

Aegon Istanbul 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:	95% TR20I Index + 5% ZMAX Index
ISIN code:	HU0000707419
Start:	12/04/2008
Currency:	HUF
Total Net Asset Value of the whole Fund:	3,849,484,508 HUF
Net Asset Value of HUF series:	1,707,604,823 HUF
Net Asset Value per unit:	1.871616 HUF

INVESTMENT POLICY OF THE FUND:

The fund aims to share in the yields of the Turkish equity market, and to profit from Turkey's economic growth through share price gains and dividend income. Given the risk profiles of the equity investments, the fund is classified as a high-risk investment. The fund manager's intentions are that the fund's portfolio should consist predominantly of the publicly traded shares of foreign-domiciled companies. The primary investment targets are the stock exchange-traded shares of companies that maintain an active presence in Turkey, or that generate a substantial proportion of their revenues in the Turkish market. When building the fund's portfolio, beyond the minimum statutory requirements, the principles of safety and maximum diversification (the spreading of risk) are observed. The fund management company, exercising all due care, determines the means of utilising the fund's resources on the basis of its own judgement and decisions, while observing the relevant legal provisions and the limitations stipulated in the Fund Documentation and by taking into account the macroeconomic environment of the investment markets, relying primarily on fundamental analysis. When compiling the portfolio, it is shares that determine the nature of the fund, and thus the proportion of shares that may be held in the fund at any given moment may reach the prevailing statutory maximum. When determining the weights, within the equity investments, of shares traded in the Turkish market, we aim to ensure that the fund - in line with our expectations with regard to future risks and yields - achieves its objective, which is to outperform the benchmark advertised by the fund, over the longer term. The fund records its assets in forint; the fund management company may, at its own discretion, choose to hedge all or a part of its currency risks with forward currency positions, in compliance with the applicable statutory requirements. Under the current legislation the proportion of shares in the portfolio may be up to 100%.

DISTRIBUTORS

Aegon Magyarország Befektetési Alapkezelő Zrt., CIB Bank Zrt., Citibank Europe plc Magyarországi Fióktelepe, Codex Tőzsdéügynökség és Értéktár Zrt., Commerzbank Zrt., CONCORDE Értékpapír Zrt., Equilor Befektetési Zrt., Erste Befektetési Zrt., KBC Securities Magyarországi Fióktelepe, OTP Bank Nyrt., Raiffeisen Bank Zrt., SPB Befektetési Zrt., Takarékbank Zrt., Unicredit Bank Hungary Zrt.

NET PERFORMANCE OF THE SERIES

NET ASSET VALUE PER SHARE, 01/01/2016 - 12/31/2016



— Aegon Istanbul 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.

RISK INDICATORS FOR THE LAST 12 MONTHS:

Annualized standard deviation of the fund's weekly yields: 21.74 %
Annualized standard deviation of the benchmark's weekly yields: 22.53 %

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:

Positive mood continued in the markets in December since main equity indices soared without exception during the last month of the year. Apart from the supportive technical picture and improving global growth, record inflow into equities in the US, weakening euro and lower weight in equity positions before the Italian referendum in Europe and declining yen and favorable macro data in Japan helped the markets. There were several interesting actions from central banks in December as both ECB and FED made important decisions in their monetary policy. The European Central Bank extended its QE bond purchases program until next December. However, it reduced its monthly purchases from 80 billion to 60 billion. Investors closed their euro long positions because the announcement differed from the previously expected market consensus. Weaker euro had a positive effect on the European markets. The FED raised its key interest rate by 25 bps to 0,75% which were in line with expectations but Yellen indicated a more hawkish view on the anticipated pace of monetary tightening. As a result, increasing dollar power was a determinant market factor during the month. The strength of dollar fueled fears in emerging markets where market participants worry about a prospective currency crisis. Also, rising US yield put high pressure on emerging countries that have huge amounts of dollar-denominated debt. While Italian Prime Minister Renzi resigned after losing the referendum. Oil prices jumped to their year-to-date highs in December thanks to the positive market environment. Additional production cut and closing of short positions supported the strengthening of the commodity. Industrial and precious metals did not perform well during the month as strong dollar had a detrimental effect on their prices.

Turkish equities rebounded after collapsing in November, thanks to the easing pressure on Turkish assets. However, situation in the country still not improved as more terrorist attacks took place in December. For this reason, risks in Turkey are still significant. The fund took higher off-benchmark positions in order to avoid possible market turbulence.

ASSET ALLOCATION OF THE FUND ON 12/31/2016

Asset type	Weight
International equities	98.33 %
Current account	2.25 %
Liabilities	-0.66 %
Receivables	0.10 %
total	100.00 %
Derivative products	0.00 %
Net corrected leverage	100.00 %

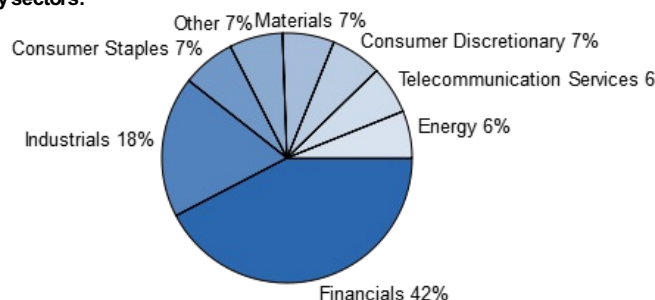
TOP 5 POSITIONS

TURKIYE GARANTI BANKASI
Turkiye Vakıflar Bankasi
AKBANK T.S.A.
EREGLI DEMIR VE CELIK FABRIK
Turk Prysmian Kablo A.S.

Assets with over 10% weight

TURKIYE GARANTI BANKASI

Stocks by sectors:



NET YIELD PERFORMANCE OF THE SERIES:

Interval	Yield of note	Benchmark yield
From start	8.07 %	8.15 %
2016	-7.19 %	-4.78 %
2015	-23.06 %	-25.86 %
2014	39.20 %	38.57 %
2013	-30.41 %	-28.22 %
2012	50.47 %	48.47 %
2011	-25.11 %	-25.89 %
2010	29.33 %	28.95 %
2009	77.63 %	86.05 %