

Aegon Central European Equity Fund institutional series

GENERAL INFORMATION

Fund Manager: AEGON Hungary Fund Manager Ltd.
 Custodian: Citibank Europe plc Magyarországi Fióktelepe
 Main distributor: AEGON Hungary Fund Manager Ltd.
 Benchmark: 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: HU0000709530
 Start: 01/11/2011
 Currency: HUF
 Total Net Asset Value of the whole Fund: 16,660,076,013 HUF
 Net Asset Value of institutional series: 10,372,105,902 HUF
 Net Asset Value per unit: 5.970793 HUF

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

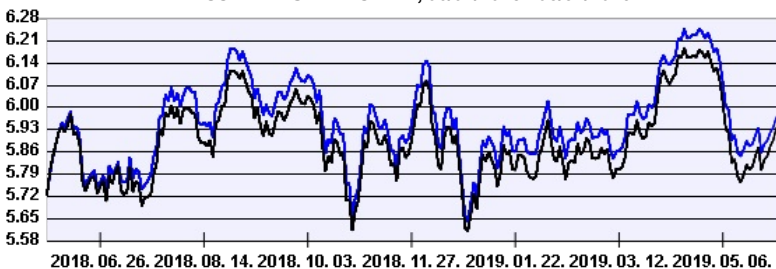
Aegon Magyarország Befektetési Alapkezelő Zrt., Raiffeisen Bank Zrt., Unicredit Bank Hungary Zrt.

NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	3.54 %	1.12 %
2018	-7.46 %	-7.91 %
2017	27.00 %	25.00 %
2016	8.12 %	5.96 %
2015	-0.80 %	-2.82 %
2014	3.53 %	0.69 %
2013	-1.31 %	-4.66 %
2012	18.51 %	14.61 %

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 06/01/2018 - 05/31/2019



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: 14.20 %
 Annualized standard deviation of the benchmark's weekly yields: 14.09 %
 WAM (Weighted Average Maturity): 0.00 years
 WAL (Weighted Average Life): 0.00 years

MARKET SUMMARY:

After 6 years the old Wall Street axiom, sell in May and go away has worked again. It was in 2012, when the S&P 500 index had such a bad month. Back then it fell 6.3%, last month the index returned -6.6%. But this was still better than the emerging markets performance, which closed down the month by 7.5%. There were multiple factors that contributed to last month's bad performance. First of all, the American-Chinese trade war clouded the investment horizon. At the beginning of the month, the major indices opened at new all-time highs because investors were hopeful, that the trade conflict will be resolved soon. But the American president had other thoughts, and raised the tariffs to 25% on imports from China to the United States. At the end of the month the US president imposed 5% tariffs on Mexican goods too, although he just signed the new NAFTA agreement a few months ago. The macro economic data was mixed in May. So far, it seems that the tariff war does not hurt the US economy. More people are working, the GDP is expanding and the inflation is negligible. However the Chinese macro-economic data suggest the opposite. Their GDP is shrinking, the inflation is growing, and the export numbers fell off dramatically. So far, it looks like the U.S. is winning the trade war but as we know the Chinese are planning for the next 2 years but rather the next 50. We are looking cautiously ahead for the next few months. Certain data suggests that a defensive approach should be appropriate in the near term. The falling yield on the 10 and 30 bonds might suggest a slowing economy, but the 3 month-10 year spread might suggest that even a mild recession is not out of order. Europe looks bleakly too, the German 10 year yield hit a new all-time low, and the Brexit is still hovering on the horizon. The fund's performance was negative in May, mostly because there was a selling wave sweeping thru the markets in concern of the American-Chinese trade war. Within the region the Romanian and Czech stocks performed well, while the Austrian stocks suffered a substantial sell off. Because of this, we established an overweight position in Hungarian and Austrian stocks, while we underweighted the Polish stock market. On the sector level, we underweight the bank and energy sector and overweight the telecommunication and real estate sector. Within the Polish market, we believe that because of the favorable pricing structure and the growing EPS trend the stocks in the MIDWIG index will outperform the overall market. In May we increased our position in OMM, while realized profit in Cyfrowy and Petrom.

ASSET ALLOCATION OF THE FUND ON 05/31/2019

Asset type	Weight
International equities	75.01 %
Hungarian equities	19.48 %
Collective securities	1.19 %
Current account	3.65 %
Receivables	0.76 %
Liabilities	-0.08 %
total	100.00 %
Derivative products	7.65 %
Net corrected leverage	107.35 %

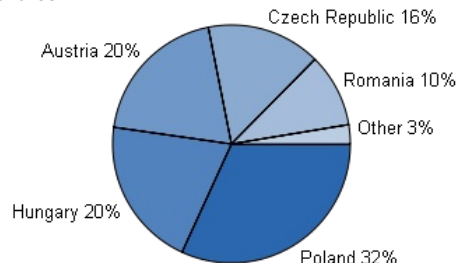
TOP 5 POSITIONS

Asset	Type	Counterparty / issuer	Maturity
OTP Bank tőrszrészvény	share	Országos Takarékpénztár és Kereskedelmi Bank Nyrt. (HU)	
CEZ	share	CEZAS (CZ)	
WIG20 INDEX FUT Jun19 Buy	derivatív	Erste Bef. Hun (HU)	2019. 06. 21.
Erste Bank	share	ERSTE BANK AG (AT)	
Komerční Banka	share	Komerční Banka (CZ)	

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by countries:



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