

# Aegon MegaTrend Equity Fund of Funds EUR series

## GENERAL INFORMATION

Fund Manager:	AEGON Hungary Fund Manager Ltd.
Custodian:	Unicredit Bank Hungary Zrt.
Main distributor:	AEGON Hungary Fund Manager Ltd.
Benchmark composition:	100% MSCI AC World Daily Total Return Net USD Index
ISIN code:	HU0000705520
Start:	07/09/2007
Currency:	EUR
Total Net Asset Value of the whole Fund:	3,118,581 EUR
Net Asset Value of EUR series:	569,587 EUR
Net Asset Value per unit:	0.007837 EUR

## INVESTMENT POLICY OF THE FUND:

The objective of the Fund is to benefit from long term, global megatrends. These trends include demographical changes (aging society, emerging markets), efficiency improvements due to depletion of scarce resources (renewable resources, energy efficiency), urbanization, or even technical developments and innovations. To achieving the main objectives, the Fund primarily invests in exchange traded funds, secondly in open-end mutual funds. Megatrends are long term changes that will permanently and significantly alter our social and economic environment. The Fund wishes to invest in companies and sectors likely to benefit from these trends. Thanks to its characteristic, the Fund mainly holds sector and thematic ETFs and mutual funds. Megatrends are very long-term, generally global trends, which are spanning economic cycles. Therefore the Fund invests in global markets without any geographical specification. As the Funds profit from very long term trends and exposed heavily to equity markets, we recommend the Fund for long term, risk seeking investors. The type of the Fund is fund of funds, which, according to their investment policy, have to invest in at least 80% of their assets into ETFs and mutual funds. At the same time, the maximum exposure of each fund is not exceeding 20% of their total assets. The Fund only invests in instruments with total expense ratio below 2.5% and intent to maintain the average expense ratio below 1%.

## DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., Aegon Towarzystwo Ubezpieczeń na Życie Spółka, Aegon Životná poisťovňa, a.s., Codex Tőzsdéügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Erste Befektetési Zrt., Raiffeisen Bank Zrt., SC Aegon ASIGURARI DE VIATA SA, Takarékbank Zrt, Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-2.10 %	1.85 %
2018	-16.47 %	-12.33 %
2017	4.45 %	5.75 %
2016	-2.25 %	-0.30 %
2015	6.77 %	8.61 %
2014	16.49 %	18.61 %
2013	22.72 %	24.21 %
2012	9.63 %	9.88 %
2011	-27.12 %	-5.98 %
2010	17.52 %	17.13 %
2009	24.39 %	28.13 %
2008	-49.78 %	-41.39 %

## NET PERFORMANCE OF THE SERIES

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



— Aegon MegaTrend Equity Fund of Funds EUR 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:	16.05 %
Annualized standard deviation of the benchmark's weekly yields:	14.82 %

## 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.

As a result of the fall of the world's stock exchanges, the fund also suffered a loss in the last month of the year. The growth sectors underperformed compared to the more conservative sectors, thus the overweighted health care and IT sector suffered the biggest drop. Despite the correction, we believe that long-term trends have not been damaged or broken thus we continue to hold our long-term positions. In addition, we entered into long Emerging market exposure as we are more optimistic on the Emerging market assets with the improvement of the technical picture and the more attractive pricing.

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

Asset type	Weight
Collective securities	91.34 %
International equities	0.80 %
Receivables	9.43 %
Liabilities	-9.39 %
Current account	7.84 %
total	100,00 %
Derivative products	4.76 %
Net corrected leverage	104.73 %

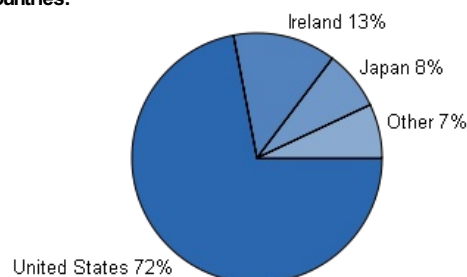
## TOP 5 POSITIONS

MAXIS TOPIX ETF
Invesco QQQ Trust Series 1 ETF
Xtrackers MSCI World IT UCITS ETF
Xtrackers MSCI World Consumer D UCITS ETF
Fidelity MSCI Info Tech ETF

## Assets with over 10% weight

There is no such instrument in the portfolio

## Stocks by countries:



## INVESTMENT HORIZON:

Suggested minimum investment period:



Risk and Reward Profile:

