt.) |
| D190227 (Államadósság Kezelő Központ Zrt.) |
| D180905 (Államadósság Kezelő Központ Zrt.) |
| D180606 (Államadósság Kezelő Központ Zrt.) |
| D180613 (Államadósság Kezelő Központ Zrt.) |

## Assets with over 10% weight

|  |
|--|
| D181227 (Államadósság Kezelő Központ Zrt.) |
|--|

## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 2.27 %

Annualized standard deviation of the benchmark's weekly yields: 0.10 %