Aegon Panorama Derivative Investment Fund USD 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:	100% RMAX Index
ISIN code:	HU0000714282
Start:	12/18/2014
Currency:	USD
Total Net Asset Value of the whole Fund:	5,194,574,173 HUF
Net Asset Value of USD series:	334,431 USD
Net Asset Value per unit:	0.798520 USD

INVESTMENT POLICY OF THE FUND:

The fund's aim is to earn capital gains by taking positions in a wide range of assets while keeping risk under pre-defined limits. The assets are selected based on fundamental and technical criteria from the widest range of industry and country exposures possible. Based on medium and long-term trends, the fund can buy or sell equities, bonds and other securities, and take various exposures using exchange (futures, options) and OTC derivatives (IRS and currency forwards). Naked shorts on securities are not allowed. The manager selects and builds positions based on fundamental and technical analysis in such a way, that the fund's return can exceed that of bank deposits over a medium-term horizon. Equally important focus is given to risk management which targets Level 5 risk bracket. The fund is not targeting any specific sectors, countries or asset classes, but most of its exposures will be taken on US and European exchanges, or markets regulates by the capital market authorities of the United States of America and the countries of the European Union. The fund's net corrected risk exposure may go up to 200 percent of the portfolio, in accordance with the Hungarian capital market acts and regulations. The fund can also run a net short exposure, also in accordance with the above mentioned regulatory limits.

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., Takarékbank Zrt

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-5.77 %	0.83 %
2017	0.14 %	0.20 %
2016	-7.92 %	1.22 %
2015	-12.99 %	1.50 %

NET PERFORMANCE OF THE SERIES

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

— Aegon Panorama Derivative Investment Fund USD 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:

3 months | 6 months | 1 year | **2 years** (selected) | 3 years | 4 years | 5 years

Risk and Reward Profile:

very low | low | moderate | **intermediate** (selected) | significant | high | very high

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.

The Fund managed to close slightly in the positive territory last month thanks to our exposure in the European banking sector, which position we still hold. Moreover, during the month, we started to build long positions on the Hungarian equity market, thus our exposure in MOL and Richter was increased. In addition, we closed the emerging market short position in September and increased our exposure in the IT sector (Google, Alibaba). Regarding the Fund's bond exposure, the half of the German-Italian spread tightening positon was closed with significant profit, while the other half of it was closed at the opening price.

ASSET ALLOCATION OF THE FUND ON 09/30/2018

Asset type	Weight
T-bills	49.87 %
International equities	19.65 %
Hungarian equities	16.12 %
Government bonds	6.64 %
Collective securities	1.76 %
Current account	16.56 %
Liabilities	-10.68 %
Receivables	0.13 %
Market value of open derivative positions	-0.05 %
total	100,00 %
Derivative products	28.48 %
Net corrected leverage	106.83 %

TOP 3 POSITIONS
D181227 (Államadósság Kezelő Központ Zrt.)
2027A (Államadósság Kezelő Központ Zrt.)
D190227 (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:	7.27 %
Annualized standard deviation of the benchmark's weekly yields:	0.19 %