

# Aegon Central European Equity Fund HUF 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:                               | HU0000702501  |
| Start:                                   | 03/16/1998  |
| Currency:                                | HUF   |
| Total Net Asset Value of the whole Fund: | 16,977,564,747 HUF  |
| Net Asset Value of HUF series:           | 5,078,829,656 HUF   |
| Net Asset Value per unit:                | 5.817810 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., Budapest Hitel-és Fejlesztési Bank Zrt., CIB Bank Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt., Unicredit Bank Hungary Zrt.

## NET YIELD PERFORMANCE OF THE SERIES:

| Interval   | Yield of note | Benchmark yield |
|------------|---------------|-----------------|
| From start | 8.59 %        | 1.68 %          |
| 2018       | -8.23 %       | -7.91 %         |
| 2017       | 26.04 %       | 25.00 %         |
| 2016       | 7.31 %        | 5.96 %          |
| 2015       | -1.48 %       | -2.82 %         |
| 2014       | 2.70 %        | 0.69 %          |
| 2013       | -2.03 %       | -4.66 %         |
| 2012       | 17.67 %       | 14.61 %         |
| 2011       | -16.30 %      | -18.90 %        |
| 2010       | 18.55 %       | 15.60 %         |
| 2009       | 36.42 %       | 34.81 %         |

## NET PERFORMANCE OF THE SERIES

### NET ASSET VALUE PER SHARE, 08/01/2018 - 07/31/2019



— Aegon Central European Equity Fund HUF 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:

July picked it up where June ended. The markets celebrated the truce between President Trump and Xi Jinping by making new all-time highs. The two leaders agreed to continue the trade negotiation on the highest government level. The most important news out from Europe is that Boris Johnson is the new prime minister of England. He is well known as a hardcore "hard-Brexit-er". It will be interesting to watch what will he do, because now he has to deliver what he promised during his campaign. In other words, he had better eat, what he cooked for himself. The macroeconomic picture is mixed. The U.S. data still shows a robust economy, while the Chinese and European data shows a slowing economy that is potentially heading into a recession. Probably that is why Mario Draghi said in his farewell speech that he would do whatever necessary to jump-start the European economy and all means will be justified. After the speech, the German 10 year government yield went to a new all-time low to -51bps. The fund had a positive month and over performed its benchmark. The over performance was made possible by the overweight in the Hungarian and Austrian equities. We keep the Polish weight at neutral level, but within the position we keep the midcap companies at overweight. Overall, the fund is overweight on equity level, on sector level the telecommunication and real estate sector overweight while energy and banking underweight. On individual level, we sold all our OMV position because of the potential American sanctions, and we realized profit in OTP.

## ASSET ALLOCATION OF THE FUND ON 07/31/2019

| Asset type             | Weight   |
|------------------------|----------|
| International equities | 76.17 %  |
| Hungarian equities     | 19.20 %  |
| Collective securities  | 1.18 %   |
| Current account        | 2.78 %   |
| Receivables            | 0.77 %   |
| Liabilities            | -0.10 %  |
| total                  | 100.00 % |
| Derivative products    | 16.75 %  |
| Net corrected leverage | 116.66 % |

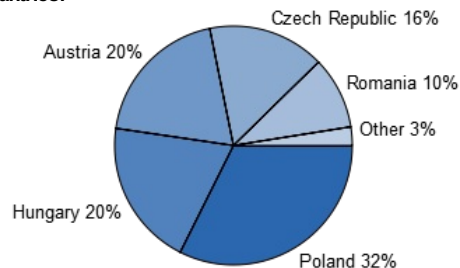
## TOP 5 POSITIONS

| Asset                     | Type      | Counterparty / issuer                                   | Maturity      |
|---------------------------|-----------|---|---------------|
| OTP Bank törzsrészvény    | share     | Országos Takarékpénztár és Kereskedelmi Bank Nyrt. (HU) |               |
| CEZ                       | share     | CEZAS (CZ)  |               |
| WIG20 INDEX FUT Sep19 Buy | derivatív | Erste Bef. Hun (HU)                                     | 2019. 09. 20. |
| Erste Bank                | share     | ERSTE BANK AG (AT)                                      |               |
| Komercni Banka            | share     | Komercni 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:      | 13.39 %    |
| Annualized standard deviation of the benchmark's weekly yields: | 13.38 %    |
| 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                |