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:	18,871,187,647 HUF
Net Asset Value of CZK series:	124,418 CZK
Net Asset Value per unit:	1.244184 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%.

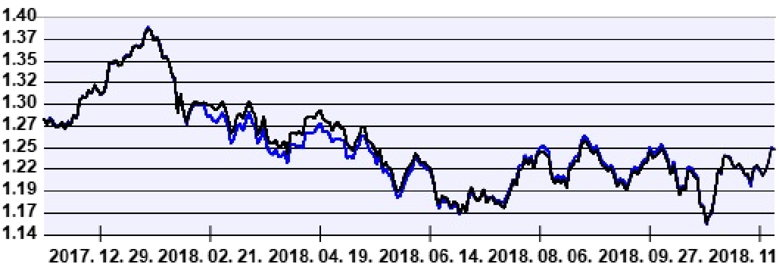
DISTRIBUTORS

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	10.22 %	9.80 %
2017	19.60 %	18.61 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 12/01/2017 - 11/30/2018



----- 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: 14.29 %

Annualized standard deviation of the benchmark's weekly yields: 14.21 %

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:

In November, main equity indices closed in the positive territory and the emerging markets managed to outperform the developed market equities for the first time since March, while Hungarian stocks were able to achieve higher returns than their regional counterparts.
However, oil price suffered its worst month of the past 10 years. The biggest problem for oil is the slowing demand in parallel with the explosion of shale production in the US, thus the investors are afraid of sudden over-supply.
At the end of the month, Jerome Powell gave the last boost for the equities with his announcement, according to his statement they are close to achieving the neutral interest rate, which gave momentum for the equity asset class.
In early November, the US midterm election was in the limelight of the markets, the result was the same that the consensus expected. The Democrats regained the House of Representatives for the first time in eight years but the majority of Republicans remained in the Senate.
At the end of the month, all the attention was paid to the G20 summit, eminently to the Trump-Xi meeting. The talks between the two leaders ended with a ceasefire, which resulted in a 90-day intensive reconciliation period to resolve the conflict between them and the introduction of new tariffs in January has been also postponed. The markets were pleased to see the trade war fears softened, which also helped the stocks' performance.
Some good news emerged in Europe as well, the Italian government showed willingness to compromise in the question of the budget deficit, according to the news the next year's budget deficit can be reduced to 2%.
In addition, we have received significant impulses in connection with Brexit last month. On the one hand, the text of the agreement on the Brexit conditionality system was completed and the EU and Britain agreed on the framework for coexistence after Brexit. However, the parliamentary vote on the first Brexit law will be on December 11 but according to consensus, the British Parliament will not go through the agreement.
The fund reached good performance in November and managed to slightly outperform its reference index. Within the Region the best performance was achieved by the Hungarian and Polish equities, followed by the Romanian papers. The Czech and Austrian equity market proved to be the weakest last month. During November, we held Romanian and Hungarian overweighted positions, which allocation contributed positively to the performance, but by the end of the month we started to realize profit on our Hungarian overweight, thus we reduced our exposure in OTP, Richter and Magyar Telekom. The benchmark index of the fund will change from mid-December to move to all in all 100% MSCI net total return indices.

ASSET ALLOCATION OF THE FUND ON 11/30/2018

Asset type	Weight
International equities	75.47 %
Hungarian equities	16.21 %
Collective securities	1.05 %
Current account	7.28 %
Receivables	0.11 %
Liabilities	-0.10 %
total	100,00 %
Derivative products	9.89 %
Net corrected leverage	109.70 %

TOP 5 POSITIONS
Polski Koncern Naftowy
PKO Bank
POWSZECHNY ZAKŁAD UBEZPIECZEŃ
Erste Bank
Bank Pekao SA

Assets with over 10% weight
There is no such instrument in the portfolio

Stocks by countries: