

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:	16,484,820,459 HUF
Net Asset Value of HUF series:	3,001,608,711 HUF
Net Asset Value per unit:	1.463745 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 Tőzsdeügynökség 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	1.97 %	4.57 %
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, 11/01/2017 - 10/31/2018



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.

INVESTMENT HORIZON:

Suggested minimum investment period:

☐ 3 months
 ☐ 6 months
 ☐ 1 year
 ☐ 2 years
 ☒ 3 years
 ☐ 4 years
 ☐ 5 years

Risk and Reward Profile:

☐ very low
 ☐ low
 ☐ moderate
 ☐ intermediate
 ☒ significant
 ☐ high
 ☐ very high

MARKET SUMMARY:

At the beginning of October, America and Canada managed to come to an agreement about the NAFTA which even gave a positive boost to the market thus the American main equity indices managed to hit a new absolute peak. However, in the middle of the month, the deteriorating technical picture, rising US yields, weak new home sales data and fears of slowing down global growth triggered significant drops in the markets that had not been seen since February. The fall was suffered mainly by the market leader equities thus significant profit taking were made in the US technology sector where these papers has not reported such a fall in a single day since August 2011. The Chinese spying case also caused tension in the markets; according to the news Chinese spies have placed chips in the assets of more than 30 companies (including US agencies) which allows secret access to internal networks. This has further intensified the tension between America and China and we believe that this case may have further negative impacts on the future. In addition, according to Bloomberg's information, Trump plans to impose tariff on Chinese good worth \$257 billion, if they can not reach a common agreement at the meeting with the Chinese President, Xi Jinping in November. This statement was attributed by the market to the negotiating style of the US president and to the midterm elections in 6th of November but by the end of the month, the US President spoke of the negotiations in high terms.

European stocks also fell sharply last month, partly because of the global stock market correction and on the other hand, the further rise in Italian yield spreads and the growing fears of Brexit put pressure on the markets. The Euro also weakened against the dollar last month; at the end of October, the EURUSD pair fell down to the level of 1.13.

The oil price also closed in the red last month; although, at the beginning of October, it was still close to 4 years highs but by the end of the month it fell by more than 15%. The fall has been attributed to the profit takings, possible growth in Saudi production, the negative impact on the oil demand caused by the trade war and the news that America has granted a temporary, 180-day exemption from the sale ban to eight buyers (8 countries) of Iranian oil.

Developed markets also closed the month in the negative territory, the US overpriced IT equities were the biggest losers of the correction. Within the developed markets, Japan was an underperformer in Dollar terms, while Europe and America suffered a similar fall. We managed to sell our Alibaba and Alphabet stocks before the bigger correction in October, but we had to liquidate our long position in the European banking sector and in the German equity market. At the beginning of the month, we increased our exposure on the Japanese market which unfortunately negatively affected the performance of the fund.

ASSET ALLOCATION OF THE FUND ON 10/31/2018

Asset type	Weight
Collective securities	75.66 %
International equities	17.16 %
Current account	7.20 %
Liabilities	-0.09 %
Receivables	0.08 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

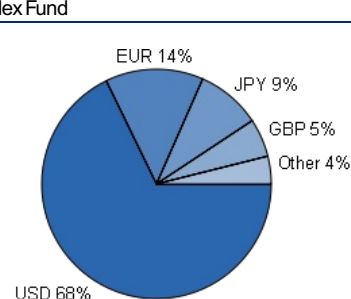
TOP 5 POSITIONS

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

Assets with over 10%weight

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

Currency exposure:



RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 12.33 %

Annualized standard deviation of the benchmark's weekly yields: 11.45 %