

# Aegon Central European Equity Fund EUR 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:	HU0000705926
Start:	10/29/2007
Currency:	EUR
Total Net Asset Value of the whole Fund:	18,449,752,106 HUF
Net Asset Value of EUR series:	3,711,236 EUR
Net Asset Value per unit:	4.666948 EUR

## 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

Aegon Magyarország Befektetési Alapkezelő Zrt., Aegon Towarzystwo Ubezpieczeń na Życie Spółka, Aegon Životná poisťovňa, a.s., Codex Tőzsdeügynökség és Értéktár Zrt., CONCORDE Értékpapír Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SC Aegon ASIGURARI DE VIATA SA, SFB Befektetési Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	-0.44 %	-2.57 %
2018	-11.48 %	-11.17 %
2017	26.40 %	25.36 %
2016	8.01 %	6.67 %
2015	-0.97 %	-2.27 %
2014	-3.18 %	-5.06 %
2013	-3.93 %	-6.47 %
2012	25.63 %	22.42 %
2011	-19.88 %	-27.34 %
2010	15.18 %	12.32 %
2009	33.36 %	31.79 %

## NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 02/01/2018 - 01/31/2019



----- Aegon Central European Equity Fund 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.

## MARKET SUMMARY:

After the record fall in December, the beginning of the year on stock markets has been favourable for the equity prices. Both developed and emerging markets could increase their value. The Emerging market index and America also showed a 9% rise in the first month of the year, while in US dollar terms, Hungarian equities could also rise by 6%. The rise was mainly due to the decline in the Fed's rate hike and the easing of the US-China trade war. In addition, the longest government shutdown in America's history has ended, after Donald Trump has announced that he will sign a budget for three weeks for government agencies. However, the President continues to insist on building the wall on the Mexican border, if no agreement can be reached, another shutdown may come and even a state of emergency can be announced. The oil price also managed to rebound this year thanks to the declining stocks, easing in trade war and turmoil in Venezuela. Europe is still under pressure because of the uncertainty surrounding Brexit. In mid-January, the Brexit draft was voted down by the British Parliament as expected, while Plan B for further steps (planned by the Prime Minister) was voted on 30th January. Although, after the vote, several Representatives of the Union have indicated that they do not support the proposals. Though Theresa May rejects another referendum, some sources suggest that there is already a draft that would offer three versions for the British population: no-deal, May plan or stay. In our opinion, the postponement of 2-years deadline of Article 50 is the most likely scenario, but uncertainty increases the likelihood of a hard-Brexit output. We think that hard-Brexit is not priced in at all, thus such a negative scenario can bring serious sellers to the market but the convergence of the parties and any agreement may reduce pressure on the British and European equities. In the Central European region, the best month was closed by the Austrian market followed by Polish shares, while Romanian papers suffered a significant fall in Forint terms. The Romanian equities continued to be under pressure because of the new government draft for banks and utilities. The fund managed to outperform its benchmark index after having overweight in Austria and Hungary, while Romania and Poland were underweighted. The Austrian market is favored thanks to the good pricing levels and attractive EPS growth, while in the Polish market we see more value in mid-cap companies. Regarding the sectors, we are overweighted in the telecom and real estate sector, while oil and bank shares are underweighted. We believe that the slowdown in Europe and the persistently low yields will not create a favorable environment for the banking sector.

## ASSET ALLOCATION OF THE FUND ON 01/31/2019

Asset type	Weight
International equities	74.74 %
Hungarian equities	19.49 %
Collective securities	1.04 %
Current account	4.04 %
Receivables	0.81 %
Liabilities	-0.10 %
total	100.00 %
Derivative products	9.18 %
Net corrected leverage	109.61 %

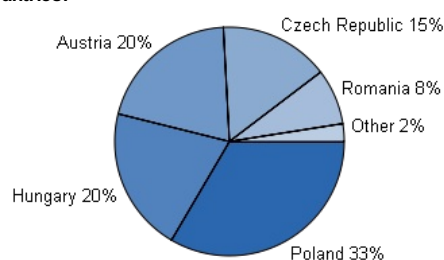
## TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
OTP Bank törzsrészvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt. (HU)	
CEZ	share	CEZ A.S (CZ)	
WIG20 INDEX FUT Mar19 Buy	derivatív	Erste Bef. Hun (HU)	2019. 03. 15.
Erste Bank	share	ERSTE BANKAG (AT)	
Komerční Banka	share	Komerční Banka (CZ)	

## Assets with over 10%weight

There is no such instrument in the portfolio

## Stocks by countries:



## RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields:	15.82 %
Annualized standard deviation of the benchmark's weekly yields:	15.69 %
WAM (Weighted Average Maturity):	0.00 years
WAL (Weighted Average Life):	0.00 years

## INVESTMENT HORIZON:

Suggested minimum investment period:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 months	6 months	1 year	2 years	3 years	4 years	5 years

Risk and Reward Profile:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
very low	low	moderate	intermediate	significant	high	very high