

# Aegon Maraton Active Mixed Investment Fund

## CZK 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:	HU0000716055
Start:	03/17/2016
Currency:	CZK
Total Net Asset Value of the whole Fund:	31,880,426,988 HUF
Net Asset Value of CZK series:	CZK
Net Asset Value per unit:	1.070491 CZK

### 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

Raiffeisen Bank Zrt.

### NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	2.95 %	0.56 %
2017	2.26 %	0.20 %

### NET PERFORMANCE OF THE SERIES

#### NET ASSET VALUE PER SHARE, 09/01/2017 - 08/31/2018



— Aegon Maraton Active Mixed Investment 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.

### INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:



### MARKET SUMMARY:

The US stock markets hit a new absolute peak in August, while the European and Emerging markets were characterized by fall; Apple also shows the US market strength as it has reached the 1000 billion dollar market capitalization as the first Western company.

Though in the middle of the month the markets have calmed down somewhat on the news of a possible US-China trade agreement, however, the trade negotiations ended with no material results and America activated the new 25% additional tariffs on \$16 billion worth of 279 Chinese products, moreover an additional \$200 billion worth of import is planned to be further charged.

The most important event in August was the fall in the Turkish currency, which also put pressure on the performance of the Turkish equity market. The main reason for the weak performance of the Turkish stock market over the past period is the break of the investor confidence in the Turkish capital markets and monetary policy. Monetary steps to curb the currency fall and the missing of these actions caused panic among the investors, which led to a dramatic sell-off, the fall of Lira has broken records; the inflation rise rapidly, while the central bank does not raise interest rates, thus the investors question the independence of the central bank.

Russian stocks also suffered a fall in August, caused by the news of the new American sanctions, which are not related to election manipulation but to Scriptal poisoning, thus the Ruble also broke out in the weak direction from its multi-month trading range.

In the middle of the month, the Dollar also began to weaken after Trump criticized the US central bank for interest rate hikes and expressed disappointment with the Chairman of the Federal Reserve.

After several months of negotiations, a bilateral agreement was signed between the USA and Mexico at the end of August, but the US and Canada have not been able to agree on the renegotiation of the North American Free Trade Agreement (NAFTA) yet.

The fund suffered a loss in August in its Turkish equity exposure and in particular in its unhedged foreign currency exposure. The P/E pricing of the Turkish equity market is already attractive for a value investor as they are traded below its long term average with two standard deviation, which used to be a good entry point that is why we entered into long Turkish equity position, but such a decrease in Lira caused significant losses for the fund. The slump of the Turkish currency already undermines the stability of the banking system and the main danger is that the chance of introducing a capital restriction has appeared. The Turkish equities and the foreign currency exposure has gradually been liquidated in August and our Turkish strategy is under review, currently we do not plan to take Turkish positions. In June, the fund reached its target asset value of 30 billion Forint, thus from 3th of September the fund can be purchased only with a commission.

### ASSET ALLOCATION OF THE FUND ON 08/31/2018

Asset type	Weight
T-bills	50.82 %
Government bonds	10.01 %
International equities	8.53 %
Hungarian equities	7.72 %
Corporate bonds	6.18 %
Collective securities	3.92 %
Mortgage debentures	0.68 %
Current account	13.75 %
Liabilities	-3.64 %
Market value of open derivative positions	1.05 %
Receivables	0.98 %
total	100,00 %
Derivative products	29.84 %
Net corrected leverage	113.31 %

### TOP 5 POSITIONS

D181227 (Államadósság Kezelő Központ Zrt.)
D190227 (Államadósság Kezelő Központ Zrt.)
D181121 (Államadósság Kezelő Központ Zrt.)
D180905 (Államadósság Kezelő Központ Zrt.)
D180912 (Államadósság Kezelő Központ Zrt.)

### Assets with over 10% weight

D181227 (Államadósság Kezelő Központ Zrt.)
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### RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	2.30 %
Annualized standard deviation of the benchmark's weekly yields:	0.11 %