

Aegon Central European Equity Fund CZK 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 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:	18,885,512,851 HUF
Net Asset Value of CZK series:	123,038 CZK
Net Asset Value per unit:	1.230381 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	11.45 %	10.82 %
2017	19.60 %	18.61 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 08/01/2017 - 07/31/2018



— 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:	11.72 %
Annualized standard deviation of the benchmark's weekly yields:	11.92 %

INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
very low	low	moderate	intermediate	significant	high	very high

MARKET SUMMARY:

During July, a slight increase was observable in the price of the main equity indices; both developed and emerging markets managed to increase their value, moreover the US NASDAQ index hit a new historical peak. The second quarterly flash report season started last month, thus market movements were influenced not only by the "trade war" but also by the results of companies. Facebook's shares fell more than 20% after publishing its results because the number of users of the social media site grew less than analysts' expectations.

At the beginning of the month, the "trade war" between Washington and Beijing came to a new level after the tariffs that affect more than 800 Chinese products worth \$34 billion came into effect, in addition, Donald Trump continued to say that the final amount could reach \$550 billion. Nevertheless, by the end of the month the tension decreased, after the Trump-Juncker meeting in Washington ended with the approach of positions that reduced trade-war fears.

In July, Donald Trump and Vladimir Putin met in Helsinki, which was closed without any substantial progress but Trump's contradictory statements made a big turmoil in the American politics.

In Turkey, new negative news have emerged, which put pressure on the performance of the Turkish equity market. In the middle of the month, Fitch downgraded Turkish debt rating to "BB", outlook negative, moreover, the Turkish central bank left the interest rates unchanged, bucking market expectations and causing further lira weakening.

The British people started to lose faith in the success of the May-led Brexit negotiation, which is further enhanced by the resignation of Boris Johnson and David Davis, the Minister of Foreign Affairs and the Brexit Secretary. Although the British Parliament voted for Theresa May's Brexit plan but the EU has rejected May Brexit's proposal.

In July, investors realized profit in the oil market, after the US government is willing to negotiate with Iran's oil buyers about the zero oil import from November. Furthermore, OPEC'S (Organization of the Petroleum Exporting Countries) oil production in July hit a new yearly high and grew to 32.64 million barrels a day, which put also pressure on the price of oil.

In the region, the best performance was achieved by the Polish market, followed by the Austrian and Czech markets, while the worst performer proved to be the Romanian and the Hungarian market last month. Currently in the fund the Hungarian, Romanian and Polish equity markets are overweighted; regarding the sectors, the fund focuses on the rise of the real estate sector. During the month, the weight of the Hungarian and Polish market was raised significantly, mostly the Richter, MOL and OTP equities, while we realized profit in our Raiffeisen exposure.

ASSET ALLOCATION OF THE FUND ON 07/31/2018

Asset type	Weight
International equities	77.42 %
Hungarian equities	16.95 %
Collective securities	1.07 %
Current account	4.40 %
Receivables	0.55 %
Liabilities	-0.39 %
total	100.00 %
Derivative products	6.74 %
Net corrected leverage	106.93 %

TOP 5 POSITIONS

Polski Koncern Naftowy
PKO Bank
Erste Bank
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
OTP Bank törzsrésztvény

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by countries:

