

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: 45% MSCI Emerging Markets Poland Net Total Return Local Index + 15% MSCI Austria Net Total Return + 15% MSCI Emerging Markets Czech Republic Net Total Return Local Index + 15% MSCI Emerging Markets Hungary Net Total Return Local Index + 10% MSCI Romania Net Total Return
 ISIN code: HU0000717392
 Start: 09/01/2016
 Currency: CZK
 Total Net Asset Value of the whole Fund: 17,659,616,586 HUF
 Net Asset Value of CZK series: 116,829 CZK
 Net Asset Value per unit: 1.168285 CZK

MARKET SUMMARY:

The stock markets suffered significant losses in the last month of the year; such a decline in December was not seen since the Great Depression of the 1930s. Regarding the whole year of 2018, the main equity indices suffered their worst year in a decade, while the Hungarian equity market managed to close at flat.

At the beginning of December, the US yield curve was inverted for the first time since 2007, namely the two-year and the five-year yield spread dropped below zero. As a result of this, the investors feel that the next recession can be closer than we think; the reverse yield curve was previously a good sign of the coming recession in most cases. However, based on the CNBC information, this was the root cause of the correction in early December after the US Hedge Funds and their trading robots could be activated because of the inversion. The remainder of December was also characterized by very high volatility.

The European equities fell to a two-year low with such a high daily loss that was not seen since the Brexit vote. At the end of the month, the US equity market managed to rebound with an unprecedented daily rise (5%), thus the US equities closed the year with a nearly 7% drop but not at annual low. In addition to the deteriorating technical picture, the fall was accompanied by a further increase in trade-war tension after the Huawei's Chief Financial Officer was arrested in Canada on US request. Moreover, in line with the official expectations, the FED raised the target base rate with 25 basis points, bringing additional sellers to the markets.

We received new important impulses from Europe as well. The Italian market has outperformed the developed markets after the European Commission has approved the new Italian 2019 budget plan, which estimates a 2.04 percent deficit target. In addition, Theresa May managed to survive the vote of no confidence but the fact that 117 Members voted against her questions whether the Brexit agreement can pass through the British parliamentary vote.

Regional stocks also fell in the last month of the year. The Polish and the Hungarian equities suffered the least, while the Czech and Romanian markets posted significant losses in December. In the middle of the month, the Romanian stock market suffered a 12% drop in one day due to the new government draft for banks and utilities. On December 20th, the benchmark index of the fund changed, thus the regional markets are followed by the MSCI total return local indexes. In the new reference index, country allocation has not changed but the new composite benchmark contains fewer shares thus the size of the active positions has increased in the fund. In December, we take profit in part of our Play exposure, while we increased our position in Erste bank.

ASSET ALLOCATION OF THE FUND ON 12/31/2018

Asset type	Weight
International equities	74.83 %
Hungarian equities	19.53 %
Collective securities	1.11 %
Current account	4.57 %
Liabilities	-3.21 %
Receivables	3.18 %
total	100.00 %
Derivative products	9.21 %
Net corrected leverage	109.22 %

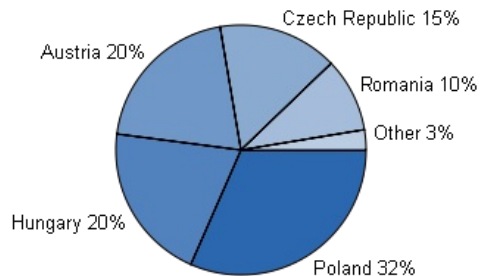
TOP 5 POSITIONS

OTP Bank törzsrészvény
 CEZ
 WIG20 INDEXFUT Mar19 Buy
 Erste Bank
 Polski Koncern Naftowy

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by countries:



DISTRIBUTORS

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	6.90 %	6.69 %
2018	-10.74 %	-10.42 %
2017	19.60 %	18.61 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 01/01/2018 - 12/31/2018



— 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.

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

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 15.64 %
 Annualized standard deviation of the benchmark's weekly yields: 15.50 %