

# Aegon International Equity Fund HUF 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:	47.5% S&P 500 INDEX + 47.5% STOXX50 Index + 5% RMAX Index
ISIN code:	HU0000702485
Start:	04/21/1999
Currency:	HUF
Total Net Asset Value of the whole Fund:	16,664,022,765 HUF
Net Asset Value of HUF series:	3,288,389,871 HUF
Net Asset Value per unit:	1.528407 HUF

## INVESTMENT POLICY OF THE FUND:

The fund aims to profit from the return on global equity market investments, through share price gains and dividend income. The bulk of its portfolio is made up of the publicly listed shares of foreign companies. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. Accordingly, the fund primarily buys publicly issued foreign securities that are listed on foreign stock exchanges, and secondarily, it may also invest in shares issued by Hungarian companies. The fund management company, exercising all due care, based on its own judgement and decisions, and while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation, determines the means of utilising the fund's resources, and the weights of the various investments within the portfolio, with a view to ensuring that the fund - in line with our expectations with regard to future risks and returns - achieves its objective in the long term. However, the fund is managed on the premise that when compiling the portfolio, it is shares that determine the nature of the fund. Accordingly, the proportion of shares that may be kept in the fund at any given moment may reach the prevailing statutory maximum. The fund management company is permitted, at its own discretion, to hedge all or a part of its currency risks with forward currency positions, in compliance with the statutory requirements. When compiling the share portfolio, taking into consideration the macroeconomic environment of the investment markets, the aim is to build up a long-term investment portfolio primarily on the basis of fundamental analyses. In accordance with the current legislation, the proportion of shares in the portfolio may be up to 100%.

## DISTRIBUTORS

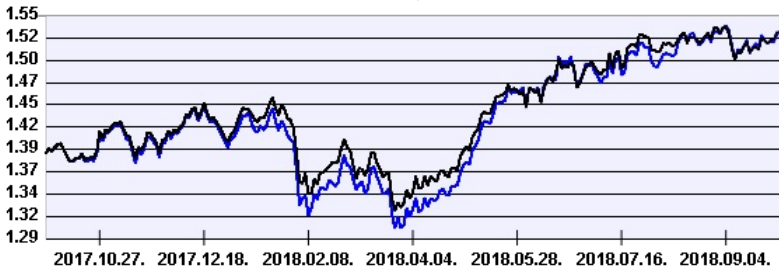
Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Codex Tőzsdetügynökség és Értéktár Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., Raiffeisen Bank Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	2.21 %	4.80 %
2017	4.95 %	5.12 %
2016	4.75 %	4.31 %
2015	4.57 %	6.48 %
2014	19.63 %	20.20 %
2013	18.29 %	21.22 %
2012	3.13 %	3.60 %
2011	-4.08 %	4.82 %
2010	22.17 %	20.87 %
2009	22.56 %	27.96 %
2008	-40.88 %	-30.73 %

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 10/01/2017 - 09/30/2018



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: 11.18 %  
Annualized standard deviation of the benchmark's weekly yields: 10.59 %

## MARKET SUMMARY:

In September, major equity indices did not show any significant change, emerging markets performed similarly to their developed counterparts but Japan proved to be an outperformer. In the beginning of the month, the sentiment around the trade war became better thanks to the news about the new negotiation between China and America but in the middle of the month, Donald Trump hit China with tariffs on another \$200 billion worth of Chinese goods with 10% duty, that will increase to 25% at the start of 2019. In response to that, China has cancelled all trade negotiations with America thus the trade war tensions continued to increase in September.

September was also rich in central bank pulses. The Bank of England and the European Central Bank have not changed the monetary policy conditions as expected but the Turkish central bank has raised its key interest rate to 24% in a dramatic bid from 17.5% to control inflation and prevent a currency crisis. Following the decision, the Turkish lira started to rise and the Turkish equities closed the month in the black. The Federal Reserve has raised US short term interest rate by 25 basis points to 2-2.25 per cent and further strengthened the chance of another tightening in December, the market gives 85% probability for the next interest rate hike this year.

Until end of September, Italian assets could rise and the Italian yield spreads fell which caused rise in the banking sector. However, by the end of the month the Italy's coalition government agreed on a 2019 deficit at 2.4 percent of GDP compared to the EU's preferred level of less than 2 percent, which caused a significant drop in the Italian risky assets while the Italian 10 year government bond hit 3.4 per cent with almost a 20% increase.

In September the oil could also increase its price, the oil market is currently characterised by constriction of the supply-side: in addition to the expected impact of Iranian sanctions, US oil reserves have significantly fallen while the hurricane Florence has also supported the price of the black gold.

Within the developed markets Europe and America closed at flat, while Japan proved to be an outperformer. The fund managed to defeat its benchmark thanks to the US overweighted strategy but with the improvement of the technical picture we became more optimistic on the Japanese equities as well that is why we hold slightly overweighted position of the Japanese equity market in the Fund. In September, we also bought Google equities and we entered into long Alibaba position.

## ASSET ALLOCATION OF THE FUND ON 09/30/2018

Asset type	Weight
Collective securities	79.71 %
International equities	19.99 %
Current account	1.58 %
Liabilities	-1.52 %
Receivables	0.24 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

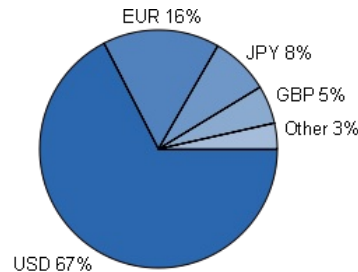
## TOP 5 POSITIONS

SPDR S&P 500 ETF (USD)  
Vanguard S&P500 ETF  
I Shares S&P 500 Index Fund  
iShares SP500 Value ETF  
MAXIS TOPIXETF

## Assets with over 10% weight

SPDR S&P 500 ETF (USD)  
Vanguard S&P500 ETF  
I Shares S&P 500 Index Fund

## Currency exposure:



## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

