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:	16,297,659,104 HUF
Net Asset Value of EUR series:	3,135,071 EUR
Net Asset Value per unit:	4.502109 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 Ubezpieczen na Zycie Spolka, Aegon Životná poisťovňa, a.s., CONCORDE Értékpapír Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., SC Aegon ASIGURARI DE VIATA SA, SPB Befektetési Zrt.

NET YIELD PERFORMANCE OF THE FUND:

Interval	Yield of note	Benchmark yield
From start	-0.72 %	-2.64 %
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 %

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 14.05 %

Annualized standard deviation of the benchmark's weekly yields: 14.04 %

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
☐	☐	☐	☐	☐	■	☐

MARKET SUMMARY:

Donald Trump, the president of the United States in his love me-love me not game august got the latter one. As Xi Jinping was his best friend in July, he became his worst enemy by August. Lately, it is very hard to follow the U.S. president's controversial reasoning, and his inconsistent thinking has an impact on the financial markets. In the last month, there were 2 days when the S&P 500 index fell more than 1%, and 2 days when it fell by more than 2%. It's a miracle that the index closed down the month by only 1,82%. We don't know what the president's true intention is, but it's not helping the investors.

The trade war has multiple aspects. Analysts thought that Trump wants to force the FED to cut rates, and using the trade war as a tool to achieve this goal. But the FED resisted the political pressure, and cut the Fed Fund Rate by only 25bp. Mbreover, Jay Powell the chairman of the FED, declared that the only the change in economic data will force the central bank to change its interest rate policy. So far the FED thinks that this is only a mid-cycle slowdown which doesn't justify more rate cuts at this time. Trump didn't like what he heard, and his next tweet he stated that he doesn't know who is is the greater enemy of the U.S.: Xi the Chinese president or Powell FED president.

The fund had a negative month in August but performed as its benchmark. Breaking it down to countries, the Romanian exposure over performed, denominated in HUF it had a positive month, while the Polish was the worst performer. Breaking it down to individual equities, the has an over weight exposure in CD-Projekt and increased its exposure further more. Based on pre-earnings announcements, we believe that there is more upside in the market.

ASSET ALLOCATION OF THE FUND ON 08/31/2019

Asset type	Weight
International equities	76.46 %
Hungarian equities	19.81 %
Collective securities	1.25 %
Current account	2.27 %
Receivables	0.33 %
Liabilities	-0.10 %
total	100,00 %
Derivative products	16.61 %
Net corrected leverage	116.69 %

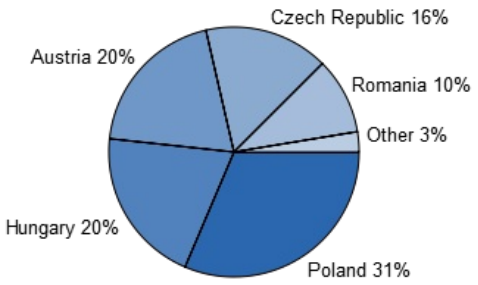
TOP 5 POSITIONS

OTP Bank törzsrészvény
CEZ
WIG20 INDEX FUT Sep19 Buy
Erste Bank
Komercni Banka

Assets with over 10% weight

There is no such instrument in the portfolio

Stocks by countries:



NET PERFORMANCE OF THE FUND

NET ASSET VALUE PER SHARE, 09/01/2018 - 08/31/2019



----- 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.