

# Aegon Maraton Active Mixed Investment Fund

## CZK series

### GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Raiffeisen Bank Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% RMAX Index
ISIN code:	HU0000716055
Start:	03/17/2016
Currency:	CZK
Total Net Asset Value of the whole Fund:	25,271,803,125 HUF
Net Asset Value of CZK series:	CZK
Net Asset Value per unit:	1.070491 CZK

### INVESTMENT POLICY OF THE FUND:

The objective of the Fund is to provide capital return for the investors within the appropriate risk limits. The aim of the Fund is to achieve the highest possible return for a given risk level by buying undervalued stocks and fixed income assets and selling overvalued instruments. The Fund is allowed to buy shares, bonds and other instruments, to open short positions on the spot market, to take long and short forward and future positions. Moreover, the Fund can trade on the option market. The portfolio of the Fund is separated into three classes according to their investment objective: Instruments of the first class consist of long positions of long term, fundamentally undervalued, and short positions of overvalued equities. The method of stock picking is identical with the applied methods of Aegon equity related funds and mainly concentrate to the CEE regional markets, although the Fund is allowed to invest in other emerging and developed market instruments. The second class of the Fund's instruments implement the top-down equity strategy of Aegon Asset Management Co., mainly with long and short positions on the futures markets. These positions are based on the scores of the so-called "quadrant model", which is the internal asset allocation model of the Asset Management Company. Instruments of the third class involve the fixed income part of the Fund. The aim of the third class is to reach or exceed the performance of the RMAX Index. The target weight of the first and second classes altogether is 45%.

### DISTRIBUTORS

Raiffeisen Bank Zrt.

### NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	2.59 %	0.60 %
2018	1.74 %	0.31 %
2017	2.26 %	0.20 %

### NET PERFORMANCE OF THE SERIES

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



— Aegon Maraton Active Mixed Investment 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:



Risk and Reward Profile:



### 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.

The fall in equities had a negative impact on the performance of our equity-focused absolute return funds. After the Romanian stock market sell-off, our exposure to the European banking sector and the Romanian BRD was replaced by Erste Bank shares. Currently, we hold long Emerging market and Russian positions. In the short term, we consider the markets to be oversold thus we are more optimistic but in the medium and long term we see dark clouds.

### ASSET ALLOCATION OF THE FUND ON 12/31/2018

Asset type	Weight
T-bills	39.11 %
Government bonds	15.55 %
International equities	7.84 %
Hungarian equities	7.15 %
Corporate bonds	7.09 %
Collective securities	5.71 %
Mortgage debentures	0.83 %
Current account	17.15 %
Liabilities	-0.32 %
Receivables	0.17 %
Market value of open derivative positions	-0.29 %
total	100.00 %
Derivative products	48.15 %
Net corrected leverage	120.03 %

### TOP 5 POSITIONS

D190227
D190731
MSCI EmgMkt Mar19 Buy
2021C
EURO-BUND FUTURE Mar19 Sell

### Assets with over 10% weight

D190227 (Államosság Kezelő Központ Zrt.)
D190731 (Államosság Kezelő Központ Zrt.)

### RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 2.03 %

Annualized standard deviation of the benchmark's weekly yields: 0.10 %