

Aegon Smart Money Fund of Funds

GENERAL INFORMATION

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|--|---------------------------------|
| Fund Manager: | AEGON Hungary Fund Manager Ltd. |
| Custodian: | Unicredit Bank Hungary Zrt. |
| Main distributor: | AEGON Hungary Fund Manager Ltd. |
| Benchmark composition: | The fund has no benchmark |
| ISIN code: | HU0000708169 |
| Start: | 09/15/2009 |
| Currency: | HUF |
| Total Net Asset Value of the whole Fund: | 7,256,627,839 HUF |
| Net Asset Value of HUF series: | 7,256,627,839 HUF |
| Net Asset Value per unit: | 1.431228 HUF |

INVESTMENT POLICY OF THE FUND:

The aim of the fund is to create for its investors an investment portfolio that generates a positive yield under all circumstances; in other words, it takes a 'total return' approach. It does this by using various analysis techniques to select the asset classes and investment funds that have the greatest potential to appreciate in value, and by investing in the shares of investment funds and in collective investment securities. The fund primarily invests its capital in the funds managed by Aegon Hungary Investment Fund Management, but it may also purchase other investment funds and collective investment securities for its portfolio for the purpose of diversification, if the given asset class is not yet covered by the fund management company's own funds. Indirectly, the fund is capable of accessing the entire known investment universe of today through the purchase of investment fund shares (in bond markets, money markets, equity markets, property market, private equity, derivatives and other regulated and OTC derivative products, commodity-market products, currencies etc.), and of making its investments both at domestic and international level. To ensure liquidity, the fund may hold discount treasury bills and government bonds issued by the State Debt Management Centre (ÁKK), interest-bearing securities guaranteed by the State of Hungary, and bonds issued by the National Bank of Hungary. In order to achieve a positive yield, the fund makes active use of risk management procedures and carefully selects the position size of its riskier investments. Since the range of investments includes foreign currency-denominated investments, ETFs and investment fund shares, investors in the fund are also exposed to currency risk. In accordance with our obligation under law, we draw the attention of all investors to the fact that the fund is a fund that invests in other investment funds; in other words, in accordance with its investment policy it may invest more than 80 percent of its assets in investment fund shares or securities issued by other collective investment instruments. However, the fund's portfolio will not contain shares of any single investment fund in a weight of over 20%, except AEGON Money Market Fund, AEGON Domestic Bond Fund, AEGON MoneyMaxx Express Fund, AEGON Alfa Derivative Fund, AEGON Central European Credit Fund and AEGON Özon Capital Protected Fund.

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., OB Bank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt, Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, OTP Bank Nyrt., Raiffeisen Bank Zrt., Sopron Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt, Unicredit Bank Hungary Zrt.

NET PERFORMANCE OF THE SERIES

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



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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 2.47 %
Annualized standard deviation of the benchmark's weekly yields: 0.00 %

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 fund closed in the negative territory in December due to the weaker performance of the absolute return funds. Falling stocks negatively affected the performance of our equity focused absolute return funds thus Maraton, Alfa and Panorama detracted from the performance.

ASSET ALLOCATION OF THE FUND ON 12/31/2018

| Asset type | Weight |
|------------------------|----------|
| Collective securities | 99.13 % |
| Current account | 0.95 % |
| Liabilities | -0.07 % |
| Receivables | 0.00 % |
| total | 100.00 % |
| Derivative products | 0.00 % |
| Net corrected leverage | 100.00 % |

Assets with over 10% weight

Aegon Alfa Total Return Investment Fund
Aegon MoneyMaxx Express Fund
Aegon Maraton Active Mixed Investment Fund
Aegon Panorama Derivative Investment Fund

NET YIELD PERFORMANCE OF THE SERIES:

| Interval | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 3.93 % | 0.00 % |
| 2018 | -4.64 % | 0.00 % |
| 2017 | 2.64 % | 0.00 % |
| 2016 | 2.76 % | 0.00 % |
| 2015 | 0.49 % | 0.00 % |
| 2014 | 5.10 % | 0.00 % |
| 2013 | 5.88 % | 0.00 % |
| 2012 | 16.82 % | 0.00 % |
| 2011 | 1.26 % | 0.00 % |
| 2010 | 6.24 % | 0.00 % |

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

STRATEGIC DECISION

ASSET ALLOCATION DECISION FOR NOVEMBER

| Name of the Fund | Weight (%) |
|--|-------------|
| Aegon Alfa Total Return Investment Fund | 29.8% |
| Aegon MoneyMaxx Express Fund | 28.5% |
| Aegon Maraton Active Mixed Investment Fund | 20.0% |
| Aegon Panorama Derivative Investment Fund | 11.3% |
| Aegon BondMaxx Total Return Bond Investment Fund | 6.2% |
| Aegon OzonMaxx Total Return Investment Fund | 4.2% |
| Aegon Emerging Europe Bond Fund | 0.0% |
| Total: | 100% |

ASSET ALLOCATION DECISION FOR DECEMBER

| Name of the Fund | Weight (%) |
|--|-------------|
| Aegon Alfa Total Return Investment Fund | 29.5% |
| Aegon MoneyMaxx Express Fund | 28.9% |
| Aegon Maraton Active Mixed Investment Fund | 20.0% |
| Aegon Panorama Derivative Investment Fund | 11.1% |
| Aegon BondMaxx Total Return Bond Investment Fund | 6.3% |
| Aegon OzonMaxx Total Return Investment Fund | 4.2% |
| Aegon Emerging Europe Bond Fund | 0.0% |
| Total: | 100% |